

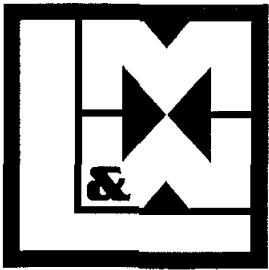
**LOWER CAMERON AMBULANCE SERVICE DISTRICT**

**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  
Lower Cameron Ambulance Service District  
Creole, Louisiana

We have audited the accompanying statement of net position of Lower Cameron Ambulance Service District, a component unit of the Cameron 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 Lower Cameron Ambulance Service District'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 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 above present fairly, in all material respects, the financial position of the Lower Cameron Ambulance Service District as of December 31, 2016 and the 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 Lower Cameron Ambulance Service District, as of December 31, 2015, were audited by other auditors whose report dated June 28, 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 Lower Cameron Ambulance Service District and do not purport to, and do not, present fairly the financial position of the Cameron Parish Police Jury as of December 31, 2016 and 2015, the changes in its financial position, or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

The Lower Cameron Ambulance Service District 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lower Cameron Ambulance Service District's basic financial statements. The accompanying schedules of net patient service revenues, 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 net patient service revenues, 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 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 schedules of net



patient service revenues, 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 Lower Cameron Ambulance Service District's internal control over financial reporting and 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 Lower Cameron Ambulance District's internal control over financial reporting and compliance.

*Lester, Miller & Wells*

Certified Public Accountants  
Lafayette, Louisiana

June 28, 2017



LOWER CAMERON AMBULANCE SERVICE DISTRICT  
STATEMENTS OF NET POSITION  
DECEMBER 31,

| ASSETS  | <u>2016</u>         | <u>2015</u>         |
|---|---------------------|---------------------|
| <b>CURRENT ASSETS</b>   |                     |                     |
| Cash and cash equivalents (Note 3)  | \$ 697,668          | \$ 515,482          |
| Certificates of deposits  | 4,157,070           | 4,131,422           |
| Patient accounts receivable, net of allowance for estimated uncollectibles of \$8,771 in 2016 and \$5,864 in 2015 (Note 4)    | 7,956               | 15,061              |
| Ad valorem tax receivable, net of estimated uncollectibles of \$161,135 in 2016 and \$205,186 in 2015 (Note 6)                | 182,695             | 593,621             |
| Due from other governmental agencies  | 897,614             | 992,962             |
| Other receivables   | 99,392              | 98,430              |
| Prepaid expenses  | 68,883              | 59,107              |
| Inventories   | <u>16,400</u>       | <u>14,334</u>       |
| Total current assets  | 6,127,678           | 6,420,419           |
| <b>CAPITAL ASSETS</b>   |                     |                     |
| Property, plant and equipment, at cost, less accumulated depreciation of \$1,093,437 in 2016 and \$1,013,189 in 2015 (Note 7) | <u>1,341,048</u>    | <u>1,412,356</u>    |
| <b>TOTAL ASSETS</b>   | <u>\$ 7,468,726</u> | <u>\$ 7,832,775</u> |
| <b>LIABILITIES AND NET POSITION</b>   |                     |                     |
| <b>CURRENT LIABILITIES</b>  |                     |                     |
| Accounts payable  | \$ 117,849          | \$ 144,502          |
| Accrued liabilities   | <u>49,596</u>       | <u>42,726</u>       |
| Total current liabilities   | <u>167,445</u>      | <u>187,228</u>      |
| <b>NET POSITION</b>   |                     |                     |
| Net investment in capital assets  | 1,341,048           | 1,412,356           |
| Unrestricted  | <u>5,960,233</u>    | <u>6,233,191</u>    |
| Total net position  | <u>7,301,281</u>    | <u>7,645,547</u>    |
| <b>TOTAL LIABILITIES AND NET POSITION</b>   | <u>\$ 7,468,726</u> | <u>\$ 7,832,775</u> |

See accompanying notes to financial statements.

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEARS ENDED DECEMBER 31,

|  | <u>2016</u>                | <u>2015</u>                |
|--|----------------------------|----------------------------|
| <b>OPERATING REVENUES:</b>   |                            |                            |
| Net patient service revenues, net of provision for bad debts of<br>\$16,141 in 2016 and \$11,788 in 2015 | \$ <u>83,076</u>           | \$ <u>69,371</u>           |
| Total operating revenues   | <u>83,076</u>              | <u>69,371</u>              |
| <b>OPERATING EXPENSES:</b>   |                            |                            |
| Salaries and payroll taxes   | 920,589                    | 874,125                    |
| Depreciation expense   | 80,248                     | 135,382                    |
| Dispatch services  | 20,004                     | 20,004                     |
| Education and travel   | 1,387                      | 607                        |
| Employee benefits  | 318,516                    | 260,685                    |
| Fuel expense   | 6,683                      | 7,094                      |
| Insurance expense  | 50,467                     | 58,852                     |
| Professional fees  | 16,500                     | 14,800                     |
| Contract labor   | 1,435                      | -0-                        |
| Rent   | 600                        | 600                        |
| Repairs and maintenance  | 24,513                     | 16,392                     |
| Retirement expense   | 25,364                     | 24,170                     |
| Supplies   | 42,176                     | 31,224                     |
| Telephone  | 16,841                     | 16,287                     |
| Utilities  | 23,561                     | 21,364                     |
| Other expenses   | <u>17,282</u>              | <u>14,832</u>              |
| Total operating expenses   | <u>1,566,166</u>           | <u>1,496,418</u>           |
| Operating loss   | <u>(1,483,090)</u>         | <u>(1,427,047)</u>         |
| <b>NON-OPERATING REVENUES:</b>   |                            |                            |
| Ad valorem taxes   | 1,084,186                  | 1,487,088                  |
| Investment income  | 54,638                     | 41,528                     |
| Gain on sale of capital assets   | -0-                        | 5,150                      |
| Total non-operating revenues   | <u>1,138,824</u>           | <u>1,533,766</u>           |
| Excess(deficiency) of revenues over expenses before capital grants                                       | (344,266)                  | 106,719                    |
| Capital grants   | <u>-0-</u>                 | <u>3,164</u>               |
| <b>INCREASE (DECREASE) IN NET POSITION</b>   | <b>(344,266)</b>           | <b>109,883</b>             |
| <b>NET POSITION BEGINNING OF YEAR</b>  | <u><b>7,645,547</b></u>    | <u><b>7,535,664</b></u>    |
| <b>NET POSITION END OF YEAR</b>  | <b>\$ <u>7,301,281</u></b> | <b>\$ <u>7,645,547</u></b> |

See accompanying notes to financial statements.

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
 STATEMENTS OF CASH FLOWS  
 YEARS ENDED DECEMBER 31,

|   | <u>2016</u>              | <u>2015</u>              |
|---|--------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES                      |                          |                          |
| Receipts from and on behalf of patients                   | \$ 90,181                | \$ 68,556                |
| Payments to employees                                     | (913,719)                | (860,871)                |
| Payments to suppliers and contractors                     | <u>(603,824)</u>         | <u>(463,063)</u>         |
| Net cash used in operating activities                     | <u>(1,427,362)</u>       | <u>(1,255,378)</u>       |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES          |                          |                          |
| Ad valorem taxes  | <u>1,590,460</u>         | <u>1,389,809</u>         |
| Net cash provided by non-capital financing activities     | <u>1,590,460</u>         | <u>1,389,809</u>         |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES  |                          |                          |
| Purchase of capital assets                                | (8,940)                  | (14,900)                 |
| Capital grant income                                      | -0-                      | 3,164                    |
| Proceeds from the sale of capital assets                  | <u>-0-</u>               | <u>5,150</u>             |
| Net cash used in capital and related financing activities | <u>(8,940)</u>           | <u>(6,586)</u>           |
| CASH FLOWS FROM INVESTING ACTIVITIES                      |                          |                          |
| Interest income   | 53,676                   | 39,051                   |
| Purchase of certificates of deposit, net of renewals      | <u>(25,648)</u>          | <u>(226,941)</u>         |
| Net cash provided by (used in) investing activities       | <u>28,028</u>            | <u>(187,890)</u>         |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS      | 182,186                  | (60,045)                 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR              | <u>515,482</u>           | <u>575,527</u>           |
| CASH AND CASH EQUIVALENTS, END OF YEAR                    | \$ <u><u>697,668</u></u> | \$ <u><u>515,482</u></u> |

See accompanying notes to financial statements.



LOWER CAMERON AMBULANCE SERVICE DISTRICT  
 STATEMENTS OF CASH FLOWS (CONTINUED)  
 YEARS ENDED DECEMBER 31,

|  | <u>2016</u>           | <u>2015</u>           |
|--|-----------------------|-----------------------|
| RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES              |                       |                       |
| Operating loss   | \$ (1,483,090)        | \$ (1,427,047)        |
| Adjustment to reconcile operating loss to net cash flows used in operating activities: |                       |                       |
| Depreciation   | 80,248                | 135,382               |
| Provision for bad debts  | 16,141                | 11,788                |
| (Increase) decrease in assets -  |                       |                       |
| Patient accounts receivable  | (9,036)               | (12,603)              |
| Prepaid expense  | (9,776)               | (2,413)               |
| Inventories  | (2,066)               | 95                    |
| Increase (decrease) in liabilities -   |                       |                       |
| Accounts payable   | (26,653)              | 26,166                |
| Accrued expenses   | <u>6,870</u>          | <u>13,254</u>         |
| NET CASH USED IN OPERATING ACTIVITIES  | \$ <u>(1,427,362)</u> | \$ <u>(1,255,378)</u> |

See accompanying notes to financial statements.

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lower Cameron Ambulance Service District (the "Ambulance District") was established by the Cameron Parish Policy Jury, by virtue of the authority of R.S. 33:9053, et seq. The purpose of the Ambulance District is to provide ambulance services to Lower Cameron Parish. The board is appointed by the Cameron Parish Police Jury. The Ambulance District is a component unit of the Cameron 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 (expense, including depreciation) of providing goods and or services to the general public on a continuing basis be financed or recovered through user charges.

Use of estimates:

The preparation of 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. Actual results could differ from those estimates.

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
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 statements 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.

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.

|                       |              |
|-----------------------|--------------|
| Ambulances            | 5 years      |
| Building improvements | 5 – 10 years |
| Equipment             | 5 – 10 years |
| Land improvements     | 15 years     |
| Building              | 25 years     |

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 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.

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Operating revenues and expenses:

The Ambulance District's statements of revenues, expenses and changes in 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.

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.

Deferred outflows/inflows of resources:

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure) until then. The Ambulance District does not currently have any items that qualify for reporting in this category.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Ambulance District does not currently have any items that qualify for reporting in this category.

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

Recent pronouncements:

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.

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 2. NET PATIENT SERVICE REVENUES

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.

During the years ended December 31, 2016 and 2015, approximately 39%, respectively, 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 includes prospectively determined rates per ambulance trip and discounts on charges.

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 3. BANK 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 and 2015, the Ambulance District's funds consisted solely of demand deposits and certificates of deposits. These deposits are stated at cost, which approximates market.

*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). These securities must be pledged in the Ambulance District's name. As of December 31, 2016 and 2015, the Ambulance District had deposits of \$3,290,000 and \$2,063,000, respectively, that were secured from risk by FDIC coverage. The Ambulance District had deposits of and \$2,655,696 and \$2,610,826 at December 31, 2016 and 2015, respectively, that were collateralized by securities pledged by the financial institutions. Accordingly, the Ambulance District had no custodial credit risk related to its deposits at December 31, 2016 and 2015.

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 4. ACCOUNTS RECEIVABLES

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

| <u>Patient Accounts Receivable</u>                    | <u>2016</u>     | <u>2015</u>      |
|---|-----------------|------------------|
| Receivable from patients and their insurance carriers | \$ 11,127       | \$ 13,121        |
| Receivable from Medicare                              | 809             | 1,342            |
| Receivable from Medicaid                              | <u>4,791</u>    | <u>6,462</u>     |
| Total patient accounts receivable                     | 16,727          | 20,925           |
| Less allowance for uncollectible amounts              | <u>(8,771)</u>  | <u>(5,864)</u>   |
| Patient accounts receivable, net                      | <u>\$ 7,956</u> | <u>\$ 15,061</u> |

NOTE 5. CONCENTRATION 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>  |
|-----------------------------------|--------------|--------------|
| Medicaid                          | 11 %         | 10 %         |
| Medicare                          | 8 %          | 27 %         |
| Other third-party payors/patients | <u>81 %</u>  | <u>63 %</u>  |
|                                   | <u>100 %</u> | <u>100 %</u> |

NOTE 6. AD VALOREM TAXES

The Ambulance District levied 18.75 mills on properties with assessed values of \$75,985,074 and \$100,674,035, net of homestead values, for the years ended December 31, 2016 and 2015, respectively.

The Ambulance District received approximately 88.7% and 95.5% 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 district in late October of each year. Bills are sent out in November of each year at which time the Ambulance District records the tax revenue, taxes become delinquent on December 31<sup>st</sup>, and become a lien in the following March.

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
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,<br>2015 | Additions          | Retirements   | December 31,<br>2016 |
|------------------------------------|----------------------|--------------------|---------------|----------------------|
| Land                               | \$ 78,870            | \$ -0-             | \$ -0-        | \$ 78,870            |
| Land improvements                  | 22,765               | -0-                | -0-           | 22,765               |
| Equipment                          | 235,217              | -0-                | -0-           | 235,217              |
| Office equipment                   | 44,920               | 1,618              | -0-           | 46,538               |
| Buildings and improvements         | 1,481,122            | -0-                | -0-           | 1,481,122            |
| Construction in progress           | -0-                  | 7,322              | -0-           | 7,322                |
| Ambulances                         | <u>562,651</u>       | <u>-0-</u>         | <u>-0-</u>    | <u>562,651</u>       |
| Total historical cost              | <u>2,425,545</u>     | <u>8,940</u>       | <u>-0-</u>    | <u>2,434,485</u>     |
| Less accumulated depreciation for: |                      |                    |               |                      |
| Land improvements                  | (4,037)              | (1,911)            | -0-           | (5,948)              |
| Equipment                          | (208,580)            | (13,855)           | -0-           | (222,435)            |
| Office equipment                   | (41,305)             | (2,050)            | -0-           | (43,355)             |
| Buildings and improvements         | (212,796)            | (46,248)           | -0-           | (259,044)            |
| Ambulances                         | <u>(546,471)</u>     | <u>(16,184)</u>    | <u>-0-</u>    | <u>(562,655)</u>     |
| Total accumulated depreciation     | <u>(1,013,189)</u>   | <u>(80,248)</u>    | <u>-0-</u>    | <u>(1,093,437)</u>   |
| Capital assets, net                | <u>\$ 1,412,356</u>  | <u>\$ (71,308)</u> | <u>\$ -0-</u> | <u>\$ 1,341,048</u>  |

|                                    | December 31,<br>2014 | Additions           | Retirements     | December 31,<br>2015 |
|------------------------------------|----------------------|---------------------|-----------------|----------------------|
| Land                               | \$ 78,870            | \$ -0-              | \$ -0-          | \$ 78,870            |
| Land improvements                  | 22,765               | -0-                 | -0-             | 22,765               |
| Equipment                          | 230,067              | 5,150               | -0-             | 235,217              |
| Office equipment                   | 44,920               | -0-                 | -0-             | 44,920               |
| Buildings and improvements         | 1,471,372            | 9,750               | -0-             | 1,481,122            |
| Ambulances                         | <u>652,080</u>       | <u>-0-</u>          | <u>(89,429)</u> | <u>562,651</u>       |
| Total historical cost              | <u>2,500,074</u>     | <u>14,900</u>       | <u>(89,429)</u> | <u>2,425,545</u>     |
| Less accumulated depreciation for: |                      |                     |                 |                      |
| Land improvements                  | (2,126)              | (1,911)             | -0-             | (4,037)              |
| Equipment                          | (177,434)            | (31,146)            | -0-             | (208,580)            |
| Office equipment                   | (36,536)             | (4,769)             | -0-             | (41,305)             |
| Buildings and improvements         | (166,408)            | (46,388)            | -0-             | (212,796)            |
| Ambulances                         | <u>(584,732)</u>     | <u>(51,168)</u>     | <u>89,429</u>   | <u>(546,471)</u>     |
| Total accumulated depreciation     | <u>(967,236)</u>     | <u>(135,382)</u>    | <u>89,429</u>   | <u>(1,013,189)</u>   |
| Capital assets, net                | <u>\$ 1,532,838</u>  | <u>\$ (120,482)</u> | <u>\$ -0-</u>   | <u>\$ 1,412,356</u>  |



LOWER CAMERON AMBULANCE SERVICE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 7. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the years ended December 31, 2016 and 2015 amounted to \$80,248 and \$135,382, respectively.

NOTE 8. COMPENSATED ABSENCES

Employees' vacation benefits are recognized in the period earned. Accrued compensated absences at December 31, 2016 and 2015 totaled \$32,624 and \$26,124, respectively, which is included in accrued liabilities on the statements of net position.

NOTE 9. SIMPLE IRA PLAN

The Ambulance District has a Simple IRA Plan covering all eligible employees as of June 2002. Employees can contribute a maximum of \$12,500 and \$12,500 for the 2016 and 2015 tax years, respectively. The Ambulance District contributed 2% of compensation to each eligible employee's Simple IRA through May of 2014 and then 3% thereafter. All contributions under the plan, as well as the earnings, are fully vested and nonforfeitable. Total Simple IRA plan expenses for the years ended 2016 and 2015 were \$25,364 and \$24,170, respectively.

NOTE 10. SUBSEQUENT EVENTS

The Ambulance District evaluated subsequent events through June 28, 2017, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
SCHEDULES OF NET PATIENT SERVICE REVENUES  
YEARS ENDED DECEMBER 31,

|   | <u>2016</u>      | <u>2015</u>      |
|---|------------------|------------------|
| Gross patient service revenues                | \$ 216,602       | \$ 184,588       |
| Less:   |                  |                  |
| Medicare and Medicaid contractual adjustments | (17,047)         | (27,483)         |
| Provision for uncollectible accounts          | (16,141)         | (11,788)         |
| Parish resident discounts                     | (90,829)         | (64,103)         |
| Insurance and other discounts                 | <u>(9,509)</u>   | <u>(11,843)</u>  |
| Net patient service revenue                   | \$ <u>83,076</u> | \$ <u>69,371</u> |

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
SCHEDULES OF BOARD FEES  
YEARS ENDED DECEMBER 31, 2016 AND 2015

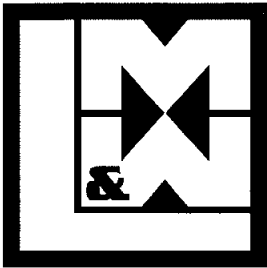
BOARD MEMBERS

The Ambulance District's board members did not receive any compensation during the years ended December 31, 2016 and 2015.

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO  
 AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
 YEAR ENDED DECEMBER 31, 2016

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

| <u>Purpose</u>                         | <u>Amount</u>     |
|--|-------------------|
| Salary                                 | \$ 90,057         |
| Benefits - insurance                   | 22,209            |
| Benefits - retirement                  | 2,702             |
| Benefits - other                       | -0-               |
| Car allowance                          | -0-               |
| Vehicle provided by government         | -0-               |
| Per diem                               | 3,880             |
| Reimbursements                         | -0-               |
| Travel                                 | -0-               |
| Registration fees                      | -0-               |
| Conference travel                      | -0-               |
| Continuing professional education fees | -0-               |
| Housing                                | -0-               |
| Unvouchered expenses                   | -0-               |
| Special meals                          | -0-               |
|  | <u>\$ 118,848</u> |



## LESTER, MILLER & WELLS

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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  
Lower Cameron Ambulance Service District  
Creole, 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 Lower Cameron Ambulance Service District as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Lower Cameron Ambulance District'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 Lower Cameron Ambulance Service District'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 Lower Cameron Ambulance Service District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lower Cameron Ambulance Service 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 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 Lower Cameron Ambulance Service District'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 an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and responses as item 2016-2.

Lower Cameron Ambulance Service District Responses to Findings

Lower Cameron Ambulance Service District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. Lower Cameron Ambulance Service District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 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.

*Loster, Miller & Wells*

Certified Public Accountants  
Lafayette, Louisiana

June 28, 2017



LOWER CAMERON AMBULANCE SERVICE DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2016

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

Report on Internal Control and Compliance Material to the Financial Statements

Type of auditor's opinion: 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.



LOWER CAMERON AMBULANCE SERVICE DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2016

**Section II. Financial Statement Findings (Continued)**

**2016-2 – Deposits made with Investment Firm/Broker**

**Condition:** The Ambulance District has investments in Certificates of Deposit that were indirectly purchased through an investment firm/broker.

**Criteria:** As per Louisiana Attorney General Opinion No. 13-0199 and 15-0102, it is the opinion of the Attorney General that La. R.S. 33:2955(A)(1)(d)(i) contemplated the direct purchase, by a political subdivision, of a certificate of deposit from a financial institution and concluded that nothing in La. R.S. 33:2955 authorized a political subdivision to purchase a certificate of deposit indirectly through a broker or brokerage firm.

**Cause:** The Ambulance District was unaware of the fact that La. R.S. 33:2955 does not allow Political Subdivisions to indirectly purchase certificates of deposit through a broker or brokerage firm.

**Effect:** The Ambulance District is not in compliance with R.S. 33:2955 due to the investments in certificates of deposit directly purchased through a broker or brokerage firm.

**Recommendation:** The Ambulance District should adopt an investment policy that complies with La. R.S. 33:2955, regarding the direct purchase of certificates of deposit from a financial institution and cease the indirect purchase of certificates of deposit of financial institutions through a broker or brokerage firm.

**Response:** The Ambulance District will adopt an investment policy that complies with La. R.S. 33:2955, regarding the direct purchase of certificates of deposit from a financial institution in the State of Louisiana and cease the indirect purchase of certificates of deposit of financial institutions through a broker or brokerage firm. The Ambulance District will also remove certificates of deposit from the brokerage firm as they mature, as not to lose any portion of the interest earned to date.

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

Not Applicable.

**Section IV. Management Letter**

Not Applicable

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
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.

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

Not Applicable.

**Section III. Management Letter**

Not Applicable