

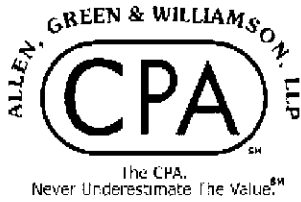
**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Oak Grove, Louisiana**

**Annual Financial Report
As of and for the Year Ended December 31, 2017**

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Oak Grove, Louisiana**

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ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

Partners: Tim Green, CPA
Amy Tynes, CPA, CFE
Aimee Buchanan, CPA
Nicia Bamburg, CPA, CFE
Principal: Cindy Thomason, CPA

Eddi Hernandez, CPA
Jennie Henry, CPA
Ronnie Jacola, CPA
Audit Manager: Margie Williamson, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

Independent Auditor's Report

Board Members
West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Oak Grove, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the West Carroll Parish Ambulance Service District of the Parish of West Carroll (the District), a component unit of the West Carroll Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the 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 financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the West Carroll Parish Ambulance Service District, a component unit of West Carroll Parish Police Jury, as of December 31, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Budgetary Comparison Schedule and related Notes to the Budgetary Schedule, as listed in the table of contents, 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, as listed in the table of contents, and the other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates 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 accompanying supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2018 on our consideration of the West Carroll Parish Ambulance District'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 solely 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 effectiveness of the District's 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 District's internal control over financial reporting and compliance.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 25, 2018

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll**

REQUIRED SUPPLEMENTARY INFORMATION:

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

**West Carroll Parish Ambulance Service District
Management's Discussion and Analysis (MD&A)
For the Year Ended December 31, 2017**

Our discussion and analysis of the West Carroll Ambulance Service District's financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2017.

NEW GASB STANDARDS

In fiscal year 2017, the District adopted one new statement of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 82 – Pension Issues - an amendment of GASB statements No. 67, No. 68 and No. 73:* This statement establishes standards to improve consistency in the application of pension accounting and financial reporting requirements by addressing certain issues that have been raised with respect to statements No. 67, No. 68 and No. 73. This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The adoption of this standard had no impact on the government-wide or the governmental fund financial statements.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$4,087 thousand (net position). Of this amount, \$2,530 thousand (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The District's revenue received from claims (charges for services) for the year ended December 31, 2017 was \$1,870 thousand; there was an increase of \$524 thousand from the revenue received for claims of \$1,346 thousand in 2016. From year to year several variables may affect the claims revenues in either a positive or negative manner. Claims may be paid or denied for payment due to the nature of each call or run referred to as medical necessity. If a patient has insurance or not has a tremendous influence at times as West Carroll residents are not billed if they have no insurance, but all insurance companies are billed. Adjustments to charges are made from time to time to compensate for increases in medical supplies, fuel and other operating costs as well as changes in reimbursement rates that are received. The total number of claims or runs per year affects both by increasing or decreasing expenditures and revenues. Also, there was an increase in current year Medicaid Upper Payment Limit (UPL) revenue.

The District's total expenses for the year ended December 31, 2017 was \$2,146 thousand; this is an increase of \$471 thousand from the expenses of \$1,675 thousand in 2016. Spending adjustments are normally made throughout a fiscal year or planned from one year to another to compensate for specific needs of the business. The increase in expenses is primarily due to the new method of expensing the UPL matching funds transfer and the increase in UPL claims in the current year.

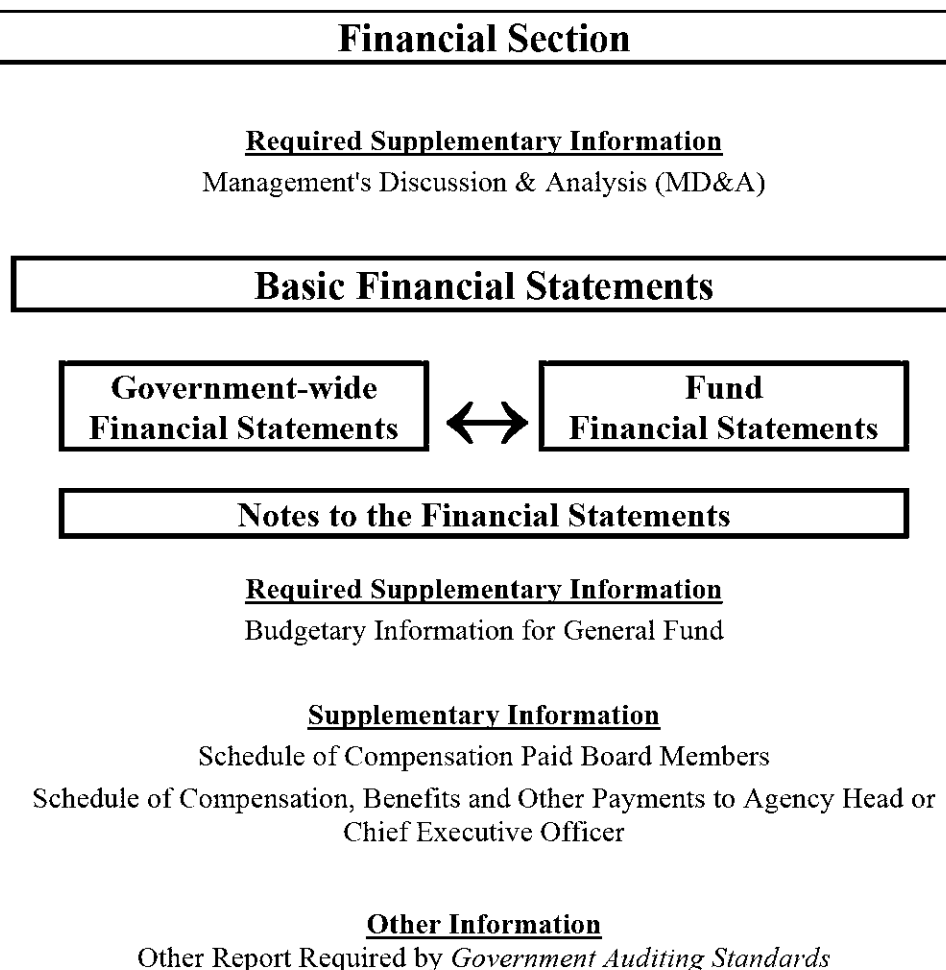
USING THIS ANNUAL REPORT

The District's annual report consists of a series of financial statements that show information for the District as a whole, and its funds. The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. For our governmental activities, the fund financial statements tell how we financed our services in the short-term as well as what remains for future spending. Fund financial statements also may give you some insights into the District's overall financial

**West Carroll Parish Ambulance Service District
Management's Discussion and Analysis (MD&A)
For the Year Ended December 31, 2017**

health. Fund financial statements also report the District's operations in more detail than the governmental-wide financial statements by providing information about the District's fund - the General Fund.

The following chart reflects the information included in this annual report.



Our auditor has provided assurance in the independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplementary Information, the Supplementary Information and the Other Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the District as a whole begins with the government-wide financial statements. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear first in the District's financial statements, report information about the District as a whole and its activities in a way that helps

**West Carroll Parish Ambulance Service District
Management's Discussion and Analysis (MD&A)
For the Year Ended December 31, 2017**

answer this question. We prepare these statements to include all assets, liabilities and deferred outflows/inflows of resources, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position – the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, as reported in the Statement of Net Position – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position – as reported in the Statement of Activities – are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the District's operating results. However, the District's goal is to provide services to our citizens, not to generate profits as commercial entities do. One must consider other non-financial factors, such as the quality of service.

In the Statement of Net Position and the Statement of Activities, the District's activities are shown as:

Governmental activities Most of the District's basic services are reported here, including salaries and contract labor, employee benefits, professional fees, operations and maintenance, repairs and upkeep, and administrative expenses. Sales tax revenue and claims revenue finance most of these activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

The District reports all of its activity in one governmental fund which uses the following approach:

Governmental funds Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliations (Statements D and F).

**West Carroll Parish Ambulance Service District
Management's Discussion and Analysis (MD&A)
For the Year Ended December 31, 2017**

THE DISTRICT AS A WHOLE

Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the District's governmental activities.

Table 1
Net Position
December 31,
(in thousands)

	2017	2016	Variance
Current and other assets	\$ 2,687	\$ 2,457	\$ 230
Capital assets, net	1,557	1,440	117
Total assets	<u>4,244</u>	<u>3,897</u>	<u>347</u>
Current and other liabilities	145	209	(64)
Noncurrent liabilities	12	18	(6)
Total liabilities	<u>157</u>	<u>227</u>	<u>(70)</u>
Net position			
Investment in capital assets	1,557	1,440	117
Unrestricted	2,530	2,230	300
Total net position	<u>\$ 4,087</u>	<u>\$ 3,670</u>	<u>\$ 417</u>

Net position of the District's governmental activities for December 31, 2017 was \$4,087 thousand. Unrestricted net position that are the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements were \$2,530 thousand.

**West Carroll Parish Ambulance Service District
Management's Discussion and Analysis (MD&A)
For the Year Ended December 31, 2017**

Table 2
Changes in Net Position
For the year ended, December 31,
(in thousands)

	2017	2016	Variance
Revenues:			
Program Revenues			
Charges for services	\$ 1,870	\$ 1,346	\$ 524
Capital grants and contributions	8	7	1
General Revenues			
Sales tax revenue	628	627	1
Interest revenue	8	13	(5)
Insurance recoveries	-	10	(10)
Other revenue	49	149	(100)
Total Revenues	<u>2,563</u>	<u>2,152</u>	<u>411</u>
Expenses:			
Public safety – ambulance service:			
Salaries and contract labor	815	741	74
Employee benefits	275	261	14
Professional fees	35	16	19
Operations and maintenance	162	147	15
Repairs and upkeep	135	96	39
Administrative expense	517	254	263
Depreciation expense	207	160	47
Total functions/program expenses	<u>2,146</u>	<u>1,675</u>	<u>471</u>
Increase (decrease) in net position	417	478	(61)
Net position – beginning	3,670	3,192	478
Net position – ending	<u>\$ 4,087</u>	<u>\$ 3,670</u>	<u>\$ 417</u>

The 2016 balances were restated to reflect the new method of showing gross UPL revenue and expense, as is reflected in 2017 balances.

Governmental Activities

The cost of all governmental activities this year was \$2,146 thousand. However, as shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through District taxes was \$268 thousand because some of the cost was paid by those who directly benefited from the programs or by other governments and organizations that subsidized certain programs with grants and contributions.

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported a fund balance of \$2,593 thousand which was an increase of \$302 thousand. Total revenues for 2017 increased \$421 thousand from total revenues for 2016. This increase is due mainly to the expansion in medical coverage and better billing practices.

Total expenditures for 2017 were \$2,262 thousand, which decreased \$282 thousand due mainly to the end of a major building project.

**West Carroll Parish Ambulance Service District
Management's Discussion and Analysis (MD&A)
For the Year Ended December 31, 2017**

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual amounts available for appropriation exceeded budgeted amounts by \$560 thousand. This favorable variance was due mainly to increased UPL payments and claims revenue. Actual charges to appropriations were less than budgeted charges by \$69 thousand.

CAPITAL ASSETS AND LONG TERM DEBT

Capital Assets

At December 31, 2017, the District had invested in the following capital assets:

Capital Assets, net December 31,			
	2017	2016	Variance
Land	\$ 81,500	\$ 81,500	\$ -
Construction in Progress	-	675,292	(675,292)
Land Improvements	6,780	7,310	(530)
Buildings	1,020,983	120,345	900,638
Vehicles	324,824	446,226	(121,402)
Furniture and Fixtures	2,019	-	2,019
Equipment	120,695	109,716	10,979
Total Capital assets, net	\$1,556,801	\$1,440,389	\$ 116,412

See Note 4 to the financial statements for additional details on capital assets.

Debt

The District did not have any outstanding debt at the end of the current fiscal year.

Our long term liability consists of compensated absences of \$63 thousand. We present more detail about our compensated absences liability in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS Our elected and appointed officials and citizens consider many factors when setting the District's budget and tax rates. One of the most important factors affecting the budget is our unpredictable nature of claims and sales tax collections. Approximately, 97% of total revenues are claims and sales tax. Circumstances that will affect our 2018 budget year are the unexpected nature of the economy concerning tax revenue, claims revenue related to the ambulance and insurance industry and a slight possibility of purchasing other buildings and land in the future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and show the District's accountability for the money it receives. If you have any questions about this report or wish to request additional information contact, the Director at West Carroll Parish Ambulance District, P. O. Box 684, Oak Grove, LA, 71263, telephone number (318) 428-8979.

**West Carroll Parish Ambulance Service District
Of the Parish of West Carroll**

**GOVERNMENT-WIDE FINANCIAL
STATEMENTS**

WEST CARROLL PARISH AMBULANCE SERVICE DISTRICT
OF THE PARISH OF WEST CARROLL
Oak Grove, Louisiana

STATEMENT OF NET POSITION
December 31, 2017

Statement A

ASSETS	
Current Assets	
Cash	\$ 607,079
Investments	1,593,873
Receivables	471,957
Inventories	7,453
Prepaid expenses	<u>6,603</u>
Total current assets	2,686,965
Capital assets	
Land and construction in progress	81,500
Capital assets, net of accumulated depreciation	<u>1,475,301</u>
TOTAL ASSETS	<u>4,243,766</u>
LIABILITIES	
Current Liabilities	
Accounts, salaries and other payables	93,737
Compensated absences payable	<u>51,001</u>
Total current liabilities	<u>144,738</u>
Noncurrent Liabilities	
Compensated absences payable	<u>11,807</u>
Total noncurrent liabilities	<u>11,807</u>
TOTAL LIABILITIES	<u>156,545</u>
NET POSITION	
Investment in capital assets	1,556,801
Unrestricted	<u>2,530,420</u>
TOTAL NET POSITION	<u>\$ 4,087,221</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**WEST CARROLL PARISH AMBULANCE SERVICE DISTRICT
OF THE PARISH OF WEST CARROLL
Oak Grove, Louisiana**

**STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017**

Statement B

PROGRAM EXPENSES:	
Public safety - ambulance service:	
Salaries and contract labor	\$ 815,287
Employee benefits	275,534
Professional fees	35,213
Operations and maintenance	162,237
Repairs and upkeep	134,614
Administrative expense	517,127
Depreciation	206,794
	<hr/>
TOTAL PROGRAM EXPENSES	2,146,806
	<hr/>
PROGRAM REVENUES:	
Charges for services	1,870,296
Capital grants and contributions	8,184
	<hr/>
TOTAL PROGRAM REVENUES	1,878,480
	<hr/>
NET PROGRAM EXPENSE	(268,326)
	<hr/>
GENERAL REVENUES:	
Sales tax revenue	627,569
Interest revenue	8,477
Other revenue	49,484
	<hr/>
TOTAL GENERAL REVENUES	685,530
	<hr/>
INCREASE (DECREASE) IN NET POSITION	417,204
	<hr/>
NET POSITION - BEGINNING	3,670,017
	<hr/>
NET POSITION - END OF YEAR	\$ 4,087,221
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THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**West Carroll Parish Ambulance Service District
Of the Parish of West Carroll**

FUND FINANCAL STATEMENTS

WEST CARROLL PARISH AMBULANCE SERVICE DISTRICT
 OF THE PARISH OF WEST CARROLL
 Oak Grove, Louisiana

GOVERNMENTAL FUNDS
 BALANCE SHEET
 December 31, 2017

	Statement C
ASSETS	
Cash	\$ 607,079
Investments	1,593,873
Receivables	471,957
Inventories	7,453
Prepaid expenses	<u>6,603</u>
TOTAL ASSETS	<u><u>2,686,965</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts, salaries and other payables	<u>93,737</u>
TOTAL LIABILITIES	<u>93,737</u>
Fund balances:	
Nonspendable	14,056
Unassigned	<u>2,579,172</u>
TOTAL FUND BALANCE	<u>2,593,228</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 2,686,965</u></u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**WEST CARROLL PARISH AMBULANCE SERVICE DISTRICT
OF THE PARISH OF WEST CARROLL
Oak Grove, Louisiana**

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2017**

Statement D

Total fund balances - governmental funds	\$ 2,593,228
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The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the District as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Costs of capital assets	\$ 2,833,305	
Accumulated depreciation	<u>(1,276,504)</u>	
		1,556,801

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Position.

Balances at December 31, 2017 are:		
Compensated absences payable		<u>(62,808)</u>

Net position of governmental activities	<u>\$ 4,087,221</u>
-----------------------------------------	---------------------

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**WEST CARROLL PARISH AMBULANCE SERVICE DISTRICT
OF THE PARISH OF WEST CARROLL
Oak Grove, Louisiana**

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2017**

Statement E

REVENUES	
Local sources:	
Sales tax revenue	\$ 627,569
Claims	1,870,296
Interest revenue	8,477
Other revenue	49,484
Federal sources:	
Grant revenue	<u>8,184</u>
TOTAL REVENUES	<u><u>2,564,010</u></u>
EXPENDITURES	
Public safety - ambulance service	
Current:	
Salaries and contract labor	815,287
Employee benefits	274,476
Professional fees	35,213
Operations and maintenance	162,237
Repairs and upkeep	134,614
Administrative expense	517,127
Capital outlay	<u>323,206</u>
TOTAL EXPENDITURES	<u><u>2,262,160</u></u>
Net Change in Fund Balances	301,850
FUND BALANCES - BEGINNING OF YEAR	<u><u>2,291,378</u></u>
FUND BALANCES - END OF YEAR	<u><u>\$ 2,593,228</u></u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**WEST CARROLL PARISH AMBULANCE SERVICE DISTRICT
OF THE PARISH OF WEST CARROLL
Oak Grove, Louisiana**

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended December 31, 2017**

Statement F

Total net change in fund balances - governmental funds \$ 301,850

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the period:

Capital outlay	\$ 323,206	
Depreciation	<u>(206,794)</u>	116,412

In the Statement of Activities, certain operating expenses-compensated absences (vacations and comp time) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and comp time earned (\$51,001) was more than the amounts used (\$49,943) by \$1,058. (1,058)

Change in net position of governmental activities. \$ 417,204

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Notes to the Financial Statements**

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**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Notes to the Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the West Carroll Parish Ambulance Service District of the Parish of West Carroll, Oak Grove, Louisiana (the District), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY The District was established by the West Carroll Parish Police Jury in 1996 under the provisions of LSA-R.S. 33:9056 to run and operate ambulances and a rescue unit for the care and transportation of persons suffering from illness or disabilities which necessitate ambulance care or extrication. Appointed Board members serve staggering terms of six years.

As the governing authority of the parish, for reporting purposes, the West Carroll Parish Police Jury is the financial reporting entity for West Carroll Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board established criteria for determining which component units should be considered part of the West Carroll Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Police Jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.
2. Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent on the police jury and the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury exists.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Police Jury appoints members to the District's Board and the District is financially accountable to the Police Jury, the District was determined to be a component unit of the West Carroll Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. FUNDS The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The District has only one fund.

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Notes to the Financial Statements**

Governmental Funds Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition, or construction of capital assets, and the servicing of long-term debt. Governmental funds include:

General fund - the only fund of the District. It accounts for all financial resources of the District.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS) The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. The Statement of Net Position and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities, deferred outflows/inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, liabilities, deferred outflows/inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 Accounting and Financial Reporting for Non-exchange Transactions.

Program revenues Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the District's general revenues. Charges for services are primarily derived from claims.

Allocation of indirect expenses The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function.

Fund Financial Statements (FFS)

Governmental Funds The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Sales taxes are recognized when the underlying exchange transaction occurs and the resources are available.

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Notes to the Financial Statements**

Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Expenditures

Salaries are recorded as earned.

It is the District's policy to first apply restricted resources when an expenditure is incurred for purposes for which both restricted and unrestricted net position are available.

D. BUDGETS The District follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State statute requires budgets be adopted for the general fund.

Each year, prior to the beginning of the fiscal year, the executive director submits to the Board a proposed annual budget for the general fund. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budget includes proposed expenditures and the means of financing them.

The Board adopted a budget for the general fund.

All appropriations (unexpended budget balances) lapse at year end.

Encumbrances are not recognized within the accounting records for budgetary control purposes.

All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget, that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budget when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The Board approves budgets at the function level and management does not have the authority to make any transfers without Board approval.

Formal budget integration (within the accounting records) is employed as a management control device. The budget is established and controlled by the Board at the functional level of expenditure and budget amendments are adopted by the Board as necessary. Budget amounts included in the accompanying financial statements include the original adopted budget.

E. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Notes to the Financial Statements**

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

Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure as per GASB Statement No. 31.

G. INVENTORIES AND PREPAID ITEMS The District records their unused medical supplies and diesel fuel as inventory using the First-in, First-out (FIFO) method. Inventory is accounted for using the consumption method, where expenditures are recognized as inventory is used. All purchased inventory items are valued at cost.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The consumption method is used to record prepaid expenses, whereby expenditures are recognized as time lapses and the prepaids are recognized as expenses.

H. CAPITAL ASSETS Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed over their estimated useful lives (including salvage value). Donated capital assets are recorded at their acquisition value at the date of donation. The capitalization threshold is \$500 for all assets except computer software, which has a threshold of \$75,000. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Land Improvements	20 years
Buildings	40 years
Appliances	5 years
Vehicles	5 years
Furniture and Fixtures	5 years
Equipment	3-10 years
Intangibles	3 years

I. COMPENSATED ABSENCES All employees are entitled to two weeks (120 hours for operational employees and 80 hours for office staff employees) of vacation time at the beginning of each fiscal year. After fifteen years of service, all employees are entitled to three weeks (168 hours for operational employees and 120 hours for office staff) of vacation time at the beginning of each fiscal year. Vacation time does not carry over from one year to the next, however, an employee may receive compensation for earned vacation time upon resignation or termination.

All employees are entitled to two weeks (120 hours for operational employees and 80 hours for office staff employees) of sick leave at the beginning of each fiscal year. Sick leave does carry over from year to year and accrue to a maximum limit of two hundred forty (240) hours for administrative personnel and three hundred thirty-six (336) hours for operational personnel. No employee at any time shall be paid for unused sick leave.

Salaried employees are entitled to earn compensatory time for overtime worked. Employees which earn more than 480 hours of compensatory time can be paid for that excess time on a quarterly basis or prior to termination.

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Notes to the Financial Statements**

The District's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- A. The employees' right to receive compensation is attributable to services already rendered.
- B. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

J. FUND BALANCES OF FUND FINANCIAL STATEMENTS GASB 54 requires the fund balance amounts to be reported within the fund balance categories as follows:

Non-spendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories and prepaid items.

Restricted: Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed: Fund balance that can only be used for specific purposes determined by the District's highest level of decision making authority. The Board is the highest level of decision making authority of the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit the funds.

Assigned: Fund balance that is constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the Board.

Unassigned: Fund balance that is the residual classification for the general fund.

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

K. SALES TAXES The Police Jury passed a one-half cent parish-wide sales and use tax in a special election held September 21, 1996. In accordance with the proposition approved by the voters of the parish, the "sales and use tax is for providing ambulance service to the public, including acquiring, improving, maintaining and operating facilities and equipment required in connection therewith and paying related personnel costs." This tax was renewed by voters in November 2015 for a period of 10 years ending December 31, 2026.

L. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Notes to the Financial Statements**

NOTE 2 - CASH AND INVESTMENTS At December 31, 2017, the District had cash deposits (book balances) totaling \$2,200,952 (including \$1,593,874 in certificates of deposit, classified as investments). Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Interest Rate Risk: The District's policy does not address interest rate risk.

Custodial Credit Risk: In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At year end, the District's carrying amount of deposits was \$2,200,952 and the bank balance was \$2,203,564. Of the bank balance, \$750,000 was covered by federal deposit insurance. The remaining bank balance of \$1,453,564 was collateralized by securities held by the pledging financial institution's trust department or agent but not in the District's name. The District's policy does not address custodial credit risk. Even though the pledged securities are considered uncollateralized, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 - RECEIVABLES The receivables at December 31, 2017, are as follows:

Class of Receivables	General Fund
Sales and use tax	\$118,019
Claims	352,145
Misc. accounts	1,793
Total	\$471,957

The District expects to collect these amounts in full; therefore, no allowance for doubtful accounts has been established.

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Notes to the Financial Statements**

NOTE 4 - CAPITAL ASSETS The capital assets balances and activity for the year ended December 31, 2017 are as follows:

Governmental activities:

	Balance Beginning	Additions	Deletions	Balance Ending
Nondepreciable Assets:				
Land	\$ 81,500	\$ -	\$ -	\$ 81,500
Construction in Progress	675,292	242,667	917,959	-
Total nondepreciable assets	<u>756,792</u>	<u>242,667</u>	<u>917,959</u>	<u>81,500</u>
Depreciable Assets:				
Land Improvements	10,597	-	-	10,597
Buildings	231,044	917,959	-	1,149,003
Appliances	4,387	-	-	4,387
Vehicles	1,026,344	37,178	37,128	1,026,394
Furniture & fixtures	8,474	2,288	-	10,762
Equipment	509,590	41,073	-	550,663
Total depreciable assets	<u>1,790,436</u>	<u>998,498</u>	<u>37,128</u>	<u>2,751,806</u>
Less accumulated depreciation:				
Land Improvements	3,287	530	-	3,817
Buildings	110,699	17,321	-	128,020
Appliances	4,387	-	-	4,387
Vehicles	580,118	158,580	37,128	701,570
Furniture & fixtures	8,474	269	-	8,743
Equipment	399,874	30,094	-	429,968
Total accumulated depreciation	<u>1,106,839</u>	<u>206,794</u>	<u>37,128</u>	<u>1,276,505</u>
Capital assets, net	<u>\$ 1,440,389</u>	<u>\$ 1,034,371</u>	<u>\$ 917,959</u>	<u>\$ 1,556,801</u>

NOTE 5 - ACCOUNTS, SALARIES AND OTHER PAYABLES The payables at December 31, 2017 are as follows:

Accounts payable	\$ 85,065
Salaries and benefits payable	8,672
Total	<u>\$ 93,737</u>

NOTE 6 - COMPENSATED ABSENCES At December 31, 2017, employees of the District have accumulated and vested \$62,808 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. These amounts are recorded as liabilities in the funds from which payment will be made and include both vacation leave and compensatory time earned. Following is a summary of the compensated absence transactions for the year:

Balance, Beginning	\$ 61,750
Additions	51,001
Deductions	(49,943)
Balance, Ending	62,808
Amount Due in One Year	<u>\$ 51,001</u>

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Notes to the Financial Statements**

NOTE 7 - PENSION PLAN The District implemented a retirement plan for employees during 2016 consisting of a 457 plan. The District contributes 3% to the 457 plan. The defined contribution plan is administered by Louisiana Deferred Compensation Plan.

All employees are eligible to participate in the 457 plan. Contribution rates are determined and may be changed by the employer. All contributions to the plan are considered to be vested at time of enrollment.

Contributions to the District's plan for 2017 are as follows:

	457 Plan
Employer	\$ 22,755
Employee	26,837

NOTE 8 - RISK MANAGEMENT The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance to manage these risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 9 - FUND BALANCE CLASSIFICATION DETAILS The following are the details of the fund balance classifications for the year ended December 31, 2017:

Nonspendable:	
Inventories	\$ 7,453
Prepaid items	6,603
Unassigned	2,579,172
	\$ 2,593,228

NOTE 10 - NEW GASB STANDARDS In fiscal year 2017, the District adopted one new statement of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 82 – Pension Issues - an amendment of GASB statements No. 67, No. 68 and No. 73:* This statement establishes standards to improve consistency in the application of pension accounting and financial reporting requirements by addressing certain issues that have been raised with respect to statements No. 67, No. 68 and No. 73. This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The adoption of this standard had no impact on the government-wide or the governmental fund financial statements.

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll**

REQUIRED SUPPLEMENTARY INFORMATION

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll**

Budgetary Comparison Schedule

GENERAL FUND The general fund accounts for all activities of the District.

**WEST CARROLL PARISH AMBULANCE SERVICE DISTRICT
OF THE PARISH OF WEST CARROLL
Oak Grove, Louisiana**

**GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended December 31, 2017**

Exhibit 1

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSTITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>(Budgetary Basis)</u>	
BUDGETARY FUND BALANCES, BEGINNING	\$ 2,291,378	\$ 2,291,378	\$ 2,291,378	\$ -
Resources (inflows)				
Local sources:				
Sales tax revenue	624,000	624,000	616,560	(7,440)
Claims	792,000	792,000	1,312,981	520,981
Interest revenue	12,000	12,000	8,477	(3,523)
Other revenue	-	-	49,484	49,484
	<u>3,719,378</u>	<u>3,719,378</u>	<u>4,278,880</u>	<u>559,502</u>
Amounts available for appropriations				
Charges to appropriations (outflows)				
Current:				
Salaries and contract labor	733,043	733,043	799,091	(66,048)
Employee benefits	254,268	254,268	290,672	(36,404)
Professional fees	21,753	21,753	35,213	(13,460)
Operations and maintenance	161,220	161,220	162,237	(1,017)
Repairs and upkeep	97,200	97,200	129,602	(32,402)
Administrative expense	100,950	100,950	157,813	(56,863)
Capital outlay	595,432	595,432	320,034	275,398
	<u>1,963,866</u>	<u>1,963,866</u>	<u>1,894,662</u>	<u>69,204</u>
Total charges to appropriations				
BUDGETARY FUND BALANCES, ENDING	<u>\$ 1,755,512</u>	<u>\$ 1,755,512</u>	<u>\$ 2,384,218</u>	<u>\$ 628,706</u>

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Notes to the Budgetary Comparison Schedule
For the Year Ended December 31, 2017**

A. BUDGETS

Formal budget integration (within the accounting records) is employed as a management control device. The budget is established and controlled by classification of expenditure and budget amendments are adopted by the Board as necessary. Budget amounts included in the accompanying financial statements include the original adopted budget. No revisions were considered necessary by the Board in the fiscal year.

Budget Basis of Accounting The major governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The Board approves budgets by classification and management does not have the authority to make any transfers without Board approval.

WEST CARROLL PARISH AMBULANCE SERVICE DISTRICT
OF THE PARISH OF WEST CARROLL
Oak Grove, Louisiana

Notes to the Budgetary Comparison Schedules
For the Year Ended December 31, 2017

B. Budget to GAAP Reconciliation - Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	GENERAL FUND
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 4,278,880
Adjustments for conversion from cash basis to modified accrual for financial reporting purposes	576,508
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(2,291,378)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	2,564,010
<u>Uses/outflows of resources:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	1,894,662
Adjustments for conversion from cash basis to modified accrual for financial reporting purposes	367,498
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 2,262,160

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll**

SUPPLEMENTARY INFORMATION

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Compensation Paid Board Members
December 31, 2017**

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

The following board members received no compensation for the year ended December 31, 2017.

Mark Bowman

Fred Copes, Chairman

Mike Gammill

James E. Melton, Vice Chairman

Larry Copes

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended December 31, 2017**

Agency Head Name: Dennis Seamans
January 1, 2017 – May 22, 2017

Purpose	Amount
Salary	\$25,970
Benefits-insurance	7,747
Benefits- retirement	711
Benefits - other (comp time)	15,489
Cell phone	445

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended December 31, 2017**

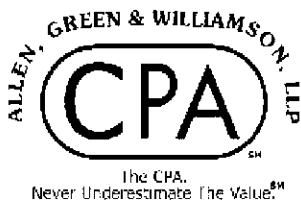
Agency Head Name: Richie Allen
May 23, 2017 – Present

Purpose	Amount
Salary	\$33,835
Benefits-insurance	4,918
Benefits- retirement	1,094
Benefits - other (comp time)	2,635
Cell phone	712

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll**

**OTHER REPORTS REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

The report following this page is a report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States of America. The section of the report on compliance is based solely on the audit of the financial statements and presents, where applicable, compliance matters that would be material to the financial statements. The section of the report on internal control over financial reporting is, likewise, based solely on the audit of the financial statements and includes, where appropriate, any significant deficiencies and/or material weaknesses.



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

Partners: Tim Green, CPA
Amy Tynes, CPA, CFE
Aimee Buchanan, CPA
Nicia Bamburg, CPA, CFE
Principal: Cindy Thomason, CPA

Eddi Hernandez, CPA
Jennie Henry, CPA
Ronnie Jacola, CPA
Audit Manager: Margie Williamson, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

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*

Independent Auditor's Report

Board Members
West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Oak Grove, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of West Carroll Parish Ambulance Service District, (the District), a component unit of the West Carroll Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 25, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2017-001 and 2017-002 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standard* and which is described in the accompanying Schedule of Findings and Responses as item 2017-002.

The District's Response to the Finding

The District's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses and Corrective Action Plan for Current Year Audit Findings and Responses. The 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

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



ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 25, 2018

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Schedule of Findings and Responses
For the Year Ended December 31, 2017**

PART I - Summary of the Auditor's Results

Financial Statement Audit

- i. The type of audit report issued was unmodified.
- ii. There were two significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America. The significant deficiencies were not considered to be material weaknesses.
- iii. There was one instance of noncompliance considered material, as defined by the *Government Auditing Standards*, to the basic financial statements.

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Schedule of Findings and Responses
For the Year Ended December 31, 2017**

Reference # and title: **2017-001** **Internal Controls Over Financial Reporting**

Entity-wide or program/department specific: This finding is entity-wide.

Criteria or specific requirement: Proper internal controls over financial reporting requires that accounting records contain up-to-date, accurate and complete information to ensure that the financial data can be relied upon to monitor the financial condition of the District. Financial records should be reviewed timely to supporting documentation to ensure that the transactions are properly recorded and classified in the appropriate account period.

Condition found:

- When performing a test of one monthly credit card statement for 10 credit/fuel cards for the year, multiple charges were noted on two of the cards tested where the business purpose could not be determined, including purchases of meals and purchases at various stores. Also noted were multiple payments that included charges for a total of \$241 for sales tax, which is not considered a necessary or reasonable expense.
- When performing a test of travel charges during the year, there were two charges noted for meals; however, the auditor was unable to determine the purpose for the meal purchase and in one instance an itemized receipt was unable to be located to support the charge.
- In reviewing compensated absences balances at fiscal year-end, it was noted that an employee hired during the fiscal year received vacation and sick leave time before they were eligible for the benefits, based on approved Board policy. Although the Director approved this leave in writing, the auditor was unable to locate Board approval for this leave time.
- When testing a sample of three capital asset additions, it was noted that the assets were not added to the listing at the correct cost; two are due to not including shipping cost and one is due to a keypunch error.
- When reviewing capital asset balances at year-end, the auditor identified a suburban that was disposed of during the fiscal year that was not included in the listing of capital asset deletions provided by the District.
- During the audit, various entries were proposed to correct posting of 3rd out on-call payroll, to correct posting of revenue, and to record accounts receivable and accounts payable balances related to UPL payments after year-end. These adjustments were posted following the client's approval of the proposed adjustments.

Context: The exceptions noted above were identified when performing substantive testing across various account balances and appears to be systemic.

Possible asserted effect (cause and effect):

Cause: The District does not have a well-defined close-out process to ensure financial statements are complete and accurate prior to submission for audit.

Effect: The internal controls over accounting and financial reporting were weakened.

Recommendations to prevent future occurrences: All invoices and receipts within the two months after year-end should be properly reviewed to determine if they should be accrued as payables or receivables. Furthermore, capital asset addition and deletion listings should be reviewed prior to submission for audit. Also, the District should establish a monthly review process to ensure revenues and expenses posted were accurately posted.

Origination date and prior year reference (if applicable) This finding originated December 31, 2016. See prior year finding 2016-001.

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Schedule of Findings and Responses
For the Year Ended December 31, 2017**

View of responsible official: Spoke with CPA and informed her that this needs to be watched carefully.

Reference # and title: **2017-002 Internal Controls Over Time Records and Suspected Abuse of Time**

Entity-wide or program/department specific: This finding is entity-wide.

Criteria or specific requirement: The District is ultimately responsible for safeguarding all of its assets, ensuring timesheets are properly reviewed and approved and that the only time paid for was actually earned in accordance with Board established policy. Furthermore, according to Louisiana Revised Statute 24:523, the District, who has actual knowledge or reasonable cause to believe there has been a misappropriation of public funds should immediately notify, in writing, the Louisiana Legislative Auditor and District Attorney of the Parish.

Condition found: During the fiscal year, it was noted that an employee earned comp time for hours included on their timesheet that could not be properly verified. This employee was also paid for time on-call when the employee was not in the parish and available, as required by Board policy. Once identified, the District gathered appropriate documentation and met with the local District Attorney. As the District was investigating the matter further, the employee was placed on administrative leave and was later terminated. There has been no repayment of funds, as the District was unable to determine an estimate of the amount considered to be overpaid by the District. No formal charges have been filed regarding this matter.

Lastly, it was noted that the District did not notify the Louisiana Legislative Auditor of the suspected misappropriation of funds as required by State law.

Context: The exception noted above is considered to be an isolated incident.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: The internal controls over time records are weakened and state compliance requirements were not met.

Recommendations to prevent future occurrences: The District should ensure that time records are closely reviewed and that any suspected falsification of time is addressed on a timely basis. Furthermore, the District should ensure that the Louisiana Legislative Auditor and local District Attorney are properly notified in writing of any known or suspected misappropriation of funds.

Origination date and prior year reference (if applicable) December 31, 2017.

View of responsible official: Understood.



Status of Prior Year Audit Findings for December 31, 2017

Reference # and title: **2016-001** **Internal Controls Over Financial Reporting**

Entity-wide or program/department specific: This finding is entity-wide.

Condition: Proper internal controls over financial reporting requires that accounting records contain up-to-date, accurate and complete information to ensure that the financial data can be relied upon to monitor the financial condition of the District. Financial records should be reviewed timely to supporting documentation to ensure that the transactions are properly recorded and classified in the appropriate account period.

- In performing the search for unrecorded receivables, one deposit for \$54,438 was noted as related to December 31, 2016 that was not identified as a receivable as of December 31, 2016 by the District. An adjusting entry was proposed to correct.
- In performing the search for unrecorded liabilities, it was noted that one invoice for construction and the related retainage payable was not appropriately accrued at year end. The portion of the invoice that related to December 31, 2016 included \$114,447 related to construction costs and \$31,941 related to retainage. An adjusting entry was proposed to correct.
- While performing a test on administrative salaries, it was noted that one employee was paid for comp time hours earned that were not deducted from the ending comp time balance used for compensated absences calculation as of December 31, 2016; therefore, the ending compensated absences balance was overstated by an immaterial amount. It was also noted when performing a test of leave taken during the year that one leave form was not appropriately approved.
- When testing a sample of cash receipts, it was noted that one receipt was not stamped on the date received and the auditor could not determine timelines.
- In performing a test of disbursements, one disbursement was noted where sales tax was paid on the purchase, which is not considered to be necessary or reasonable.
- When vouching revenue reported to supporting documentation it was noted that one receipt for \$31,636 was incorrectly classified as claims instead of UPL revenue. AN adjusting entry was proposed to correct.
- When reviewing payroll postings during the year, it was noted that charges related to third-out payroll as well as employer contributions to the 457 plan were incorrectly coded during the year. An adjusting entry was proposed to correct.

Corrective action planned: See current year finding 2017-001.

Respectively Submitted,


Richie Allen, Director



**Corrective Action Plan for Current Year Audit Findings and Responses
For the Year Ended December 31, 2017**

Reference # and title: **2017-001** **Internal Controls Over Financial Reporting**

Entity-wide or program/department specific: This finding is entity-wide.

Condition: Proper internal controls over financial reporting requires that accounting records contain up-to-date, accurate and complete information to ensure that the financial data can be relied upon to monitor the financial condition of the District. Financial records should be reviewed timely to supporting documentation to ensure that the transactions are properly recorded and classified in the appropriate account period.

- When performing a test of one monthly credit card statement for 10 credit/fuel cards for the year, multiple charges were noted on two of the cards tested where the business purpose could not be determined, including purchases of meals and purchases at various stores. Also noted were multiple payments that included charges for a total of \$241 for sales tax, which is not considered a necessary or reasonable expense.
- When performing a test of travel charges during the year, there were two charges noted for meals; however, the auditor was unable to determine the purpose for the meal purchase and in one instance an itemized receipt was unable to be located to support the charge.
- In reviewing compensated absences balances at fiscal year-end, it was noted that an employee hired during the fiscal year received vacation and sick leave time before they were eligible for the benefits, based on approved Board policy. Although the Director approved this leave in writing, the auditor was unable to locate Board approval for this leave time.
- When testing a sample of three capital asset additions, it was noted that the assets were not added to the listing at the correct cost; two are due to not including shipping cost and one is due to a keypunch error.
- When reviewing capital asset balances at year-end, the auditor identified a suburban that was disposed of during the fiscal year that was not included in the listing of capital asset deletions provided by the District.
- During the audit, various entries were proposed to correct posting of 3rd out on-call payroll, to correct posting of revenue, and to record accounts receivable and accounts payable balances related to UPL payments after year-end. These adjustments were posted following the client's approval of the proposed adjustments.

Corrective action planned: All of these items have been addressed with the people responsible and everyone has been updated on what to do.

Person responsible for corrective action:

Richie Allen, Director
West Carroll Parish Ambulance District
P. O. Box 684
Oak Grove, LA 71263

Telephone: 318-428-8979
Fax: 318-428-7777

Anticipated completion date: Immediately.

**Corrective Action Plan for Current Year Audit Findings and Responses
For the Year Ended December 31, 2017 (continued)**

Reference # and title: 2017-002 Internal Controls Over Time Records and Suspected Abuse of Time

Entity-wide or program/department specific: This finding is entity-wide.

Condition: The District is ultimately responsible for safeguarding all of its assets, ensuring timesheets are properly reviewed and approved and that the only time paid for was actually earned in accordance with Board established policy. Furthermore, according to Louisiana Revised Statute 24:523, the District, who has actual knowledge or reasonable cause to believe there has been a misappropriation of public funds should immediately notify, in writing, the Louisiana Legislative Auditor and District Attorney of the Parish.

During the fiscal year, it was noted that an employee earned comp time for hours included on their timesheet that could not be properly verified. This employee was also paid for time on-call when the employee was not in the parish and available, as required by Board policy. Once identified, the District gathered appropriate documentation and met with the local District Attorney. As the District was investigating the matter further, the employee was placed on administrative leave and was later terminated. There has been no repayment of funds, as the District was unable to determine an estimate of the amount considered to be overpaid by the District. No formal charges have been filed regarding this matter.

Lastly, it was noted that the District did not notify the Louisiana Legislative Auditor of the suspected misappropriation of funds as required by State law.

Corrective action planned: Made the Board of Commissioner aware of the need to contact the Louisiana Legislative Auditors Office.

Person responsible for corrective action:

Richie Allen, Director	Telephone: 318-428-8979
West Carroll Parish Ambulance District	Fax: 318-428-7777
P. O. Box 684	
Oak Grove, LA 71263	

Anticipated completion date: Immediately.

Respectively Submitted,



Richie Allen, Director

**West Carroll Parish Ambulance Service District
Of the Parish of West Carroll
Status of Prior Year Management Letter Item
For the Year Ended December 31, 2017**

2016-M1 Compliance - Under Pledge Securities

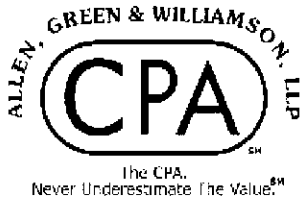
Comment: Louisiana Revised Statute 39:1218 states that “any bank selected as fiscal agent shall give security for the safekeeping and payments of deposits.” In testing cash deposits at year-end, it was determined that deposits held at one bank were under-secured by \$10,838. Through discussions with management, it was noted that management authorized the bank to reduce the amount pledged during the year.

Recommendation: The District should review bank balances prior to fiscal year end and advise the bank of any large deposits to be made or securities to be pledged before the end of the fiscal year.

Management’s response: Met with the representative from the bank in question and made an adjustment to email the reports monthly and notified them that we had to have the securities to the amount of the monies involved because of them being public funds. This matter is considered to be cleared.

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll**

AGREED-UPON PROCEDURES



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075
Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

Partners: Tim Green, CPA
Amy Tynes, CPA, CFE
Aimee Buchanan, CPA
Nicia Bamburg, CPA, CFE
Principal: Cindy Thomason, CPA

Eddi Hernandez, CPA
Jennie Henry, CPA
Ronnie Jacola, CPA
Audit Manager: Margie Williamson, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

Board Members
West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Oak Grove, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of West Carroll Parish Ambulance Service District of the Parish of West Carroll, Oak Grove, Louisiana, and the Louisiana Legislative Auditor (LLA), on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year ended December 31, 2017. The Ambulance District's management is responsible for the control and compliance areas identified in these Statewide Agreed-Upon Procedures. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the reports. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts**, including receiving, recording, and preparing deposits

- e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) ***Debt Service***, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements

Comment: When reviewing the applicable written policies and procedures for the required elements, the following exceptions were noted:

- ***Purchasing***- No written procedures were noted. Policy did not contain required elements of (1) how purchases are initiated and (2) how vendors are added to the vendor list.
- ***Disbursements***- No written policies or procedures were noted.
- ***Receipts***- No written policies or procedures were noted.
- ***Payroll/Personnel***- No written procedures were noted. Policies did not contain required elements of (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- ***Contracting***- No written procedures were noted. Policies did not contain required elements of (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- ***Ethics***- No written procedures were noted. Policies did not contain required elements of (1) actions to be taken if an ethics violation takes place, (2) system to monitor possible ethics violations, and (3) requirement that all employees annual attest through signature verification that they have read the entity's ethics policy.

Management's Response: The Board of Commissioners have been made aware of the lack of policies and procedures.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Comment: One month did not have a monthly meeting due to the Board not having a quorum.

Management's Response: Board of Commissioners were not able to all be present to have a quorum for the meeting.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
 - a) Bank reconciliations have been prepared;
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
 - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Comment: Bank Reconciliations were reviewed for two bank accounts for the fiscal year. Of the twenty-four reconciliations selected for testing, six did not include evidence of review by someone who was not involved in the transactions associated with the bank account. Also, two bank reconciliations did not have any evidence of researching reconciling items outstanding for more than six months.

Management's Response: Reconciliations are now done by two people that are not listed on the accounts.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from*

selection if they are otherwise addressed in a separate audit or AUP engagement. For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
 - b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
 - c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.
7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Comment: Only one cash collection location was noted. Exceptions were noted due to no formal written process existing to reconcile cash collections to the accounting records by someone other than person responsible for collections.

Management's Response: The Board of Commissioners have been made aware of the lack of policy.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.
9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.
11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.
13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Comment: Of the twenty-four disbursements selected for testing, there were four checks noted that did not have a purchase order.

Management's Response: All purchase orders are now issued by a single person that does not make purchases.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card

purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Report whether finance charges and/or late fees were assessed on the selected statements.
16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).
- a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
 - b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
 - c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Comment: Of a sample of 10 credit card statements selected for testing, there were two statements noted that included purchases for meals and various supplies that did not include documentation stating the business purpose for each purchase. Also, one statement paid a total of \$241 in sales tax charged on various purchases.

Management's Response: All purchases are now reviewed by two board members.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.
18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
 - b) Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
 - c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
 - d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Comment: When testing two travel charges noted during the fiscal year, it was noted that both charges did not include approval by someone other than the person making the purchase. Furthermore, it was noted that one charge included multiple meal purchases which did not include the business purpose for each purchase, as well as one charge was missing an itemized receipt to support the charge.

Management's Response: Purchases must now have documentation to support their purpose or a written explanation must be provided.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.
21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Comment: No exceptions were noted as a result of applying the agreed upon procedures.

Payroll and Personnel

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
 - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.
- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
 - a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
- 24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel

files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Comment: It was noted that one state payroll tax withholding payment was not paid timely.

Management's Response: Issue was due to a personnel change and has been corrected.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.
27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Comment: No exceptions were noted as a result of applying the agreed upon procedures.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.
29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.
30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Comment: Entity does not have debt service.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Comment: Entity had theft of time during the fiscal year. Entity did report to the district attorney but did not notify the Legislative Auditor.

Management's Response: The Board was made aware that the matter must be reported to the legislative auditor. Procedure has been suggested to be added to the policy and procedure manual.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Allen, Green & Williamson, LLP

Allen, Green & Williamson, LLP

Monroe, Louisiana
June 25, 2018