

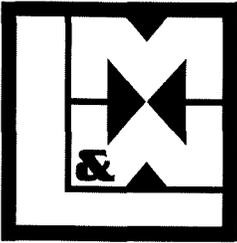
**ALLEN PARISH AMBULANCE
SERVICE DISTRICT NO. 1**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020**

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditors' Report on the Basic Financial Statements and Supplementary Information.....	1-3
Basic Financial Statements	
Statements of Net Position.....	5-6
Statements of Revenues, Expenses and Changes in Net Position.....	7-8
Statements of Cash Flows.....	9-10
Notes to Financial Statements.....	11-27
Required Supplementary Information	
Schedules of the Ambulance District's Proportionate Share of the Net Pension Liability.....	29
Schedules of the Ambulance District's Contributions.....	30
Other Supplementary Information	
Schedules of Board Fees.....	32
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer.....	33
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	34-35
Schedule of Findings and Responses.....	36
Schedule of Prior Year Findings.....	37



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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Allen Parish Ambulance Service District No. 1, a component unit of the Allen Parish Police Jury, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise Allen Parish Ambulance Service District No. 1's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Allen Parish Service District No. 1, as of December 31, 2021 and 2020, and the changes in financial position and its cashflows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We concluded 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Allen Parish Ambulance Service District No. 1, and meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Allen Parish Ambulance Service District No. 1's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Allen Parish Ambulance Service District No. 1's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Allen Parish Ambulance Service District No. 1's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the financial information of the Allen Parish Ambulance Service District No. 1 and do not purport to, and do not, present fairly the financial position of the Allen Parish Police Jury as of December 31, 2021 and 2020, the changes in its financial position, or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for

placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the required supplementary information on page 29 and 30, 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 Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, on our consideration of the Allen Parish Ambulance Service District No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Allen Parish Ambulance Service District No. 1'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 Allen Parish Ambulance Service District No. 1's internal control over financial reporting and compliance.



Certified Public Accountants
Lafayette, Louisiana

June 30, 2022

BASIC FINANCIAL STATEMENTS

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

	<u>2021</u>	<u>2020</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and cash equivalents	\$ 311,847	\$ 531,146
Certificates of deposit	3,210,713	2,661,322
Patient accounts receivable, net of estimated uncollectibles of \$137,931 in 2021 and \$98,113 in 2020 (Note 4)	232,638	203,297
Ad valorem tax receivable, net of estimated uncollectibles of \$708 in 2021 and \$464 in 2020	96,035	165,724
Due from other governmental agencies	304,636	242,092
Inventories	43,315	40,656
Prepaid expenses	104,369	69,457
Other receivables	<u>4,169</u>	<u>332,927</u>
Total current assets	<u>4,307,722</u>	<u>4,246,621</u>
CAPITAL ASSETS		
Nondepreciable capital assets (Note 7)	93,706	80,066
Depreciable capital assets, net (Note 7)	<u>1,376,515</u>	<u>1,408,004</u>
Total capital assets	<u>1,470,221</u>	<u>1,488,070</u>
OTHER ASSETS		
Net pension asset (Note 9)	<u>302,033</u>	<u>-0-</u>
Total assets	6,079,976	5,734,691
DEFERRED OUTFLOWS OF RESOURCES		
Defined benefit pension plan (Note 9)	<u>337,093</u>	<u>259,706</u>
Total assets and deferred outflows of resources	<u>\$ 6,417,069</u>	<u>\$ 5,994,397</u>

See accompanying notes to financial statements.

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

	<u>2021</u>	<u>2020</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 1,541	\$ 1,541
Accrued liabilities	<u>143,152</u>	<u>125,413</u>
Total current liabilities	144,693	126,954
LONG-TERM		
Net pension liability (Note 9)	<u>-0-</u>	<u>7,704</u>
Total liabilities	<u>144,693</u>	<u>134,658</u>
DEFERRED INFLOWS OF RESOURCES		
Defined benefit pension plan (Note 9)	<u>625,577</u>	<u>359,518</u>
NET POSITION		
Net investment in capital assets	1,470,221	1,488,070
Unrestricted	<u>4,176,578</u>	<u>4,012,151</u>
Total net position	<u>5,646,799</u>	<u>5,500,221</u>
Total liabilities, deferred inflows of resources and net position	\$ <u>6,417,069</u>	\$ <u>5,994,397</u>

See accompanying notes to financial statements.

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

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Net patient service revenues, net of provision for bad debts of \$172,879 in 2021 and \$107,336 in 2020	\$ 1,067,143	\$ 987,330
Other operating revenues	<u>745,090</u>	<u>1,450,653</u>
Total operating revenues	<u>1,812,233</u>	<u>2,437,983</u>
Operating expenses:		
Salaries	1,242,588	1,121,922
Advertising	3,288	2,493
Board members' per diems	3,000	2,550
Repairs and maintenance	65,185	60,691
Depreciation expense	176,272	168,596
Employee benefits	139,051	118,219
Fuel expense	24,818	19,905
Insurance expense	81,222	72,178
Intergovernmental transfer - supplemental payment program	304,301	630,234
Medical director	4,800	4,400
Other expenses	8,664	9,690
Payroll taxes	18,776	16,557
Postage and delivery	2,331	1,826
Professional expenses	30,954	31,159
Retirement expense	26,400	136,114
Supplies	89,618	81,098
Telephone expense	19,704	15,748
Utilities	<u>16,297</u>	<u>12,649</u>
Total operating expenses	<u>2,257,269</u>	<u>2,506,029</u>
Operating income	<u>(445,036)</u>	<u>(68,046)</u>
Non-operating revenues (expenses):		
Ad valorem taxes, net of pension deduction	524,138	502,736
Investment income	53,305	49,191
Gain on sale of capital asset	<u>14,171</u>	<u>-0-</u>
Total non-operating revenues (expenses)	<u>591,614</u>	<u>551,927</u>
Increase in net position	\$ <u>146,578</u>	\$ <u>483,881</u>

See accompanying notes to financial statements.

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

	<u>2021</u>	<u>2020</u>
Increase in net position (carried forward)	\$ 146,578	\$ 483,881
Net position, beginning of year	<u>5,500,221</u>	<u>5,016,340</u>
Net position, end of year	\$ <u>5,646,799</u>	\$ <u>5,500,221</u>

See accompanying notes to financial statements.

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

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from and on behalf of patients	\$ 1,037,802	\$ 1,000,227
Payments to suppliers and contractors	(997,045)	(1,220,615)
Payments to employees	(1,224,849)	(1,144,484)
Other receipts and payments, net	<u>1,073,859</u>	<u>1,379,785</u>
Net cash provided by (used in) operating activities	<u>(110,233)</u>	<u>14,913</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Ad valorem taxes	<u>531,283</u>	<u>410,734</u>
Net cash provided by non-capital financing activities	<u>531,283</u>	<u>410,734</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for the purchase of property and equipment	(168,452)	(197,056)
Proceeds from the sale of capital assets	<u>24,200</u>	<u>-0-</u>
Net cash used in capital and related financing activities	<u>(144,252)</u>	<u>(197,056)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	53,294	47,225
Redemption of certificates of deposit	-0-	528,169
Purchase of certificates of deposit	<u>(549,391)</u>	<u>(813,964)</u>
Net cash used in investing activities	<u>(496,097)</u>	<u>(238,570)</u>
Net increase (decrease) in cash and cash equivalents	(219,299)	(9,979)
Cash and cash equivalents, beginning	<u>531,146</u>	<u>541,125</u>
Cash and cash equivalents, ending	\$ <u>311,847</u>	\$ <u>531,146</u>

See accompanying notes to financial statements.

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

	<u>2021</u>	<u>2020</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating income	\$ (445,036)	\$ (68,046)
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation	176,272	168,596
Provision for bad debts	172,879	107,336
(Increase) decrease in assets -		
Patient accounts receivable	(202,220)	(94,439)
Prepaid expenses	(34,912)	6,752
Inventories	(2,659)	(717)
Other receivables	328,769	(70,868)
Net pension asset	(302,033)	-0-
Change in deferred outflows of resources	(77,387)	369,439
Increase (decrease) in liabilities -		
Accounts payable	-0-	(6,318)
Accrued liabilities	17,739	(22,562)
Net pension liability	(7,704)	(685,772)
Change in deferred inflows of resources	<u>266,059</u>	<u>311,512</u>
Net cash provided by (used in) operating activities	\$ <u>(110,233)</u>	\$ <u>14,913</u>

See accompanying notes to financial statements.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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

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

Organization

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

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

Method of Accounting

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

Enterprise Fund

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Advertising

The Ambulance District expenses advertising cost as incurred. Advertising expense for the years ended December 31, 2021 and 2020, totaled \$3,288 and \$2,493, respectively.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Ambulance District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Under state law, the Ambulance District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana Law or any other state of the United States, or under the laws of the United States.

Credit Risk

The Ambulance District provides ambulance services to Allen Parish residents and grants credit to patients, substantially all of whom are local residents. The Ambulance District's estimate of collectability is based on an evaluation of historical collections compared to gross revenues to establish an allowance for uncollectible accounts.

Significant Concentration of Economic Dependence

The Ambulance District has an economic dependence on Medicare and Medicaid as it received 61% and 64%, in 2021 and 2020 respectively, of its payments from these two sources. Accordingly, changes in federal and state legislation or interpretations of rules have a significant impact on the Ambulance District.

Patient Accounts Receivable

Patient accounts receivable are carried at a net amount determined by the original billed amount less an estimate made for contractual adjustments or discounts provided to third-party payors, less any payments received and less an estimated allowance for doubtful accounts. Management determines the allowance for doubtful accounts by utilizing a historical experience applied to an aging of accounts. Patient accounts receivable are written-off as bad debt expense when deemed uncollectible. Recoveries of receivables previously written-off as bad debt expense are recorded as a reduction of bad debt expense when received.

Inventories

Inventories are stated at the lower of cost determined by the first-in, first-out method, or net realizable value.

Capital Assets

Capital assets are recorded at cost for purchased assets or at fair market value on the date of any donation. The Ambulance District uses the straight-line method of determining depreciation for financial reporting. The following useful lives are generally used:

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

Expenditures for additions, major renewals, and betterments are capitalized and expenditures for maintenance and repairs are charged to operations as incurred.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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

Net Position

The Ambulance District classifies net position into three components: invested in capital assets, net of related debt; restricted, and unrestricted. Invested in capital assets, net of related debt consists of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowing used to finance the purchase or construction of those assets. Restricted consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, or contributors, or enabling legislation. Unrestricted are remaining net assets that do not meet the definition of invested in capital assets net of related debt or restricted.

Net Patient Revenue

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

Grants and Donations

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

Operating Revenues and Expenses

The Ambulance District's statement of revenues, expenses and changes in net position distinguishes between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services, the Ambulance District's principal activity. Non-exchange revenues, including taxes, grants and contributions received for purposes other than capital asset acquisition, are reported as non-operating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

Income Taxes

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

Risk Management

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

Restricted Resources

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

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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

Deferred Outflows/Inflows of Resources

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

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

Environmental Matters

The Ambulance District is subject to laws and regulations relating to the protection of the environment. The Ambulance District's policy is to accrue environmental and cleanup related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty the potential financial impact of the Ambulance District's continuing compliance efforts, management believes any future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of the Ambulance District. At December 31, 2021 and 2020, management is not aware of any liability resulting from environmental matters.

Pensions

The Ambulance District is a participating employer in a defined benefit pension plan as described in Note 9. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value within the plan.

Reclassifications

Certain reclassifications have been made in the financial statements at December 31, 2021 and 2020, in order to be consistent with reporting in the current year. These reclassifications had no effect on previously reported retained earnings or net income.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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

Recently Issued Accounting Pronouncements

The GASB issued Statement No. 87, Leases. The objective of GASB 87 is to better meet the information needs of the financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2021.

Note 2. Third-Party Payor Arrangements

The Ambulance District participates in the Medicare and Medicaid programs as a provider of ambulance services to program beneficiaries. During the years ended December 31, 2021 and 2020, approximately 61% and 64%, respectively, of the Ambulance District's gross patient services were furnished to Medicare and Medicaid beneficiaries. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Ambulance District believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

The Ambulance District has agreements with third-party payors that provide for payments to the Ambulance District at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

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

The Ambulance District also has entered into payment arrangements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Ambulance District under these agreements is determined based on a prospectively determined rate per ambulance trip. The Ambulance District also discounts the base rate charge to parish residents excluding residents of Oakdale.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 3. Deposits and Investments

The Ambulance District's investing is performed in accordance with investment policies complying with state statutes. Funds may be invested in time deposits, money market investment accounts, or certificates of deposit with financial institutions insured by FDIC; direct obligations of the United States Government and its agencies; commercial paper issued by United States Corporations with a rating of A-1 (Moody's) and P-1 (Standard and Poor's) or higher; and government backed mutual trust funds. At December 31, 2021, the Ambulance District's funds consisted solely of demand deposits and certificates of deposits. These deposits are stated at cost, which approximates market.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Ambulance District's deposits may not be returned to it. State law requires collateralization of all deposits with federal depository insurance and other acceptable collateral in specific amounts. The Ambulance District's policy requires that all bank balances be insured or collateralized by the financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage (FDIC). As of December 31, 2021, \$250,000 of the Ambulance District's deposits were secured from risk by FDIC coverage and \$2,279,606 were collateralized by securities pledged. As of December 31, 2020, these deposits were secured from risk by \$250,000 of FDIC coverage and \$2,994,796 by pledged securities. Accordingly, the Ambulance District had no custodial credit risk related to its deposits at December 31, 2021 and 2020.

Note 4. Accounts Receivable

Patient accounts receivable reported as current assets by the Ambulance District at December 31, 2021 and 2020 consisted of the following:

<u>Patient Accounts Receivable</u>	<u>2021</u>	<u>2020</u>
Receivable from patients and their insurance carriers	\$ 209,160	\$ 130,027
Receivable from insurance carriers	100,108	100,930
Receivable from Medicare	39,091	47,271
Receivable from Medicaid	<u>22,210</u>	<u>23,182</u>
Total patient accounts receivable	370,569	301,410
Less allowance for uncollectible amounts	<u>(137,931)</u>	<u>(98,113)</u>
Patient accounts receivable, net	<u>\$ 232,638</u>	<u>\$ 203,297</u>

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 5. Concentrations of Credit Risk

The Ambulance District grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at December 31, 2021 and 2020 was as follows:

	<u>2021</u>	<u>2020</u>
Medicare	11 %	16 %
Medicaid	6 %	8 %
Other third-party payors	27 %	33 %
Patients	<u>56 %</u>	<u>43 %</u>
	<u>100 %</u>	<u>100 %</u>

Note 6. Ad Valorem Taxes

The Ambulance District levied 9.76 mills on properties with assessed values of \$56,111,376 and \$53,869,772, net of homestead values, for the years ended December 31, 2021 and 2020, respectively.

The Ambulance District received approximately 22% of its financial support from ad valorem taxes in 2021 and 17% in 2020, respectively. These funds were used to support operations.

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

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 7. Capital Assets

Capital assets additions, retirements, and balances for the years ended December 31, 2021 and 2020 were as follows:

	December 31, <u>2020</u>	<u>Additions</u>	<u>Retirements</u>	December 31, <u>2021</u>
Nondepreciable capital assets				
Land	\$ 24,500	\$ -0-	\$ -0-	\$ 24,500
Construction in progress	<u>55,566</u>	<u>69,206</u>	<u>(55,566)</u>	<u>69,206</u>
Total nondepreciable Capital assets	<u>\$ 80,066</u>	<u>\$ 69,206</u>	<u>\$ (55,566)</u>	<u>\$ 93,706</u>
Depreciable capital assets				
Equipment	\$ 557,690	\$ -0-	\$ -0-	\$ 557,690
Office equipment	40,982	-0-	-0-	40,982
Buildings improvements	68,230	29,430	(12,280)	85,380
Ambulances	561,432	125,382	(92,215)	594,599
Vehicles	25,292	-0-	-0-	25,292
Building	<u>1,171,795</u>	<u>-0-</u>	<u>-0-</u>	<u>1,171,795</u>
Total historical cost	<u>2,425,421</u>	<u>154,812</u>	<u>(104,495)</u>	<u>2,475,738</u>
Less accumulated depreciation for:				
Equipment	(430,728)	(32,429)	-0-	(463,157)
Office equipment	(31,511)	(3,150)	-0-	(34,661)
Buildings improvements	(11,791)	(6,096)	2,251	(15,636)
Ambulances	(359,928)	(85,839)	92,215	(353,552)
Vehicles	(25,293)	-0-	-0-	(25,293)
Building	<u>(158,166)</u>	<u>(48,758)</u>	<u>-0-</u>	<u>(206,924)</u>
Total accumulated depreciation	<u>(1,017,417)</u>	<u>(176,272)</u>	<u>94,466</u>	<u>(1,099,223)</u>
Total depreciable Capital assets, net	<u>\$ 1,408,004</u>	<u>\$ (21,460)</u>	<u>\$ (10,029)</u>	<u>\$ 1,376,515</u>

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 7. Capital Assets (Continued)

	December 31, <u>2019</u>	<u>Additions</u>	<u>Retirements</u>	December 31, <u>2020</u>
Nondepreciable capital assets				
Land	\$ 24,500	\$ -0-	\$ -0-	\$ 24,500
Construction in progress	<u>-0-</u>	<u>55,566</u>	<u>-0-</u>	<u>55,566</u>
Total nondepreciable Capital assets	<u>\$ 24,500</u>	<u>\$ 55,566</u>	<u>\$ -0-</u>	<u>\$ 80,066</u>
Depreciable capital assets				
Equipment	\$ 527,882	\$ 29,808	\$ -0-	\$ 557,690
Office equipment	40,982	-0-	-0-	40,982
Buildings improvements	53,430	14,800	-0-	68,230
Ambulances	635,575	96,882	(171,025)	561,432
Vehicles	25,292	-0-	-0-	25,292
Building	<u>1,171,795</u>	<u>-0-</u>	<u>-0-</u>	<u>1,171,795</u>
Total historical cost	<u>2,454,956</u>	<u>141,490</u>	<u>(171,025)</u>	<u>2,425,421</u>
Less accumulated depreciation for:				
Equipment	(392,227)	(38,501)	-0-	(430,728)
Office equipment	(28,310)	(3,201)	-0-	(31,511)
Buildings improvements	(7,164)	(4,627)	-0-	(11,791)
Ambulances	(460,606)	(70,347)	171,025	(359,928)
Vehicles	(22,131)	(3,162)	-0-	(25,293)
Building	<u>(109,408)</u>	<u>(48,758)</u>	<u>-0-</u>	<u>(158,166)</u>
Total accumulated depreciation	<u>(1,019,846)</u>	<u>(168,596)</u>	<u>171,025</u>	<u>(1,017,417)</u>
Total depreciable Capital assets, net	<u>\$ 1,435,110</u>	<u>\$ (27,106)</u>	<u>\$ -0-</u>	<u>\$ 1,408,004</u>

Depreciation expense for the years ended December 31, 2021 and 2020 amounted to \$176,272 and \$168,596, respectively.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 8. Compensated Absences and Sick Time

Ambulance employees earn 168 to 240 hours of vacation (depending on years of service) and office employees earn 120 vacation hours per year. Only employees with at least one year of service are eligible for vacation days. These vacation days can accrue to a maximum of 336 to 480 hours for Ambulance employees and a maximum of 240 hours for office employees. The Ambulance District had accrued compensated absences at December 31, 2021 and 2020 of \$55,200 and \$48,507, respectively.

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

Note 9. Retirement

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

Benefits provided:

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

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 9. Retirement (Continued)

Survivor benefits - Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes. A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Cost-of-living adjustments - The Board is authorized to provide a cost-of-living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1997, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (LA R.S. 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Deferred retirement option plan - Act 338 of 1990 established the deferred retirement option plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this System must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the System are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 9. Retirement (Continued)

Disability benefits - For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

Contributions - Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary and the Ambulance District is required to contribute at an actuarially determined rate. For the plan year ended December 31, 2020 and December 31, 2019, the actuarially determined contribution rate was 10.38% and 11.11%, respectively, of the member's compensation for Plan A. The actual contribution rate for the years ending December 31, 2020 and 2019 was 12.25% and 12.25%, respectively, of annual covered payroll for Plan A.

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

The Ambulance District's contributions to the System under Plan A, exclusive of employee portion, for the year ending December 31, 2021 and 2020 were \$147,465 and \$140,935, equal to the required contributions for the year.

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

At December 31, 2021 and 2020, the Ambulance District reported an asset of \$(302,033) and a liability of \$7,704, respectively, for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2020 and 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability (asset) was based on a projection of the Ambulance District's required projected share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2020 and 2019, the Ambulance District's proportions were 0.172254% and 0.163646%, which was an increase of 0.008608% and a increase of 0.007400% from its' proportions measured as of December 31, 2020 and 2019.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 9. Retirement (Continued)

For the years ended December 31, 2021 and 2020, the Ambulance District recognized pension expense of \$40,225 and \$149,356, respectively. At December 31, 2021 and 2020, the Ambulance District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

December 31, 2021:

	<u>Outflows</u>	<u>Inflows</u>
Deferred resources		
Differences between expected and actual experience	\$ -0-	\$ 36,049
Changes in assumptions	73,535	589,480
Net difference between projected and actual earnings on pension plan investments	98,816	-0-
Changes in proportion and differences between employer contributions and proportionate share of contributions	17,277	(48)
Contributions subsequent to measurement date	<u>147,465</u>	<u>-0-</u>
Ending balance	\$ <u>337,093</u>	\$ <u>625,481</u>

December 31, 2020:

	<u>Outflows</u>	<u>Inflows</u>
Deferred resources		
Differences between expected and actual experience	\$ -0-	\$ 68,963
Changes in assumptions	-0-	288,770
Net difference between projected and actual earnings on pension plan investments	107,590	-0-
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,181	1,785
Contributions subsequent to measurement date	<u>140,935</u>	<u>-0-</u>
Ending balance	\$ <u>259,706</u>	\$ <u>359,518</u>

The Ambulance District reported \$140,935 as deferred outflows of resources related to pensions resulting from the Ambulance District's contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended
December 31

2022	\$ (118,178)
2023	\$ (36,711)
2024	\$ (184,106)
2025	\$ (96,297)

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 9. Retirement (Continued)

Actuarial assumptions - The total pension liability in the December 31, 2020 and 2019 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

December 31, 2020:

Inflation	2.30%
Salary increases	4.75% (including inflation)
Investment rate of return	6.40% (net of investment expense)
Actuarial cost method	Entry Age Normal
Expected remaining service lives	4 years

December 31, 2019:

Inflation	2.40%
Salary increases	4.75% (including inflation)
Investment rate of return	6.50% (net of investment expense)
Actuarial cost method	Entry Age Normal
Expected remaining service lives	4 years

At December 31, 2020 and 2019, the mortality rate assumption used was based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was then assigned a credibility weighting and combined with a standard table to produce current levels of mortality. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females each with generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement Plans Mortality Table for healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

At December 31, 2020 and 2019, the discount rate used to measure the total pension liability was 6.40% and 6.50%, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee (PRSAC). Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 9. Retirement (Continued)

The long-term rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building block approach (bottom-up). Risk and return correlations are projected on a forward-looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% at December 31, 2020 and 2019 and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 7.00% and 7.18% for the year ended December 31, 2020 and 2019.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2020 and 2019 are summarized in the following table:

	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
<u>December 31, 2020:</u>		
Asset class:		
Fixed income	33%	0.86%
Equity	51%	3.36%
Alternatives	14%	0.67%
Real assets	<u>2%</u>	<u>0.11%</u>
	<u>100%</u>	5.00%
Inflation		<u>2.00%</u>
Expected arithmetic nominal return		<u>7.00%</u>
		<u>Long-Term Expected Portfolio Real Rate of Return</u>
<u>December 31, 2019:</u>		
Asset class:		
Fixed income	35%	1.05%
Equity	52%	3.41%
Alternatives	11%	0.61%
Real assets	<u>2%</u>	<u>0.11%</u>
	<u>100%</u>	5.18%
Inflation		<u>2.00%</u>
Expected arithmetic nominal return		<u>7.18%</u>

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 9. Retirement (Continued)

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

December 31, 2020:

	1% Decrease <u>5.40%</u>	Current Discount Rate <u>6.40%</u>	1% Increase <u>7.40%</u>
Employers proportionate share of the net pension liability (asset)	<u>\$ 633,274</u>	<u>\$(302,033)</u>	<u>\$(1,085,332)</u>

December 31, 2019:

	1% Decrease <u>5.50%</u>	Current Discount Rate <u>6.50%</u>	1% Increase <u>7.50%</u>
Employers proportionate share of the net pension liability (asset)	<u>\$ 832,613</u>	<u>\$ 7,704</u>	<u>\$(683,555)</u>

Non-Employer Contributing Entities - Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Ambulance District recognizes revenue in an amount equal to their proportionate share of total contributions to the pension plan from these non-employer contributing entities. The Ambulance District recognized revenue as a result of support received from non-employer contributing entities of \$14,482 and \$13,243 for the years ended December 31, 2021 and 2020, respectively.

Payables to the Pension Plan for contractually required employer contributions withheld were \$75,203 as of December 31, 2021 and \$68,498 as of December 31, 2020.

Detailed information about the pension plan's fiduciary net position is available in audited stand-alone issued financial statements for the years ended December 31, 2020 and 2019. Access to the audit report and financials can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

Note 10. Supplemental Payments (UPL) for Emergency Ambulance Services

Effective 2012, the Ambulance District entered into a Cooperative Endeavor Agreement in order to receive quarterly supplemental payments for qualifying land ambulance and air ambulance providers for emergency transportation rendered. The Louisiana Department of Health (LDH) submitted the Supplemental Payment Program as Medicaid State Plan Amendment TN 11-23 which was approved by the Centers for Medicare and Medicaid Services (CMS) in June of 2012. The purpose of the program was to ensure that adequate and essential medically necessary healthcare services are accessible and available to low-income and/or indigent citizens and medically underserved populations in Louisiana.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 10. Supplemental Payments (UPL) for Emergency Ambulance Services (Continued)

The Ambulance District agreed to transfer funds to LDH to be used as Medicaid matching funds for the purpose of making supplemental payments for emergency ambulance services and providing the State additional resources to assist in the medical cost to the State. Accordingly, these matching funds are comprised of (1) an amount to be utilized as the "non-federal share" of the supplemental payment for services provided by participating Medicaid Ambulance Providers and (2) the "State Retention Amount" which is fifteen percent (15%) of the "non-federal share" for the State to utilize in delivering healthcare services.

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

The Ambulance District made payments to LDH in conjunction with this agreement totaling \$304,301 in 2021 and \$630,234 in 2020. These payments are recognized as an operating expense in the statement of revenues, expenses and changes in net position. LDH made supplemental payments to the Ambulance District totaling \$695,647 in 2021 and \$1,428,466 in 2020. These payments are recognized as other operating revenue in the statement of revenues, expenses and changes in net position.

Note 11. Subsequent Events

Management has evaluated subsequent events through the date the financials were available to be issued, June 30, 2022, and determined that no material events occurred that require disclosure. No subsequent events occurring after that date have been evaluated for inclusion in these financial statements.

Note 12. Provider Relief Funds

The Ambulance District received \$49,443 and \$21,136, in Provider Relief Funds (the funds) via the Coronavirus Aid Relief and Economic Security (CARES) Act during the year ending December 31, 2021 and 2020, respectively. The funds were issued by the U.S. Department of Health and Human Services (HHS) in response to the Coronavirus pandemic to be utilized for healthcare related expenses and lost revenues attributed Coronavirus. The Ambulance District recognized \$22,136 and \$49,443 as non-operating grant revenue in the fiscal years ending December 31, 2021 and 2020, respectively. The Hospital submitted a report of healthcare related expenses and lost revenues attributed to coronavirus from inception through June 30, 2021 on September 30, 2021. The Health Resources and Services Administration (HRSA) reserves the right to audit the Provider Relief Funds, which accounts for a substantial portion of COVID-19 grant awards within a three-year period from the report date.

REQUIRED SUPPLEMENTARY INFORMATION

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

Fiscal Year*	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
Louisiana Parochial Employees' Retirement System					
2016	0.169502%	\$ 349,092	\$ 920,926	37.91%	94.15%
2017	0.153231%	(113,735)	943,157	-12.06%	101.98%
2018	0.156246%	693,476	940,357	73.75%	88.86%
2019	0.163646%	7,704	1,037,644	0.74%	99.90%
2020	0.172254%	(302,033)	1,150,487	-26.25%	104.00%

*Amounts presented were determined as of the measurement date (December 31).

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes of Benefit Terms

There were no changes of benefit terms for the seven years ended December 31, 2020.

Changes of Assumptions

For the actuarial valuation dated December 31, 2015, the investment rate of return was reduced from 7.25% to 7.00%, the inflation rate was reduced from 3.0% to 2.5%, and rate for projected salary increases was reduced from 5.75% to 5.25%.

For the actuarial valuation dated December 31, 2017, the investment rate of return was reduced from 7.00% to 6.75%.

For the actuarial valuation dated December 31, 2018, the investment rate of return was reduced from 6.75% to 6.50%, the inflation rate was reduced from 2.50% to 2.40%, and rate for projected salary increases was reduced from 5.25% to 4.75%.

For the actuarial valuation dated December 31, 2020, the investment rate of return was reduced from 6.50% to 6.40%, the inflation rate was reduced from 2.40% to 2.30%, and rate for the projected salary increases was not changed.

Mortality tables were updated to Pub-2010 Public Retirement Plans Mortality Tables with full generational projections using the MP2018 scale.

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

Fiscal Year*	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered payroll	Contributions as a percentage of covered payroll
Louisiana Parochial Employees' Retirement System					
2017	\$ 117,895	\$ 117,895	-0-	\$ 943,157	12.50%
2018	110,462	110,462	-0-	940,357	11.75%
2019	120,645	120,645	-0-	1,037,644	11.63%
2020	140,935	140,935	-0-	1,150,487	12.25%
2021	147,465	147,465	-0-	1,203,795	12.25%

*Amounts presented were determined as of the end of the fiscal year.

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

OTHER SUPPLEMENTARY INFORMATION

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

Board Members:

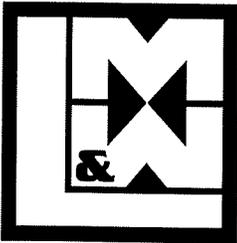
	<u>2021</u>	<u>2020</u>
Elsie Frank	\$ -0-	\$ 100
Lowell Keys	600	550
Jackie Holland	-0-	300
Fred Ritter	600	550
Sarah Ryland	600	450
Clarice Papillion	600	400
Charles Welch	600	200
	\$ 3,000	\$ 2,550

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

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
 AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
 YEAR ENDED DECEMBER 31, 2021

Agency Head Name: Lennie Boulet
 Position: Executive Director
 Time Period: January 1, 2021 to December 31, 2021

Purpose	Amount
Salary	\$ 108,101
Benefits - insurance	10,862
Benefits - retirement	13,242
Benefits - other	650
Car allowance	-0-
Vehicle provided by government (amount reported on W-2)	-0-
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration fees	-0-
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-
	\$ 132,855



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Allen Parish Ambulance Service District No. 1 as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Allen Parish Ambulance Service District No. 1's basic financial statements as listed in the table of contents, and have issued our report thereon dated June 30, 2022.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 were not identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and responses as item 2021-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Allen Parish Ambulance Service District No. 1's Response to Findings

Allen Parish Ambulance Service District No. 1's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Allen Parish Ambulance Service District No. 1'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 Ambulance District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Ambulance District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, and the office of the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Certified Public Accountants
Lafayette, Louisiana

June 30, 2022

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2021

Section I. Summary of Auditors' Reports

Report on Internal Control and Compliance Material to the Financial Statements

Type of auditors' opinion issued: unmodified

Internal control over financial reporting:

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

Section II. Financial Statement Findings

2021-001 - Segregation of Duties

Condition: The Ambulance District does not have adequate segregation of duties. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize the Ambulance District may not be large enough to permit such procedures, it is important that you be aware of this condition. This condition was also included in the 2020 audit as item 2020-001.

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

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

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

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

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

Section III. Federal Award Findings and Questioned Costs

Not applicable

Section IV. Management Letter

Not applicable

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED DECEMBER 31, 2021

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

2020-001 - Segregation of Duties

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

Current status: This finding is repeated at 2021-001.

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

Not applicable

Section III. Management Letter

Not applicable



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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Commissioners
of Allen Parish Ambulance Service District
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Board of Commissioners of Allen Parish Ambulance Service District and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Hospital's management is responsible for those C/C areas identified in the SAUPs.

Allen Parish Ambulance Service District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (*if applicable to public funds and the entity's operations*):
 - 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/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for

each type of revenue or 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*).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of rate schedules.
- 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 of statements, and (5) monitoring card usage (e.g., *determining the reasonableness of fuel card purchases*).
- 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, (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy, and (5) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exceptions: *The District's Sexual Harassment policy does not address the annual training and reporting requirements.*

Management's Response: *Management is aware of the deficiency in the sexual harassment policy and is updating the policy to include the training and reporting requirements*

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

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

Exceptions: *No exceptions were found as a result of these procedures.*

Bank Reconciliations

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

Exceptions: *No exceptions were found as a result of these procedures.*

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (*cash*) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (*or all deposit sites if less than 5*).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (*i.e., 5 collection*

locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (*e.g., pre-numbered receipts*) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (*select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day*). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (*within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer*).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Exceptions: *No exceptions were found as a result of these procedures.*

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (*or all locations if less than 5*).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties

(if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population *(excluding cards and travel reimbursements)* and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence *(e.g., initial/date, electronic logging)* of segregation of duties tested under #9, as applicable.

Exceptions: *The Assistant Director processes payments and is responsible for modifying vendor files.*

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

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

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

- b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (*or all transactions if less than 10*) from each statement, and obtain supporting documentation for the transactions (*i.e., each card should have 10 transactions subject to testing*). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (*for meal charges only*). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Exceptions: *No exceptions were found as a result of these procedures.*

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (*for meal charges, observe that the documentation includes the names of those individuals participating*) and other documentation required by written policy (*procedure #1h*).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Exceptions: *No exceptions were found as a result of these procedures.*

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (*or all contracts if less than 5*) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (*e.g., solicited quotes or bids, advertised*), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (*e.g., Lawrason Act, Home Rule Charter*).
- c) If the contract was amended (*e.g., change order*), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (*e.g., if approval is required for any amendment, was approval documented*).
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Exceptions: *No exceptions were found as a result of these procedures.*

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (*e.g., vacation, sick, compensatory*). (*Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.*)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Exceptions: *No exceptions were found as a result of these procedures.*

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Exceptions: *No exceptions were found as a result of these procedures.*

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (*including contingency funds, short-lived asset funds, or other funds required by the debt covenants*).

Exceptions: *No exceptions were found as a result of these procedures.*

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds

Exceptions: *No exceptions were found as a result of these procedures.*

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (*if no written documentation, inquire of personnel responsible for backing up critical data*) and observe that such backup occurred within the past week. If backups are stored on a physical medium (*e.g., tapes, CDs*), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (*if no written documentation, inquire of personnel responsible for testing/verifying backup restoration*) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Exceptions: *We performed the procedure and discussed the results with management.*

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Exceptions: *Two of the five selected employees did not complete the required one hour of sexual harassment training.*

Management's Response: *Management is aware of the deficiency and is now requiring all employees complete the required one hour sexual harassment training.*

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (*or in a conspicuous location on the entity's premises if the entity does not have a website*).
28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;

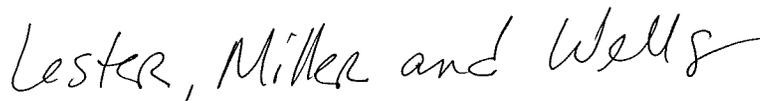
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Exceptions: *No exceptions were found as a result of this procedure.*

We were engaged by Allen Parish Ambulance Service District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C 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.

We are required to be independent of Allen Parish Ambulance Service District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C 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.



Lester, Miller, and Wells
Certified Public Accountants
Lafayette, Louisiana
June 30, 2022