

LOUISIANA RURAL AMBULANCE ALLIANCE

(A NOT FOR PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

DECEMBER 31, 2022



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Louisiana Rural Ambulance Alliance
St. Gabriel, Louisiana

Opinion

We have audited the accompanying financial statements of the Louisiana Rural Ambulance Alliance (a non-profit organization), which comprise the statement of financial position as of December 31, 2022, the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Rural Ambulance Alliance as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Louisiana Rural Ambulance Alliance and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The December 31, 2021 financial statements were reviewed by us, and our report thereon, dated June 28, 2022, stated we were not aware of any material modifications that should be made to those statements for them to be in accordance with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 the Louisiana Rural Ambulance Alliance's ability to continue as a going concern within one year after the date of the financial statements are available to be issued.

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 auditors' 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 general 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, including omissions, 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 the Louisiana Rural Ambulance Alliance'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 the Louisiana Rural Ambulance Alliance's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to 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.



Supplementary Information

Our audit was conducted for the purposes of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to chief executive officer on page 17 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2023, on our consideration of the Louisiana Rural Ambulance Alliance's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Louisiana Rural Ambulance Alliance's internal control over financial report or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Louisiana Rural Ambulance Alliance's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads 'Postlethwaite & Netterville'.

Donaldsonville, Louisiana
August 31, 2023

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021 - Reviewed
<u>ASSETS</u>		
Cash and cash equivalents	\$ 2,993,937	\$ 3,094,083
Accounts receivable	72,131	7,665,124
Due from government agencies	60,279	100,610
Prepaid expenses	52,631	39,679
Investments	677,672	790,906
Buildings and equipment, net	2,535,870	2,394,729
Construction in progress	388,983	42,865
	\$ 6,781,503	\$ 14,127,996
<u>LIABILITIES</u>		
Accounts payable	\$ 326,541	\$ 7,747,872
Retainage payable	37,576	45,697
Due to related party	106,337	65,024
TOTAL LIABILITIES	470,454	7,858,593
<u>NET ASSETS</u>		
Without donor restrictions	6,311,049	6,269,403
TOTAL LIABILITIES AND NET ASSETS	\$ 6,781,503	\$ 14,127,996

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

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	Without Donor Restrictions	
	2022	2021 - Reviewed
<u>REVENUES AND OTHER SUPPORT</u>		
Public support:		
Grants with government agencies	\$ 869,861	\$ 365,401
Contributions	-	300,000
Other revenue:		
Service fee - Surge contract	-	10,348,503
Service fee - HHS asset maintenance contract	177,785	219,690
Service fee - HHS COVID supplemental contract	-	484,000
Service fee - EMS ReadI	415,663	-
Educational events and training	93,906	25,423
Investment earnings (loss), net	(121,310)	81,366
Gain (loss) on sale and disposal of assets	(1,190)	1,000
Miscellaneous	199,992	5,244
Total revenues and other support	<u>1,634,707</u>	<u>11,830,627</u>
<u>EXPENSES</u>		
Program services:		
Emergency response	63,534	9,310,399
Asset maintenance	200,732	200,664
EMS ReadI	588,312	-
Member services	599,292	544,478
Total program services	<u>1,451,870</u>	<u>10,055,541</u>
Support services	<u>141,191</u>	<u>144,709</u>
Total expenses	<u>1,593,061</u>	<u>10,200,250</u>
Change in net assets	41,646	1,630,377
Net assets at beginning of year	<u>6,269,403</u>	<u>4,639,026</u>
Net assets at end of year	<u>\$ 6,311,049</u>	<u>\$ 6,269,403</u>

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

LOUISIANA RURAL AMBULANCE ALLIANCE

(A NOT FOR PROFIT ORGANIZATION)

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2022 AND 2021

2022

	Program Services					Support Services	
	Emergency Response	Asset Maintenance	EMS Read	Member Services	Total	General and Administrative	Total Expenses
Committees and memberships	\$ -	\$ -	\$ -	\$ 630	\$ 630	\$ -	\$ 630
Contract services	7,661	108,914	167,209	251,685	535,469	-	535,469
Depreciation	-	23,839	1,791	100,423	126,053	52,534	178,587
Donated equipment	-	-	407,443	-	407,443	-	407,443
Insurance	-	12,590	-	-	12,590	58,829	71,419
Meals	-	-	-	-	-	1,634	1,634
Miscellaneous	-	5,732	777	6,724	13,233	15,480	28,713
Professional services	13,446	14,225	-	32,023	59,694	1,900	61,594
Repairs and maintenance	-	22,213	-	8,983	31,196	2,064	33,260
Service charges	-	-	-	-	-	360	360
Supplies	33,225	10,697	11,092	170,807	225,821	4,906	230,727
Travel and lodging	9,202	2,522	-	28,017	39,741	-	39,741
Utilities	-	-	-	-	-	3,484	3,484
Total Expenses	<u>\$ 63,534</u>	<u>\$ 200,732</u>	<u>\$ 588,312</u>	<u>\$ 599,292</u>	<u>\$ 1,451,870</u>	<u>\$ 141,191</u>	<u>\$ 1,593,061</u>

2021 - Reviewed

	Program Services					Support Services	
	Emergency Response	Asset Maintenance	EMS Read	Member Services	Total	General and Administrative	Total Expenses
Committees and memberships	\$ -	\$ -	\$ -	\$ 912	\$ 912	\$ 110	\$ 1,022
Contract services	9,146,605	115,469	-	233,423	9,495,497	-	9,495,497
Depreciation	-	27,156	-	56,139	83,295	29,963	113,258
Insurance	-	-	-	-	-	76,048	76,048
Meals	-	-	-	-	-	7,272	7,272
Miscellaneous	-	10,055	-	21,660	31,715	186	31,901
Professional services	102,724	7,700	-	103,962	214,386	11,621	226,007
Repairs and maintenance	-	30,698	-	4,764	35,462	1,380	36,842
Service charges	-	-	-	-	-	375	375
Supplies	56,124	7,732	-	99,775	163,631	4,224	167,855
Travel and lodging	4,946	1,854	-	23,843	30,643	-	30,643
Utilities	-	-	-	-	-	13,530	13,530
Total Expenses	<u>\$ 9,310,399</u>	<u>\$ 200,664</u>	<u>\$ -</u>	<u>\$ 544,478</u>	<u>\$ 10,055,541</u>	<u>\$ 144,709</u>	<u>\$ 10,200,250</u>

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

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021 - Reviewed</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 41,646	\$ 1,630,377
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	178,587	113,258
(Gain) loss on sale and disposal of assets	1,190	(1,000)
Net realized gain on investments	(8,628)	(20,972)
Unrealized (gain) loss on investments	144,498	(60,956)
Decrease in accounts receivable and due from governmental agencies	7,633,324	7,197,001
Increase in prepaids	(12,952)	(10,258)
Increase in due to related parties	41,313	80,688
Decrease in accounts and retainage payable	(7,429,452)	(5,209,240)
Net cash provided by operating activities	<u>589,526</u>	<u>3,718,898</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of buildings and equipment	(667,036)	(1,547,960)
Proceeds from sale of equipment	-	1,000
Purchases of investments	(633,178)	(177,950)
Proceeds from sales of investments	610,542	187,949
Net cash used in investing activities	<u>(689,672)</u>	<u>(1,536,961)</u>
Net increase (decrease) in cash and cash equivalents	(100,146)	2,181,937
Cash and cash equivalents at beginning of year	<u>3,094,083</u>	<u>912,146</u>
Cash and cash equivalents at end of year	<u>\$ 2,993,937</u>	<u>\$ 3,094,083</u>

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

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies**

Nature of Activities

The Louisiana Rural Ambulance Alliance (the Alliance) is a non-profit organization that was formed on September 8, 1995, to promote the ambulance industry in the State of Louisiana. To accomplish this purpose, the Alliance engages in educational and legislative activities on behalf of its members. In addition to the promotion of the ambulance industry, the Alliance also assists the Bureau of Emergency Medical Services of the State of Louisiana in emergency response for declared emergencies as well as the Bureau of Community Preparedness of the State of Louisiana for establishing, expanding, training, and sustaining the state health workforce for current and future pandemics.

Program Services

Emergency Response

The Alliance provides ambulatory services in the event of declared emergencies. Included in the ambulance services are staffing and operational support to the Bureau of Emergency Medical Services.

Asset Maintenance

The Alliance purchases, tracks, and maintains assets for use by the Emergency Medical Service Public Health workforce.

EMS Readiness

The Alliance establishes, expands, and sustains an Emergency Medical Services Public Health workforce for current and future pandemics.

Member Services

The Alliance provides education, training, and legislative services to the members of the Louisiana Ambulance Association.

Support Services

General and Administrative

The support service category includes the functions necessary to secure proper administrative functioning of the Alliance's governing board, maintain an adequate working environment, and manage financial responsibilities of the Alliance.

Basis of Accounting

The Alliance prepares its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

To ensure proper usage of restricted and unrestricted assets, the Alliance maintains its accounts according to accounting principles generally accepted in the United States of America, whereby funds are classified in accordance with specified restrictions or objectives.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

Cash and Cash Equivalents

The Alliance considers all cash accounts and money markets funds with a maturity of three months or less when purchased to be cash and cash equivalents.

Accounts Receivable

Management considers accounts receivable that are more than 180 days old based on the invoice date to be uncollectible. There is no interest charged on past due accounts. No reserve for uncollectible accounts has been established. Management has determined that all receivables as of each year end are collectible. Accounts receivable as of January 1, 2021 was \$14,849,288.

Due from Government Agencies

Due from government agencies consists of unremitted reimbursements of expenses from government agencies that are based upon individual grant requirements. Management has determined that all amounts due from government agencies as of each year end are collectible.

Investments

Investments in marketable securities with readily determinable fair values are valued at their fair values in the statements of financial position. Investment expenses, such as investment advisory fees, are netted against investment income (loss) in the statements of activities and changes in net assets.

Buildings and Equipment

The Alliance capitalizes buildings and equipment over \$1,500. Lesser amounts are expensed. Buildings and equipment are recorded at cost and are being depreciated using the straight-line methods over their estimated useful lives as follows:

Buildings	30 - 40 years
Other equipment	5 - 10 years

Leases

The Alliance is not operating under any significant leases as of December 31, 2022. The Alliance adopted certain accounting standards and updates related to accounting for leases. Under the new standards, for finance and operating leases other than those considered to be short-term, the Alliance recognizes lease right of use assets and related lease liabilities. The Alliance does not recognize short-term finance and operating leases on its statements of financial position. A short-term finance or operating lease has an original term of twelve months or less and does not have a purchase option that is likely to be exercised.

Net Assets

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes.

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

Net Assets (continued)

The Alliance reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities and changes in net assets as net assets released from restrictions.

The Alliance did not receive or have any net assets with donor restrictions during the years ended December 31, 2022 or 2021.

Revenue Recognition

The majority of the Alliance's revenue is derived from grants with government agencies and service fees.

Grants are non-exchange transactions that benefit the general public.

The service fee revenue under the Surge contract is earned over time based upon contractually determined hourly rates associated with emergency transportation management services and supply of ambulances including ALS, BLS, and fixed wing air. The contract for these services is initiated upon the written notification of a declaration of a state of emergency by the State Health Officer or his designee of the State of Louisiana. On a contingency basis, the Alliance provides support to the Emergency Medical Services – Tactical Operations Center. These services are billed on a monthly basis after the services are provided.

The service fee revenue under the HHS asset maintenance contract is earned over time as the asset management services are provided. These services are billed quarterly after the services are provided.

The service fee revenue under the HHS COVID supplemental contract is earned at a point in time when the assets are purchased.

The service fee revenue under the EMS REDI contract is earned as the contract deliverables and performance measures are met. These services are billed upon completion of the deliverables as specified in the contract.

Contributions of noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The Alliance did not recognize any contributed services during the years ended December 31, 2022 and 2021.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

Expenses

Expenses are recognized by the Alliance on an accrual basis. Costs paid in advance and not yet incurred are recorded as prepaid until the applicable period.

Expenses are charged directly to programs in categories based on specific identification. Indirect expenses, if any, are allocated based on amounts approved by the respective contracts.

Functional Allocation of Expenses

The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. No allocation of general and administrative costs has been made to program services.

The December 31, 2021 statement of activities and functional expenses were adjusted to separately present asset maintenance program services expenses of \$200,664 that were previously inappropriately included within member services. There was no impact to total expenses or changes in net assets as a result of this correction.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Alliance accounts for income taxes in accordance with the income tax accounting guidance included in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

The Alliance is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Therefore, the Alliance has not recorded a provision for income taxes in the accompanying financial statements.

Management has evaluated the Alliance's tax positions and concluded that the Alliance has taken no uncertain tax positions that require adjustment to or disclosure in the financial statements to comply with the provisions of the accounting guidance for income taxes.

Current Year Adoption of New Accounting Standard

The Alliance implemented FASB ASU 2016-02, *Leases*. This accounting standard requires all lessees to recognize assets and liabilities related to lease arrangements longer than twelve months on the statement of financial position as well as addition disclosures. The adoption of this standard had no impact to the 2022 statement of financial position or statement of activities and changes in net assets.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

2. **Cash and Cash Equivalents**

At December 31, 2022 and 2021 the carrying amounts of the Alliance's deposits were \$2,993,937 and \$3,094,083, respectively. These deposits are at cost, which approximates market.

3. **Concentrations of Credit Risk**

At various times throughout the year, the carrying value of the Alliance's deposits were in excess of FDIC insurance. Management believes that the risk of default is minimal.

4. **Buildings and Equipment**

Buildings and equipment at December 31, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Building	\$ 1,914,896	\$ 1,838,401
Furniture and equipment	1,662,638	1,686,833
	<u>3,577,534</u>	<u>3,525,234</u>
Less: Accumulated depreciation	<u>(1,041,664)</u>	<u>(1,130,505)</u>
Buildings and equipment, net	<u>\$ 2,535,870</u>	<u>\$ 2,394,729</u>

Depreciation expense was \$178,587 and \$113,258 for the years ended December 31, 2022 and 2021, respectively.

Construction in progress as of December 31, 2022 includes a building that is substantially complete. Additionally, included in construction in progress are a building and façade improvements that are still in the design phase.

5. **Grants with Government Agencies**

Grants and contracts with government agencies for the years ended December 31, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Department of Health and Hospitals – DPS - TRCC	\$ -	\$ 66,024
Department of Health and Hospitals – Opioid Response	347,630	299,377
United States Department of Agriculture - RATE	522,231	-
Total	<u>\$ 869,861</u>	<u>\$ 365,401</u>

6. **Service Fees**

The Alliance has a contract with the State of Louisiana to provide ambulance services as needed in the event of declared emergencies. Included in the ambulance services are staffing and operational support to the Bureau of Emergency Medical Services. The Alliance requests reimbursement from the State of Louisiana at the contracted hourly rate for the respective ambulance services. These reimbursements have been reported in the statements of activities and changes in net assets as service fees. The number of hours billed each year can vary greatly depending upon the severity of the declared emergency.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

6. **Service Fees** (continued)

The Alliance has a contract with the Louisiana Hospital Association Research and Education Foundation to provide oversight of Hospital Preparedness Program funded assets, maintain and monitor equipment, and educate EMS providers as to the assets available and request process to obtain those assets. The Alliance requests reimbursement from the State of Louisiana quarterly for the respective services. These reimbursements have been reported in the statements of activities and changes in net assets as service fees.

The Alliance has a contract with the Louisiana Hospital Association Research and Education Foundation to procure a fleet of resources to support EMS agencies across the state in maintaining operational readiness. The Alliance requests reimbursement from the State of Louisiana for the respective purchases. These reimbursements have been reported in the statements of activities and changes in net assets as service fees.

The Alliance has a contract with the Louisiana Department of Health, Office of Public Health, Bureau of Community Preparedness of the State of Louisiana to establish, expand, train, and sustain the state health workforce to support jurisdictional COVID-19 prevention, preparedness, response, and recovery initiatives. The Alliance requests reimbursement from the State of Louisiana as the contract deliverables are completed. These reimbursements have been reported in the statements of activities and changes in net assets as services fees.

The amounts due to the Alliance under these contracts are included in the statement of net position as accounts receivable and are as follows:

	<u>2022</u>	<u>2021</u>
Service fee – Surge contract	\$ -	\$ 7,595,990
Service fee – HHS asset maintenance contract	54,918	69,134
Service fee – EMS Readiness	17,213	-
Total	<u>\$ 72,131</u>	<u>\$ 7,665,124</u>

7. **Due from Government Agencies**

The following represents the amounts due from government agencies at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Department of Health and Hospitals – DPS - TRCC	\$ -	\$ 66,024
Department of Health and Hospitals – Opioid Response	60,279	34,586
Total	<u>\$ 60,279</u>	<u>\$ 100,610</u>

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

8. Investments and Fair Value of Financial Instruments

In accordance with the Fair Value Measurements and Disclosure topic of the FASB ASC, disclosure of fair value information about financial instruments is required. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instruments. Therefore, the aggregate fair value amounts presented do not represent the underlying value of the Alliance.

The fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires use of significant judgment. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions.

In accordance with this guidance, the Alliance groups its financial assets and financial liabilities generally measured at fair value in three levels, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value.

- Level 1 – Valuation is based on quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 – Valuation is based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.
- Level 3 – Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

8. **Investments and Fair Value of Financial Instruments** (continued)

The following method and assumption were used by the Alliance in estimating its fair value disclosures:

Equity and Fixed Income Securities Funds

Securities are classified within Level 1 where quoted market prices are available in an active market. Inputs include securities that have quoted prices in active markets for identical assets. If quoted market prices are unavailable, fair value is estimated using pricing models or quoted prices of securities with similar characteristics, at which point the securities would be classified within Level 2 of the hierarchy.

The following table presents for each fair value hierarchy level, the Alliance's financial assets that are measured at fair value on a recurring basis:

	December 31, 2022	December 31, 2021
	<u>Level 1</u>	<u>Level 1</u>
Equity Securities:		
Technology	\$ 57,057	\$ 84,418
Healthcare	41,325	63,964
Basic Materials	4,035	6,156
Communications	27,432	38,009
Consumer	24,372	60,216
Consumer Defensive	22,541	-
Industrial	26,035	27,483
Infrastructure	-	20,059
Energy	5,848	10,442
Mid Cap	50,568	33,276
Large Cap	32,901	-
Small Blend	30,073	6,790
Staffing & Employment Services	-	10,148
Foreign Large Growth	-	53,902
Real Estate	4,449	6,142
Financial Services	26,421	36,448
Utilities	7,745	12,536
World Allocation	-	48,738
Other	-	12,498
Fixed Income Securities:		
Intermediate Core Bond Fund	-	259,681
Ultrashort Bond	316,870	-
	<u>\$ 677,672</u>	<u>\$ 790,906</u>

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

9. Availability and Liquidity Management

The Alliance maintains a policy of structuring its financial assets to be available as its general expenses, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Alliance has equity investments that are readily available to be sold.

The following table reflects the Alliance's financial assets as of December 31, 2022, and 2021, reduced by amounts that are not available to meet general obligations within one year of the statement of financial position date because of contractual restrictions. There were no net assets with donor restrictions at December 31, 2022 or 2021.

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 2,993,937	\$ 3,094,083
Accounts receivable	72,131	7,665,124
Due from government agencies	60,279	100,610
Investments	<u>677,672</u>	<u>790,906</u>
Financial assets available to meet cash needs for general expenses within one year	<u>\$ 3,804,019</u>	<u>\$ 11,650,723</u>

10. Related Party Transactions

The Alliance has contracted with In the Know Publications, LLC and the Louisiana Ambulance Alliance to provide comprehensive association management services to the Alliance. In the Know Publications, LLC is owned by the previous Chief Executive Officer of the Alliance who vacated the position on June 30, 2022. The Louisiana Ambulance Alliance is governed by the same board of directors as the Alliance.

Payments were made to In the Know Publications, LLC for contract services and reimbursements of business expenses during the years ended December 31, 2022 and 2021. For the years ended December 31, 2022 and 2021, payments to In the Know Publications, LLC amounted to \$111,771 and \$193,451, respectively.

Payments were made to the Louisiana Ambulance Alliance for contract services and reimbursements of business expenses during the years ended December 31, 2022 and 2021. Payments to Louisiana Ambulance Alliance amounted to \$291,867 and \$181,864 for the years ended December 31, 2022 and 2021, respectively.

The Alliance had an outstanding balance owed to the Louisiana Ambulance Alliance of \$106,337 and \$65,024 as of December 31, 2022 and 2021, respectively. These amounts are included in the statements of financial position as amounts due to related party.

11. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, August 31, 2023, and determined that no additional disclosures were necessary. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)
SCHEDULE OF COMPENSATION, BENEFITS
AND OTHER PAYMENTS TO CHIEF EXECUTIVE OFFICER
YEAR ENDED DECEMBER 31, 2022

Chief Executive Officer: Donna Newchurch Landry (January 1, 2022 through June 30, 2022)

Purpose

Amounts paid directly to the CEO

Salary	\$	-
Benefits		-
Contract Services		-
Travel		-
Reimbursements		-
	<u>\$</u>	<u>-</u>

Amounts paid to In the Know Publications, LLC, wholly owned by Donna Newchurch Landry

Salary	\$	-
Benefits		-
Contract Services		111,771
Travel		-
Reimbursements		-
	<u>\$</u>	<u>111,771</u>

Chief Executive Officer: Curry Landry (July 1, 2022 through December 31, 2022)

Purpose

Amounts paid directly to the CEO

Salary	\$	-
Benefits		-
Contract Services		-
Travel		-
Reimbursements		-
	<u>\$</u>	<u>-</u>

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

**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 Directors
Louisiana Rural Ambulance Alliance
Napoleonville, Louisiana

We have audited, 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, the financial statements of the Louisiana Rural Ambulance Alliance (a nonprofit organization) (the Alliance), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 31, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Alliance's internal control over financial reporting (internal control) as a basis for designing 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 Alliance's internal control. Accordingly, we do not express an opinion on the effectiveness of the Alliance'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Alliance’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2022-001.

Louisiana Rural Ambulance Alliance’s Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the Alliance’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Alliance’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 organization’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 organization’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads 'Postlethwaite & Netterville' in a cursive script.

Donaldsonville, Louisiana
August 31, 2023

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Louisiana Rural Ambulance Alliance
Napoleonville, Louisiana

Report on Compliance for Each Major Federal Program

Qualified Opinion

We have audited the Louisiana Rural Ambulance Alliance's (the Alliance) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Alliance's major federal programs for the year ended December 31, 2022. The Alliance's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Distance Learning and Telemedicine Loans and Grants Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, the Alliance complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Distance Learning and Telemedicine Loans and Grants Program for the year ended December 31, 2022.

Basis for Qualified Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Alliance and to meet our other ethical responsibilities, in accordance with 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 qualified opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Alliance's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on Distance Learning and Telemedicine Loans and Grants

As described in the accompanying schedule of findings and questioned costs, the Alliance did not comply with requirements regarding the Distance Learning and Telemedicine Loans and Grants Program as described in finding numbers 2022-003 for Procurement and 2022-005 for Reporting.

Compliance with such requirements is necessary, in our opinion, for the Alliance to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Alliance's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Alliance's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Alliance's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Alliance's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Alliance's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-002 and 2022-004. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to performed limited procedures on the Alliance’s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Alliance’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors’ Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

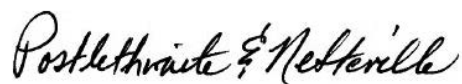
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance as described in the accompanying schedule of findings and questioned costs as item 2022-003, 2022-004, and 2022-005 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance as described in the accompanying schedule of findings and questioned costs as item 2022-006 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Alliance’s response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The Alliance’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Donaldsonville, Louisiana
August 31, 2023

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022

Federal Grantor/Passthrough Grantor/Program Title	Federal Assistance Listing Number	Federal Assistance Number	Pass-through Grantor's/Project Number	Total Current Year Expenditures
UNITED STATES DEPARTMENT OF AGRICULTURE				
Rural Development, Rural Utilities Service				
Distance Learning and Telemedicine Agreement	10.855	RUS-19-01-DLT	N/A	\$ 522,231
TOTAL UNITED STATES DEPARTMENT OF AGRICULTURE				<u>522,231</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Rural Health Network Development Program				
Rural Health Outreach and Rural Network Development Program (21/22)	93.912	5 D06RH37150-02-00	N/A	161,038
Rural Health Outreach and Rural Network Development Program (22/23)	93.912	5 D06RH37150-03-00	N/A	186,592
TOTAL UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES				<u>347,630</u>
TOTAL FEDERAL ASSISTANCE EXPENDED				<u><u>\$ 869,861</u></u>

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards include the federal grant awards of the Alliance under programs of the federal government for the year ended December 31, 2022 and is presented on the full accrual basis. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of operations of the Alliance, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Alliance.

NOTE B - RECONCILIATION OF FEDERAL REVENUES TO FEDERAL EXPENDITURES

The federal revenues are recognized in the financial statements as follows:

Grants with government agencies	\$ 869,861
Federal expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 869,861</u>

NOTE C - INDIRECT COST RATE

The Alliance has not elected to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified Yes X No

- Significant deficiency identified not considered to be a material weakness? Yes X None reported

Noncompliance material to financial statements noted? X Yes No

Federal Awards

Internal control over financial reporting:

- Material weakness identified X Yes No

- Significant deficiency identified not considered to be a material weakness? X Yes None reported

Type of auditors' report issued on compliance for major programs: Modified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? X Yes No

Identification of major program:

<u>Name of Federal Program or Cluster</u>	<u>Federal Assistance Listing Number</u>
Distance Learning and Telemedicine Loans and Grants	10.855
Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	<u> </u> Yes <u> X </u> No

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS

2022-001 TIMELY FILING OF REPORT WITH LOUISIANA LEGISLATIVE AUDITOR

Criteria: In accordance with R.S. 24:513, any local auditee that receives public assistance of \$500,000 or more in revenues and other sources in any one fiscal year must be audited annually and submit the audit to the Louisiana Legislative Auditor. The due date for the audit report is six months after the organization’s fiscal year end.

Condition: The Alliance was required to have an audit completed by the filing deadline of June 30, 2023. The Alliance requested and received a non-emergency extension through September 30, 2023. However, despite approval of the extension, the Alliance did not comply with the timeline established by regulation and, therefore, the finding is required by the Louisiana Legislative Auditor.

Cause: Changes in management resulted in the delay in providing the needed information to the auditors necessary for the timely filing of the audit report with the Louisiana Legislative Auditor.

Effect: If the Alliance is non-compliant in the future, it may result in it being placed on the non-compliance list maintained by the Louisiana Legislative Auditor. In addition, R.S. 39:72.1 prohibits the payment of funds appropriated to an agency that is not in compliance with the State Audit Law. The district attorney is also notified, and agency officials may be required to explain to the Legislative Audit Advisory Council why they are not compliant with the audit law.

Recommendation: The Alliance should ensure proper management and staffing is maintained to gather information necessary for the audit in a timely manner to allow sufficient time for the auditors to complete their procedures and meet future deadlines.

View of Responsible Official: Management concurs with the finding.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2022-002 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Criteria: Internal controls should be designed to capture the Alliance’s federal expenditures in order to ensure that an accurate Schedule of Expenditures of Federal Awards (SEFA) can be prepared.

Condition: Uniform Guidance section 200.510 requires the auditee to prepare a SEFA. A complete and accurate SEFA was not provided to us.

Cause: The records were not maintained in a manner in which allowed the SEFA to be prepared in an efficient manner to ensure accuracy and completeness.

Questioned Costs: N/A

Effect: The SEFA is used by the auditor to determine which federal programs are to be audited as major programs and to accurately report expenditures to the federal government and granting agencies. Major programs may not be properly identified in accordance with the Uniform Guidance.

Recommendation: All information should be included on the SEFA by employees familiar with the grant awards. The general ledger should be categorized by federal programs/program year in order to capture the correct expenditures by programs. A review should be performed by someone other than the preparer for accuracy and completeness.

Identification of a repeat finding: This is a new finding in the current year.

View of Responsible Official: Management concurs with the finding.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

2022-003 PROCUREMENT

United States Department of Agriculture

Distance Learning and Telemedicine Agreement (Federal Assistance Listing No. 10.855)

Criteria: Non-federal entities must follow the procurement standards set out at 2 CFR sections 200.318 through 200.326 and use their own documented procurement procedures, which reflect applicable State and local law and regulations provided the procurements conform to applicable Federal statutes and the procurement requirements identified in 2 CFR part 200. Internal controls should be designed to ensure compliance with these federal requirements.

Condition: The total population consisted of three invoices. There was one invoice in the sample that met the bid threshold. Although bids were solicited through the request for proposal process, there was no documentation as to why the highest bidder was selected. The two other items in the population met the threshold where quotes should have been obtained prior to a purchase but were not.

Cause: Proper procedures were not implemented to ensure compliance with all procurement regulations and the established procedures were not properly executed.

Questioned Costs: Unknown.

Effect: The Alliance did not follow applicable policies and procedures when procuring goods with Federal awards.

Recommendation: Proper internal controls should be established to ensure compliance with Uniform Guidance as it relates to procurement.

Identification of a repeat finding: This is a new finding in the current year.

View of Responsible Official: Management concurs with the finding.

2022-004 PROCUREMENT – ENHANCEMENT OF POLICIES AND PROCEDURES FOR FEDERAL LAWS

United States Department of Agriculture

Distance Learning and Telemedicine Agreement (Federal Assistance Listing No. 10.855)

Criteria: The Uniform Guidance administrative requirements and cost principles apply to federal funding awards on or after December 26, 2014. 2 CFR, Subpart D – Post Federal Award Requirements and Subpart E – Cost Principles of the Uniform Guidance require specific written policies and internal controls related to federal awards.

Condition: The written policies and procedures of the Alliance do not directly address all of the requirements under the Uniform Guidance for federal programs as it relates to procurement.

Cause: The Alliance has not taken appropriate steps to formalize policies and procedures relating to the requirements established under Uniform Guidance for compliance with procurement.

Questioned Costs: N/A

Effect: The Alliance is susceptible to a higher risk of non-compliance with federal awarding requirements as they relate to procurement.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

2022-004 PROCUREMENT – ENHANCEMENT OF POLICIES AND PROCEDURES FOR FEDERAL LAWS (continued)

Recommendation: The Alliance should reevaluate written policies and procedures to ensure compliance with Uniform Guidance relating to procurement.

Identification of a repeat finding: This is a new finding in the current year.

View of Responsible Official: Management concurs with the finding.

2022-005 REPORTING

United States Department of Agriculture

Distance Learning and Telemedicine Agreement (Federal Assistance Listing No. 10.855)

Criteria: Section 5.7 of the contract requires an annual project performance activity report no later than January 31 of the following year in which all or any portion of the grant is advanced.

Condition: The Alliance received grant funds in fiscal year 2022; however, the annual project performance activity report was not submitted by January 31 of the following year. This was the only reporting required under this grant award.

Cause: The Alliance does not have policies and procedures in place to ensure that the annual performance report is submitted timely.

Questioned Costs: N/A

Effect: The Alliance is noncompliant with Uniform Guidance reporting requirements.

Recommendation: The Alliance should implement policies and procedures that ensure the proper procedures are followed to ensure compliance with federal and grant reporting requirements.

Identification of a repeat finding: This is a new finding in the current year.

View of Responsible Official: Management concurs with the finding.

2022-006 SUSPENSION AND DEBARMENT

United States Department of Agriculture

Distance Learning and Telemedicine Agreement (Federal Assistance Listing No. 10.855)

Criteria: Non-federal entities must follow the suspension and debarment standards set out at 2 CFR section 200.317 and use their own documented suspension and debarment procedures. Internal controls should be designed to ensure compliance with these federal requirements.

Condition: The total population consisted of three vendors. There was documentation that one of the vendors was tested for suspension and debarment; however, the date the test was performed was not documented.

Cause: Proper procedures were not implemented to ensure compliance with all procurement regulations and the established procedures were not properly executed.

Questioned Costs: N/A

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

2022-006 **SUSPENSION AND DEBARMENT** (continued)

Effect: The Alliance is susceptible to a higher risk of non-compliance with federal awarding requirements as they relate to suspension and debarment.

Recommendation: Proper internal controls should be established to ensure compliance with Uniform Guidance as it relates to suspension and debarment.

Identification of a repeat finding: This is a new finding in the current year.

View of Responsible Official: Management concurs with the finding.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2022

A. FINDINGS – FINANCIAL STATEMENT AUDIT

None.

B. FINDINGS – COMPLIANCE WITH LAWS AND REGULATIONS

None.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.



LOUISIANA RURAL AMBULANCE ALLIANCE

RESPONSE - POLICY - EDUCATION

August 31, 2022

Louisiana Legislative Auditor

The Louisiana Rural Ambulance Alliance (Alliance) respectfully submits the following corrective action plan for the year ended December 31, 2022.

Name and address of independent public accounting firm:

Postlewaite & Netterville, APAC

P.O. Box 1190

Donaldsonville, LA 70346

Financial Statement Period: January 1, 2022 – December 31, 2022

The findings from the Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the Schedule of Findings and Questioned Costs.

2022-001 Timely Filing of Reports with the Louisiana Legislative Auditor

Management's Response: Due to several factors such as changes in leadership, staff turnover, and the main individual responsible for gathering the information for the audit being out of the office for a significant amount of time due to medical issues, the Louisiana Rural Ambulance Alliance filed for and received a non-emergency extension for its audit filing deadline. In order to meet future annual audit filing deadlines, the Alliance will ensure proper management and staffing is maintained in order to gather the necessary information and submit it to the auditors.

Responsible Individual: Shane Bellard, CEO

Email: shane@louisianaambulancealliance.org

Phone: (985)513-3593

Expected Timeline for Completion: 12/31/2023

2022-002. Schedule of Expenditures of Federal Awards

Management's Response: The Louisiana Rural Ambulance Alliance will prepare an accurate SEFA in future years when applicable. All necessary information will be included on the SEFA and will be categorized by federal program and program year.

Responsible Individual: Shane Bellard, CEO

Email: shane@louisianaambulancealliance.org

Phone: (985)513-3593

Expected Timeline for Completion: 12/31/2023

2022-003. Procurement

Management's Response: The Louisiana Rural Ambulance Alliance will implement proper controls in order to ensure compliance with the Uniform Guidance as it relates to procurement.

Responsible Individual: Shane Bellard, CEO
Email: shane@louisianaambulancealliance.org
Phone: (985)513-3593
Expected Timeline for Completion: 12/31/2023

Responsible Individual: Sara Crochet, Finance Coordinator
Email: sara@louisianaambulancealliance.org
Phone: (985)513-3593
Expected Timeline for Completion: 12/31/2023

Responsible Individual: Evon Smith, Program Director, ACE4EMS
Email: evon@louisianaambulancealliance.org
Phone: (985)513-3593
Expected Timeline for Completion: 12/31/2023

2022-004. Procurement – Enhancement of Policies and Procedures for Federal Laws

Management’s Response: The Louisiana Rural Ambulance Alliance will reevaluate its written policies and procedures to ensure compliance with the Uniform Guidance relating to procurement. The policies will include among other things the types of contracts which can be awarded and a description of specifications surrounding advertisements for bids.

Responsible Individual: Shane Bellard, CEO
Email: shane@louisianaambulancealliance.org
Phone: (985)513-3593
Expected Timeline for Completion: 12/31/2023

Responsible Individual: Sara Crochet, Finance Coordinator
Email: sara@louisianaambulancealliance.org
Phone: (985)513-3593
Expected Timeline for Completion: 12/31/2023

Responsible Individual: Evon Smith, Program Director, ACE4EMS
Email: evon@louisianaambulancealliance.org
Phone: (985)513-3593
Expected Timeline for Completion: 12/31/2023

2022-005. Reporting

Management’s Response: The Louisiana Rural Ambulance Alliance will submit an annual project performance activity report as required by the grant. In addition, the Louisiana Rural Ambulance Alliance will implement policies and procedures that ensure the proper procedures are followed to ensure compliance with federal and grant reporting requirements.

Responsible Individual: Sara Crochet, Finance Coordinator
Email: sara@louisianaambulancealliance.org
Phone: (985)513-3593
Expected Timeline for Completion: 12/31/2023



LOUISIANA RURAL AMBULANCE ALLIANCE

RESPONSE - POLICY - EDUCATION

2022-006 Suspension and Disbarment

Management's Response: The Louisiana Rural Ambulance Alliance completed the suspension and disbarment check of vendors via the Federal System for Award Management. The date of the check was not properly documented. The Louisiana Rural Ambulance Alliance will establish proper internal controls to ensure all necessary information regarding suspension and disbarment checks is properly documented.

Responsible Individual: Sara Crochet, Finance Coordinator

Email: sara@louisianaambulancealliance.org

Phone: (985)513-3593

Expected Timeline for Completion: 12/31/2023

The above corrective action plan addresses the current year's findings. If you need additional information concerning the corrective action plan, please contact me at your convenience.

Sincerely,

Shane J Bellard

Chief Executive Officer

Louisiana Rural Ambulance Alliance

To the Board of Directors
Louisiana Rural Ambulance Alliance
Napoleonville, LA

We have audited the financial statements of the Louisiana Rural Ambulance Alliance (the Alliance) for the year ended December 31, 2022, and have issued our report thereon dated August 31, 2023. As part of our audit, we made a study and evaluation of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Alliance's internal control.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of the financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

No matter how good a system, there are inherent limitations that should be recognized in considering the potential effectiveness of internal accounting. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the degree of compliance with the procedures may deteriorate. We say this simply to suggest that any system needs to be constantly reviewed and improved where necessary.

However, during the course of our audit, we became aware of several matters that are opportunities for strengthening internal controls or operating efficiency. Our comments and suggestions regarding those matters are set forth below. This letter does not affect our reports dated August 31, 2023, on the financial statements of the Alliance or the Alliance's internal control over financial reporting.

ML 2022-001 Reconciliation of Grant Expenses

- Condition:** Disbursements that are eligible for reimbursement under grant awards are properly segregated and recorded in the accounting records. In order to submit a request for reimbursement, a spreadsheet is prepared for each grant using these invoices. However, neither the spreadsheet nor the grant reimbursement request is reconciled to the accounting records.
- Recommendations:** The spreadsheets used to prepare the grant reimbursement requests should be reconciled to the accounting records to ensure completeness and accuracy.
- Management's Response:** See management's response attached.



Status of Prior Year Management Letter Comments

2021-001 Reconciliation of Grant Expenses

- Condition:** Disbursements that are eligible for reimbursement under grant awards are properly segregated and recorded in the accounting records. In order to submit a request for reimbursement, a spreadsheet is prepared for each grant using these invoices. However, neither the spreadsheet nor the grant reimbursement request is reconciled to the accounting records.
- Current Status:** This is a repeated comment in current year. See ML 2022-001 Reconciliation of Grant Expenses above.

We have already discussed these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience. We would also welcome any opportunity to perform any additional study of these matters or to assist you in implementing the recommendations. We would also like to thank the Alliance's staff for their cooperation with us during the audit.

This information is intended solely for the information and use of the Board and management of the Louisiana Rural Ambulance Alliance and is not intended to be and should not be used for any other purpose.

Postlethwaite & Netterville

Donaldsonville, Louisiana
August 31, 2023



LOUISIANA RURAL AMBULANCE ALLIANCE

RESPONSE - POLICY - EDUCATION

August 31, 2023

Louisiana Legislative Auditor

The Louisiana Rural Ambulance Alliance (Alliance) respectfully submits the following corrective action plan for the year ended December 31, 2022.

Name and address of independent public accounting firm:
Postlewaite & Netterville, APAC
P.O. Box 1190
Donaldsonville, LA 70346

Financial Statement Period: January 1, 2022 – December 31, 2022

The findings from the Management Letter are discussed below. The findings are numbered consistently with the numbers assigned in the Management Letter.

ML 2021-001 Reconciliation of Grant Expenses

Condition: Disbursements that are eligible for reimbursement under grant awards are properly segregated in the accounting records. In order to submit a request for reimbursement, a spreadsheet is prepared for each grant using these invoices. However, neither the spreadsheet nor the grant reimbursement request are reconciled to the accounting records.

Recommendations: The spreadsheets used to prepare the grant reimbursement requests should be reconciled to the accounting records to ensure completeness and accuracy.

Management's Response: The Louisiana Rural Ambulance Alliance will implement policies and procedures in order to make sure that the spreadsheets used to prepare grant reimbursement requests will be reconciled to the accounting records monthly to ensure completeness and accuracy. Our finance coordinator has already taken steps to ensure the reconciliation of the accounting records.

The above corrective action plan addresses the current year's findings. If you need additional information concerning the corrective action plan, please contact me at your convenience.

Sincerely,

Shane Bellard, CEO

Louisiana Rural Ambulance Alliance

REPORT ON STATEWIDE
AGREED-UPON PROCEDURES on COMPLIANCE and CONTROL
AREAS

FOR THE YEAR ENDED December 31, 2022



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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of the Louisiana Rural Ambulance Alliance and the Louisiana Legislative Auditor:

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period **January 1, 2022 through December 31, 2022**. **Louisiana Rural Ambulance Alliance's** management is responsible for those C/C areas identified in the SAUPs.

Louisiana Rural Ambulance Alliance 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, 2022 through December 31, 2022**. 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 we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by **Louisiana Rural Ambulance Alliance** 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 **Louisiana Rural Ambulance Alliance** 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.

Donaldsonville, Louisiana
August 31, 2023

Louisiana Rural Ambulance Alliance
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
DECEMBER 31, 2022

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedures presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exceptions noted*” or for step 13 “*we performed the procedures and discussed the results with management.*” If not, then a description of the exception ensues.

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.

The entity has written policies for Budgeting however the policy does not specifically address preparing, adopting, monitoring, or 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.

No exceptions noted.

c) ***Disbursements*** – including processing, reviewing, and approving.

No exceptions noted.

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 sequence, agency fund forfeiture monies confirmation.)

No exceptions noted.

e) ***Payroll/Personnel*** – including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

The entity has written policies for Payroll/Personal however the policy does not specifically address (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

Louisiana Rural Ambulance Alliance
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
DECEMBER 31, 2022

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.

The entity's contracting policy does not address (2) standard terms and conditions, nor does it address (3) legal review.

g) **Travel and Expense Reimbursement** – including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exceptions noted.

h) **Credit Cards (and debit cards, fuels cards, purchase 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 car purchases.)

The entity's credit card policy does not address (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 car purchases.)

i) **Ethics** – including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken in an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

The entity has written policies for Ethics however the policy does not specifically address (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken in an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) 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.

The entity has no debt. Therefore, there is no debt service policy.

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.

The entity's Accounting Policies and Procedures do not address (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated

Louisiana Rural Ambulance Alliance
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
DECEMBER 31, 2022

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.

- 1) **Prevention of Sexual Harassment** – including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions. (2) annual employee training, and (3) annual reporting.

The entity has no employees. Therefore, the Accounting Policies and Procedures do not address the prevention of sexual harassment.

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 documents 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 documents.

No exceptions noted.

- b) For those entities reporting on the governmental accounting model, observe whether 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.

The entity reports on the non-profit accounting model. No exceptions noted.

- 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 negative unassigned fund balance in the general fund.

The entity reports on the non-profit accounting model. Positive net assets were reported in the prior year review report. No exceptions noted.

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s) according to management's corrective action plan at each meeting until the findings are considered fully resolved.

A review was performed in the prior year. There were no findings reported in the prior year. No exceptions noted.

Louisiana Rural Ambulance Alliance
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
DECEMBER 31, 2022

Bank Reconciliations

3. Obtain a listing of client 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 selected each account and observe that:

a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged.)

No exceptions noted.

b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

There was no written evidence that a member of management/board who does not handle cash, post ledgers, or issue checks has reviewed the bank reconciliation.

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.

There were no reconciling items that have been outstanding for more than 12 months from the statement closing date. No exceptions noted.

Collections

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).

A listing of deposit sites was provided and included a total of 2 deposit sites. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected all of the deposit sites and performed the procedures below.

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:

Louisiana Rural Ambulance Alliance
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
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a) Employees that are responsible for cash collections do not share cash drawers/registers.

No exceptions noted.

b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

No exceptions noted.

c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee is responsible for reconciling ledger postings to each other and to the deposit.

No exceptions noted.

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.

No exceptions noted.

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.

No exceptions noted.

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:

Two deposit dates were selected.

a) Observe that receipts are sequentially pre-numbered.

There were two deposits which consisted of two checks; therefore, this attribute is not applicable as no cash was collected. No exceptions noted.

b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

There were two deposits which consisted of two checks; therefore, this attribute is not applicable as no cash was collected. No exceptions noted.

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- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted.

- d) Observe 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).

Two deposits totaling \$23,749.52 were made more than a week after the date of receipt.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

Non-Payroll Disbursements

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).

The listing of locations that process payments for the fiscal period was provided. The entity has one location for processing payments. No exceptions were noted as a result of performing this procedure.

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:

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #8 was provided. One exception was noted as a result of performing this procedure (See d. below).

Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exceptions noted.

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions noted.

Louisiana Rural Ambulance Alliance
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
DECEMBER 31, 2022

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.

No exceptions noted.

d) Either the employee responsible for signing checks mails the payment or give the signed checks to an employee to mail who is not responsible for processing payments.

The individual who is responsible for preparing/processing payments is also responsible for mailing checks.

e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions noted.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursement) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each and:

a) Observe whether the disbursement matched the related original invoice/billing statement and supporting documentation indicates deliverables included on the invoice were received by the entity.

No exceptions noted.

b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

There were five instances noted where the same employee that is in charge of preparing payments also mails the checks.

Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

There were two instances noted where disbursements were not approved by the required number of authorized signers. The entity does not process electronic fund transfers, therefore, there is no policy regarding the required number of authorized signers.

Louisiana Rural Ambulance Alliance
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
DECEMBER 31, 2022

Credit 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.

A listing of all active credit cards, bank debit cards, fuel cards, and P-cards was obtained from management.

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:

From the listing provided, we randomly selected 2 cards (1 credit card and 1 fuel card) used in the fiscal period. We randomly selected one monthly statement for each of the 2 cards selected and performed the procedures noted below.

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) were reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

No exceptions noted.

b) Observe that finance charges and late fees were not assessed on the selected statements.

One of the statements included a finance charge of \$2 was assessed from past due balances.

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 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.

The fuel card selected under #12 only had eight transactions during the month selected. A total of 10 transactions were selected from the credit card. There was one instance for the credit card where there was no documentation of the individual participating in meals. There were three transactions for the credit card where there was no evidence of original itemized receipt. One transaction did not include documentation of the individuals participating in the meal.

Louisiana Rural Ambulance Alliance
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
DECEMBER 31, 2022

Travel and Travel-Related Expense Reimbursements

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:

The listing of travel expense reimbursements was provided for the fiscal period. No exceptions noted.

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).

No exceptions noted.

b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

No exceptions noted.

c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation included the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

No exceptions noted.

d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

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 whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Of the five contracts selected for testing, none of them were subject to the Louisiana Public Bid Law. No exceptions noted.

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DECEMBER 31, 2022

b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

No exceptions noted.

c) If the contract was amended (e.g. change order), observe 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).

One of the five contracts selected had amendments during the fiscal period selected. No exceptions noted.

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 the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

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.

A listing of employees/elected officials employed during the fiscal year was not provided due to the entity being a nonprofit and does not have any employees. This section is N/A.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:

a) Observe all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

N/A

b) Observe whether supervisors approved the attendance and leave of the selected employees/officials.

N/A

c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

N/A

d) Observe rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

N/A

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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 and the entity's policy on termination payments. Agree the hours to the employee/officials' cumulative leave records, agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files, and agree the termination payment to the entity's policy.

N/A

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

N/A

Ethics

20. Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above, obtain ethics documentation from management, and:

The entity is a nonprofit and does not have any employees. This section is N/A.

a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.

N/A

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, if applicable.

N/A

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 as required by Article VII, Section 8 of the Louisiana Constitution.

The entity has no debt.

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DECEMBER 31, 2022

24. 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).

The entity has no debt.

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 misappropriations to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

No exceptions noted.

24. Observe 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.

No exceptions noted.

Information Technology

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 (a) occurred within the past week (b) was not stored on the government's local server or network, and (c) was encrypted.

This section is N/A. The entity does not have its accounting system on its network/computers. The QuickBooks file is kept by the external bookkeeper, LeBlanc & Rivere, CPAs. Documents and files are saved to OneDrive which is backed up daily.

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 three months.

This section is N/A

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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.

We performed the procedure and discussed the results with management.

Prevention of Sexual Harassment

26. Using the 5 randomly selected employees/officials from "Payroll and Personnel" procedure #9A, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

The entity is a nonprofit and does not have any employees. This section is N/A.

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).

The entity is a nonprofit and does not have any employees. This section is N/A.

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:

The entity is a nonprofit and does not have any employees. This section is N/A.

a) Number and percentage of public servants in the agency who have completed the training requirements;

N/A

b) Number of sexual harassment complaints received by the agency;

N/A

c) Number of complaints which resulted in a finding that sexual harassment occurred;

N/A

d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

N/A

e) Amount of time it took to resolve each complaint.

N/A



LOUISIANA RURAL AMBULANCE ALLIANCE

RESPONSE - POLICY - EDUCATION

August 31, 2023

Louisiana Legislative Auditor

The Louisiana Rural Ambulance Alliance (Alliance) respectfully submits the following corrective action plan for the year ended December 31, 2022.

Name and address of independent public accounting firm:

Postlewaite & Netterville, APAC

P.O. Box 1190

Donaldsonville, LA 70346

Financial Statement Period: January 1, 2022 – December 31, 2022

The findings from the Report of Statewide Agreed-Upon Procedures on Compliance and Control Areas are discussed below. The findings are numbered consistently with the numbers assigned on the Report of Statewide Agreed-Upon Procedures on Compliance and Control Areas.

Written Policies and Procedures

1. a) Budgeting

Management's Response: The Louisiana Rural Ambulance Alliance will amend its current policies and procedures to ensure the policies address preparing, adopting, monitoring, and amending the budget.

e) Payroll/Personnel

Management's Response: The Louisiana Rural Ambulance Alliance does not currently have any employees, but will amend written policies and procedures regarding payroll, as applicable, to address the approval process for employee rates of pay or approval and maintenance of pay rate schedules.

f) Contracting

Management's Response: The Louisiana Rural Ambulance Alliance will amend its current contracting policies to include necessary items such as standard terms and conditions and legal review.

h) Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)

Management's Response: The Louisiana Rural Ambulance Alliance will amend its current credit cards policy to include the following items: 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 car purchases).

i) Ethics

Management's Response: The Louisiana Rural Ambulance Alliance will amend its current ethics policies to include the following items: (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken in an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

k) Information Technology Disaster Recovery/Business Continuity

Management's Response: The Louisiana Rural Ambulance Alliance will implement policies and procedures, as applicable, to cover information technology disaster recovery which include the following items: (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.

Bank Reconciliations

3. b) **Management's Response:** The Louisiana Rural Ambulance Alliance's policy is to have a member of management/board review bank statements and reconciliations monthly. This review is performed monthly; however, the Louisiana Rural Ambulance Alliance will ensure proper documentation of this review process is maintained.

Collections

7. d) **Management's Response:** The Louisiana Rural Ambulance Alliance will implement policies and procedures to ensure deposits are made within one week after the date of receipt.

Non-Payroll Disbursements

9. d) **Management's Response:** The Louisiana Rural Ambulance Alliance will ensure that the employee responsible for signing checks mails the payments or gives the signed checks to an employee to mail who is not responsible for processing payments.

10. b) **Management's Response:** The Louisiana Rural Ambulance Alliance will ensure that the employee responsible for signing checks mails the payments or gives the signed checks to an employee to mail who is not responsible for processing payments. In addition, Louisiana Rural Ambulance Alliance will ensure all disbursements have the correct authorizations according to our company's policies and procedures.

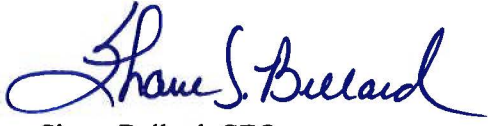
Credit Cards

12. b) **Management's Response:** The Louisiana rural Ambulance Alliance will establish proper internal controls to ensure finance charges and late fees are not assessed on credit card statements.

13. **Management's Response:** The Louisiana Rural Ambulance Alliance will adopt policies and procedures to ensure that there is necessary supporting written documentation for transactions.

The above corrective action plan addresses the current year's findings. If you need additional information concerning the corrective action plan, please contact me at your convenience.

Sincerely,

A handwritten signature in blue ink that reads "Shane S. Bellard". The signature is written in a cursive style with a large initial 'S' and a long horizontal flourish at the end.

Shane Bellard, CEO