

LOUISIANA RURAL AMBULANCE ALLIANCE

(A NOT FOR PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

DECEMBER 31, 2015

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Louisiana Rural Ambulance Alliance
Napoleonville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Louisiana Rural Ambulance Alliance (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Rural Ambulance Alliance as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of functional expenses and schedules of compensation, benefits and other payments to chief executive officer on pages 11 and 12 are presented for purposes of additional analysis and are 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 June 30, 2016, on our consideration of 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Louisiana Rural Ambulance Alliance's internal control over financial reporting and compliance.



Donaldsonville, Louisiana
June 30, 2016

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014

	2015	2014
<u>ASSETS</u>		
Cash and cash equivalents	\$ 391,979	\$ 285,016
Accounts receivable	44,719	261,705
Prepaid expenses	26,805	30,688
Investments	605,389	621,387
Buildings and equipment, net	387,120	555,200
 TOTAL ASSETS	 \$ 1,456,012	 \$ 1,753,996
 <u>LIABILITIES</u>		
Accounts payable	\$ 53,081	\$ 35,724
Other liabilities	17	-
 TOTAL LIABILITIES	 53,098	 35,724
 <u>NET ASSETS</u>		
Unrestricted	1,402,914	1,718,272
 TOTAL LIABILITIES AND NET ASSETS	 \$ 1,456,012	 \$ 1,753,996

The accompanying notes are an integral part of these statements.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<u>REVENUES AND OTHER SUPPORT</u>		
Public Support		
Grants and contracts with government agencies	\$ 685,413	\$ 488,637
Other Revenue		
Educational events and training	1,500	1,000
Interest and dividend income	15,123	15,277
Net unrealized gains (losses) on investments	(21,595)	13,976
Gain on sale of investments	4,756	3,001
Miscellaneous	4,141	363,266
Total revenues and other support	<u>689,338</u>	<u>885,157</u>
<u>EXPENSES</u>		
Program services		
Grants and contracts	707,505	399,394
Member services	15,565	12,270
Conferences and educational services	500	6,293
Support services		
General and administrative	281,126	281,635
Total expenses	<u>1,004,696</u>	<u>699,592</u>
Change in unrestricted net assets	(315,358)	185,565
Unrestricted net assets at beginning of year	<u>1,718,272</u>	<u>1,532,707</u>
Unrestricted net assets at end of year	<u>\$ 1,402,914</u>	<u>\$ 1,718,272</u>

The accompanying notes are an integral part of these statements.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ (315,358)	\$ 185,565
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	169,894	170,035
Net property and equipment (gains) losses	(1,002)	2,480
Net investment gains	(4,756)	(3,001)
Unrealized loss (gain) on investments	21,595	(13,976)
Donated assets	-	(6,500)
(Increase) decrease in accounts receivable	216,986	(22,024)
(Increase) decrease in prepaid expenses	3,883	(4,444)
Increase (decrease) in accounts payable	17,357	(123,064)
Increase in salaries and accrued benefits payable	17	-
Net cash provided by operating activities	108,616	185,071
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from sales of equipment	1,002	-
Purchases of buildings and equipment	(1,814)	(85,250)
Purchases of investments	(7,383)	(18,707)
Proceeds from sales of investments	6,542	15,693
Net cash used in investing activities	(1,653)	(88,264)
Net increase in cash and cash equivalents	106,963	96,807
Cash and cash equivalents at beginning of year	285,016	188,209
Cash and cash equivalents at end of year	\$ 391,979	\$ 285,016

The accompanying notes are an integral part of these statements.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies**

- A. The Louisiana Rural Ambulance Alliance (the Alliance) is a non-profit organization 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.
- B. To ensure proper usage of restricted and unrestricted assets, the Alliance maintains its accounts according to generally accepted accounting principles, whereby funds are classified in accordance with specified restrictions or objectives.
- C. 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

- D. Management considers accounts receivable that are more than 30 days old to be past due and uncollectible. No reserve for uncollectible accounts has been established. Management has determined that all receivables as of year end are collectible.
- E. The majority of the Alliance's revenue is derived from third-party reimbursement arrangements. These revenues and the allowability of the related expenditures are subject to approval by the granting agencies.
- F. The Alliance reports gifts of cash and other assets as restricted support 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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions. The Alliance has no temporary or permanently restricted net assets at December 31, 2015 or 2014.

The Alliance reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Alliance reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions of donated 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.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

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

- G. 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.
- H. The Alliance considers all cash accounts, money market funds and all highly liquid deposits with a maturity of three months or less when purchased to be cash and cash equivalents.
- I. Investments in marketable securities with readily determinable fair values are valued at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.
- J. The Alliance accounts for income taxes in accordance with 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 and the Alliance does not have any uncertain tax positions. The Alliance files a federal income tax return under U.S. federal jurisdiction.

- K. Expenses are charged directly to programs in categories based on specific identification. Indirect expenses have been allocated based on amounts approved by the respective contracts.

2. **Buildings and Equipment**

Buildings and equipment at December 31, 2015 and 2014 consist of the following:

	2015	2014
Building	\$ 105,255	\$ 105,255
Furniture and equipment	1,352,899	1,376,614
	1,458,154	1,481,869
Less: Accumulated depreciation	(1,071,034)	(926,669)
	<u>\$ 387,120</u>	<u>\$ 555,200</u>

Depreciation expense was \$169,894 and \$170,035 for the years ended December 31, 2015 and 2014, respectively.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

3. **Contributions from Government Agencies**

Contributions from government agencies for the years ended December 31, 2015 and 2014 consist of the following:

	2015	2014
Department of Health and Hospitals – EMS Allocation Fund	\$ 127,245	\$ 196,894
Department of Health and Hospitals – HRSA – ERHIT	496,834	291,743
Department of Health and Hospitals – HRSA - ACE	61,334	-
Total	<u>\$ 685,413</u>	<u>\$ 488,637</u>

4. **Fair Values 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, whether or not recognized in the statements of financial position 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.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

4. **Fair Values of Financial Instruments** (continued)

- 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.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following methods and assumptions were used by the Alliance in estimating its fair value disclosures for financial instruments:

Securities

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.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

4. **Fair Values of Financial Instruments** (continued)

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
December 31, 2015			
Equity securities	\$ 300,817	\$ -	\$ -
Fixed income securities	304,572	-	-
	<u>\$ 605,389</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
December 31, 2014			
Equity securities	\$ 359,572	\$ -	\$ -
Fixed income securities	261,815	-	-
	<u>\$ 621,387</u>	<u>\$ -</u>	<u>\$ -</u>

5. **Related Party Transactions**

The Alliance has contracted with In the Know Publications, LLC to provide comprehensive association management services to the Alliance. In the Know Publications, LLC is owned by the Chief Executive Officer of 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, 2015 and 2014. See Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer for the amounts paid.

The Alliance did not have a payable to the In the Know Publications, LLC at December 31, 2015. As of at December 31, 2014 \$7,362 was owed to In the Know Publications, LLC.

6. **Subsequent Events**

In preparing the financial statements, Louisiana Rural Ambulance Alliance has evaluated events and transactions for potential recognition or disclosure through June 30, 2016, and has determined that no events occurred that require disclosure.

SUPPLEMENTARY INFORMATION

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)
SCHEDULES OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>Program Services</u>				<u>Support Services</u>	<u>Memorandum Only 2014</u>	
	<u>Grants and Contracts</u>	<u>Member Services</u>	<u>Conferences and Educational Services</u>	<u>Total</u>	<u>General and Administrative</u>	<u>Total Expenses</u>	<u>Total</u>
Salaries	\$ 34,972	\$ 1,079	\$ -	\$ 36,051	\$ -	\$ 36,051	\$ -
Committees and memberships	2,675	15	-	2,690	300	2,990	6,419
Contract services	225,522	-	-	225,522	72,350	297,872	275,906
Insurance	-	-	-	-	4,216	4,216	7,101
Interest and bank charges	-	-	-	-	7,904	7,904	6,888
Meals and entertainment	-	4,994	-	4,994	-	4,994	3,098
Miscellaneous	34,913	8,340	500	43,753	14,029	57,782	26,542
Office expense	-	-	-	-	241	241	44
Postage	-	48	-	48	-	48	-
Professional services	128,717	-	-	128,717	4,170	132,887	76,901
Rent	6,000	-	-	6,000	-	6,000	6,057
Repairs and maintenance	22,113	-	-	22,113	-	22,113	27,995
Supplies	239,737	-	-	239,737	1,925	241,662	60,625
Taxes and licenses	266	-	-	266	1,284	1,550	1,311
Travel and lodging	12,590	1,089	-	13,679	-	13,679	25,995
Utilities	-	-	-	-	4,813	4,813	4,675
Total expenses before depreciation	<u>707,505</u>	<u>15,565</u>	<u>500</u>	<u>723,570</u>	<u>111,232</u>	<u>834,802</u>	<u>529,557</u>
Depreciation of buildings and equipment	-	-	-	-	169,894	169,894	170,035
Total Expenses	<u>\$ 707,505</u>	<u>\$ 15,565</u>	<u>\$ 500</u>	<u>\$ 723,570</u>	<u>\$ 281,126</u>	<u>\$ 1,004,696</u>	<u>\$ 699,592</u>

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)
SCHEDULES OF COMPENSATION, BENEFITS
AND OTHER PAYMENTS TO CHIEF EXECUTIVE OFFICER
YEARS ENDED DECEMBER 31, 2015 AND 2014

Chief Executive Officer: Donna Newchurch Landry

<u>Purpose</u>	<u>2015</u>	<u>2014</u>
Amounts paid directly to the CEO		
Salary	\$ 0	\$ 0
Benefits	0	0
Travel	6,637	7,959
Reimbursements	14,331	6,553
 Amounts paid to In the Know Publications, LLC, wholly owned by the CEO		
Salary	0	0
Benefits	0	0
Contract Services	181,241	231,656
Travel	1,005	1,741
Reimbursements	1,868	308
Rent	6,000	6,000

**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**

Board of Directors
Louisiana Rural Ambulance Alliance
Napoleonville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Louisiana Rural Ambulance Alliance (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 30, 2016.

Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered Louisiana Rural Ambulance Alliance's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Louisiana Rural Ambulance Alliance's internal control. Accordingly, we do not express an opinion on the effectiveness of Louisiana Rural Ambulance 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. 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Rural Ambulance 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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.



Donaldsonville, Louisiana
June 30, 2016

LOUISIANA RURAL AMBULANCE ALLIANCE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2015

SECTION I - SUMMARY OF AUDIT RESULTS

1. The auditors' report expressed an unmodified opinion on the financial statements of Louisiana Rural Ambulance Alliance
2. No significant deficiencies relating to the audit of the financial statements are reported as of December 31, 2015.
3. No instances of noncompliance material to the financial statements of Louisiana Rural Ambulance Alliance were disclosed during the audit.

LOUISIANA RURAL AMBULANCE ALLIANCE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2015

SECTION II - FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESSES

None

SIGNIFICANT DEFICIENCIES

None

NON-COMPLIANCE WITH LAWS AND REGULATIONS

None

LOUISIANA RURAL AMBULANCE ALLIANCE

SCHEDULE OF PRIOR AUDIT FINDINGS AND RESPONSES

YEAR ENDED DECEMBER 31, 2015

FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESSES

None

SIGNIFICANT DEFICIENCIES

None

NON-COMPLIANCE WITH LAWS AND REGULATIONS

None

Louisiana Rural Ambulance Alliance

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CORRECTIVE ACTION PLAN

June 30, 2016

Louisiana Legislative Auditor

Louisiana Rural Ambulance Alliance respectfully submits the following corrective action plan for the year ended December 31, 2015.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC
P. O. Box 1190
Donaldsonville, LA 70346

Financial Statement Period: January 1, 2015 – December 31, 2015

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

MANAGEMENT LETTER

ML-2015-001 Inventory of Capital Assets

Finding: An inventory of capital assets that were purchased using HHS grant funding is maintained. The inventory assists with the monitoring of the location and condition of each asset. However, no such inventory is maintained for assets purchased with any other funding sources.

Action Taken: We will establish procedures to ensure that an inventory is maintained of all capital assets purchased that meet the capitalization threshold of \$1,500, regardless of the funding source.

The above corrective action plan addresses the current year findings. If you need additional information concerning the corrective action plan, please contact Donna Newchurch, CEO, P.O. Box 242, Plattenville, LA 70393.



Donna Newchurch
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 for the year ended December 31, 2015, and have issued our report thereon dated June 30, 2016. Professional standards suggest that we provide you with the following information related to our audit.

As stated in our engagement letter dated March 11, 2016, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with generally accepted accounting principles. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As part of our audit, we considered the internal control structure of the Louisiana Rural Ambulance Alliance. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control structure. During the course of the performance of our audit procedures and documentation of the Alliance's internal controls, we noted certain immaterial items that have been communicated to management by way of discussion. The following is a description of items that were of such significance to comment in a formal management letter.

ML-2015-001 Inventory of Capital Assets

Findings: An inventory of capital assets that were purchased using HHS grant funding is maintained. The inventory assists with the monitoring of the location and condition of each asset. However, no such inventory is maintained for assets purchased with any other funding sources.

Recommendations: A complete inventory of capital assets should be maintained for all capital assets.

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

Postlethwaite & Netterville

Donaldsonville, Louisiana
June 30, 2016