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LOWER CAMERON AMBULANCE SERVICE DISTRICT

FINANCIAL REPORT

OCTOBER 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5.5.04

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# BROUSSARD, POCHE', LEWIS & BREAUX, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

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To the Board of Commissioners  
Lower Cameron Ambulance Service District  
Creole, Louisiana

We have audited the accompanying general purpose financial statements of Lower Cameron Ambulance Service District as of October 31, 2003 and 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Eugene C. Gilder, CPA\*  
Donald W. Kelley, CPA\*  
Herbert Lemoine II, CPA\*  
Frank A. Stagno, CPA\*  
Scott J. Broussard, CPA\*  
L. Charles Abshire, CPA\*  
Kenneth R. Dugas, CPA\*  
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Troy J. Breaux, CPA\*  
Fayette T. Dupre', CPA\*  
Mary A. Castille, CPA\*  
Joey L. Breaux, CPA\*  
Terrel P. Dressel, CPA\*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Lower Cameron Ambulance Service District as of October 31, 2003 and 2002, and the results of its operations and cash flows for the years then ended in conformity with generally accepted accounting principles in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2004, on our consideration of Lower Cameron Ambulance Service District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Broussard, Poche', Lewis & Breaux, L.L.P.*

Crowley, Louisiana  
February 23, 2004

### Retired:

Sidney L. Broussard, CPA 1980  
Leon K. Poche', CPA 1984  
James H. Breaux, CPA 1987  
Erma R. Walton, CPA 1988  
George A. Lewis, CPA\* 1992  
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Lawrence A. Cramer, CPA\* 1999  
Michael P. Crochet, CPA\* 1999  
Ralph Friend, CPA 2002

LOWER CAMERON AMBULANCE SERVICE DISTRICT

BALANCE SHEETS  
October 31, 2003 and 2002

	2003	2002
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 519,737	\$ 825,370
Certificates of deposits	682,217	100,000
Patient accounts receivable, net of allowance for estimated uncollectible accounts of \$34,246 and \$57,812, respectively	86,092	44,145
Other receivables	4,346	922
Prepaid expenses	6,410	3,042
Inventories	15,170	18,105
<b>Total current assets</b>	<b>\$ 1,313,972</b>	<b>\$ 991,584</b>
<b>FIXED ASSETS</b>		
Property, plant and equipment, at cost, less accumulated depreciation of \$152,280 and \$99,375, respectively	283,035	227,736
<b>Total assets</b>	<b>\$ 1,597,007</b>	<b>\$ 1,219,320</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 20,006	\$ 5,105
Accrued liabilities	21,122	25,517
<b>Total current liabilities</b>	<b>\$ 41,128</b>	<b>\$ 30,622</b>
<b>FUND BALANCE</b>	<b>1,555,879</b>	<b>1,188,698</b>
<b>Total liabilities and fund balance</b>	<b>\$ 1,597,007</b>	<b>\$ 1,219,320</b>

See Notes to Financial Statements.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

STATEMENTS OF OPERATIONS  
Years Ended October 31, 2003 and 2002

	2003	2002
<b>Revenues:</b>		
Net patient service revenues	\$ 235,588	\$ 183,640
Ad valorem taxes	1,030,569	1,147,080
Other revenues	-	132
<b>Total revenues</b>	<b>\$ 1,266,157</b>	<b>\$ 1,330,852</b>
<b>Expenses:</b>		
Salaries & and payroll taxes	\$ 510,798	\$ 422,836
Depreciation expense	77,906	63,567
Dispatch services	20,004	16,701
Education and travel	4,321	5,843
Employee benefits	74,393	45,162
Fuel expense	6,378	5,465
Insurance expense	58,181	50,034
Interest expense	-	229
Medical director	12,000	12,000
Professional fees	13,744	6,760
Provision for uncollectible accounts	48,292	39,297
Rent	8,200	7,600
Repairs & maintenance	15,394	13,059
Retirement expense	9,450	3,520
Supplies	33,107	30,487
Telephone	8,243	6,945
Utilities	9,645	6,850
Other expenses	3,031	5,193
<b>Total expenses</b>	<b>\$ 913,087</b>	<b>\$ 741,548</b>
<b>Operating income</b>	<b>\$ 353,070</b>	<b>\$ 589,304</b>
<b>Nonoperating income:</b>		
Interest income	\$ 14,111	\$ 19,694
Gain on sale of fixed assets	-	1,730
<b>Total nonoperating income</b>	<b>\$ 14,111</b>	<b>\$ 21,424</b>
<b>Excess of revenues over expenses</b>	<b>\$ 367,181</b>	<b>\$ 610,728</b>

See Notes to Financial Statements.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

STATEMENTS OF CHANGES IN FUND BALANCE  
Years Ended October 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Fund balance, beginning	\$ 1,188,698	\$ 577,970
Excess of revenues over expenses	367,181	610,728
Fund balance, ending	<u>\$ 1,555,879</u>	<u>\$ 1,188,698</u>

See Notes to Financial Statements.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

STATEMENTS OF CASH FLOWS  
Years Ended October 31, 2003 and 2002

	2003	2002
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating income	\$ 353,070	\$ 589,304
Ad valorem taxes considered financing activity	(1,030,569)	(1,147,080)
Adjustment to reconcile operating income to net cash used in operating activities:		
Depreciation	77,906	63,567
Provision for uncollectible accounts	48,292	39,297
(Increase) decrease in assets:		
Patient accounts receivable	(90,239)	(49,196)
Prepaid expense	(3,368)	184
Inventories	2,935	(4,013)
Other receivables	(3,424)	(922)
Increase in liabilities:		
Accounts payable	14,901	(3,675)
Accrued expenses	(4,395)	9,643
<b>Net cash used in operating activities</b>	<b>\$ (634,891)</b>	<b>\$ (502,891)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Ad valorem taxes	\$ 1,030,569	\$ 1,147,080
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchase of equipment	\$ (133,205)	\$ (120,168)
Proceeds from the sale of property and equipment	-	1,730
<b>Net cash used by capital and financing activities</b>	<b>\$ (133,205)</b>	<b>\$ (118,438)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest income	\$ 14,111	\$ 19,694
Purchase of certificates of deposit	(582,217)	(100,000)
<b>Net cash used by investing activities</b>	<b>\$ (568,106)</b>	<b>\$ (80,306)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>\$ (305,633)</b>	<b>\$ 445,445</b>
Cash and cash equivalents, beginning of year	825,370	379,925
Cash and cash equivalents, end of year	<u>519,737</u>	<u>825,370</u>
<b>SUPPLEMENTAL SCHEDULE OF NONCASH ACTIVITIES</b>		
Disposal of fully depreciated equipment	\$ 25,000	\$ 224,707

See Notes to Financial Statements.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

The following is a summary of the Ambulance Service District's significant accounting policies:

Organization:

*Lower Cameron Ambulance District was established by the Cameron Parish Policy Jury, by virtue of the authority of R.S. 33:9053, et, seq. The purpose of the Ambulance District is to provide ambulance services to Lower Cameron Parish. The board is appointed by the Cameron Parish Police Jury.*

For reporting purposes, the Ambulance District is not considered a component unit of the Cameron Parish Police Jury, due to the fact that they do not meet the established criteria as provided in GASB Statement No. 14, *The Financial Reporting Entity*. These criteria include financial accountability by the Police Jury or the ability to impose their will on the Ambulance District by significantly influencing the programs, projects, activities, or level of services provided by the Ambulance District, and the existence of a financial benefit or burden. The more significant policies of the Ambulance District are described below:

Operation and Management:

In 1988, the Ambulance District entered into an intergovernmental agency agreement with the Lower Cameron Hospital Service District, whereby, the Hospital District assumed operations and management of the Ambulance District. On February 2, 2000, the Hospital District's Board adopted a resolution to terminate the intergovernmental agency agreement with the Ambulance District until December 1, 2000. *This outside management company absorbed all patient revenue and all operating expenses of the Ambulance District for this period.*

On December 1, 2000, the Cameron Parish Ambulance District #2 and the Lower Cameron Ambulance Service District entered into an Intergovernmental Cooperative Agreement, whereby both Districts operated various administrative functions together. The term of the agreement was December 1, 2000 to December 1, 2001. On December 1, 2001, the Cameron Parish Ambulance District #2, did not renew the Intergovernmental Cooperative Agreement with the Lower Cameron Ambulance District

Method of Accounting:

The Ambulance District utilizes the proprietary fund method of accounting whereby revenues and expenses are recognized on the accrual method. The Ambulance District's accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:514 and to the guide set forth in the *Louisiana Governmental Audit Guide*, and the *Audit and Accounting Guide – Health Care Organizations*, published by the American Institute of Certified Public Accountants, and standards established by the Governmental Accounting Standards Board (GASB), which is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Accounting Standards:

Pursuant to the GASB (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Ambulance District has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.



LOWER CAMERON AMBULANCE SERVICE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Net patient revenue:

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

Inventories:

Inventories are valued at the latest invoice price, which approximates the lower of cost (first-in, first-out method) or market.

Property, plant, and equipment:

Property, plant, and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of each class of depreciable assets.

Ambulances	5	years
Building improvements	5 – 10	years
Equipment	5 – 10	years

Use of estimates:

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

Trade receivables and allowance for uncollectible accounts:

Trade receivables are carried at the original billed amount less an estimate made for uncollectible accounts based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for uncollectible accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Trade receivables are written-off when deemed uncollectible. Recoveries of trade receivables previously written-off are recorded when received.

Cash and cash equivalents:

For purposes of the statement of cash flows, the Ambulance District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Income taxes:

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

Risk management:

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

LOWER CAMERON AMBULANCE SERVICE DISTRICT

NOTES TO FINANCIAL STATEMENTS

**Environmental Matters:**

The Ambulance District is subject to laws and regulations relating to the protection of the environment. The Ambulance District's policy is to accrue environmental and cleanup related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty, the potential financial impact of the Ambulance District's continuing compliance efforts, management believes any future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of the Ambulance District. At October 31, 2003, management is not aware of any liability resulting from environmental matters.

**Reclassifications:**

To be consistent with current year classifications, some items from the previous year have been reclassified with no effect on operating income.

**Note 2. Net Patient Service Revenues**

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

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

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

During the years ended October 31, 2003 and 2002, approximately 49% and 30% respectively, of the Ambulance District's gross patient services were furnished to Medicare and Medicaid beneficiaries.

The Ambulance District also has entered into payment arrangements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Ambulance District under these agreements includes prospectively determined rates per ambulance trip, discounts on charges, and prospectively determined rates.

The Ambulance District also gives a parish resident discount to any resident of the parish who uses ambulance services. The Ambulance District bills private insurance companies, Medicare or Medicaid, or any other coverage of the patient and accepts this as payment in full from the resident.

**Note 3. Bank Deposits**

At October 31, 2003, the carrying value of the Ambulance District's cash deposits, including demand deposits and certificates of deposit, totaled \$1,201,954 and the bank balances totaled \$1,205,935. Of the balance, \$200,000, was covered by Federal Deposit Insurance Corporation (FDIC) coverage and \$1,005,935, was covered by collateral held by the custodial bank in the bank's name (category III).

LOWER CAMERON AMBULANCE SERVICE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 4. Property, Plant, and Equipment

A summary of property, plant, and equipment is as follows:

	2003	2002
Equipment	\$ 69,494	\$ 48,061
Office equipment	20,963	16,622
Building improvements	5,798	5,799
Ambulances	339,060	256,629
Total property, plant and equipment	\$ 435,315	\$ 327,111
Less: accumulated depreciation	(152,280)	(99,375)
Net property, plant and equipment	\$ 283,035	\$ 227,736

Depreciation expense for the years ended October 31, 2003 and 2002 amounted to \$77,906 and \$63,567 respectively.

Note 5. Ad Valorem Taxes

The Ambulance District's property tax is levied by the parish on the taxable real property in the district in late October of each year. Bills are sent out in November of each year at which time the Ambulance District records the tax revenue, and become a lien in the following March. The collection period for the Ambulance District's property taxes is from December (at which time they become delinquent) to the succeeding May.

Pursuant to Act No. 1140 of the 2001 Regular Legislative Session, protested ad valorem tax receipts are no longer segregated and held pending the outcome of the protest lawsuit. Instead, these payments are remitted to the Ambulance District. If the taxpayer successfully wins the protest lawsuit, the Ambulance District is liable to pay the taxpayer the protested tax amount plus interest. At October 31, 2003 and 2002, the amount of protested ad valorem taxes paid, pending the outcome of protest lawsuits was \$239,384 and \$118,315, respectively.

Note 6. Concentrations of Credit Risk

The Ambulance District grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at October 31, 2003 and 2002, was as follows:

	2003	2002
Medicare	13 %	35 %
Medicaid	17 %	13 %
Other third-party payors/patients	70 %	52 %
	100 %	100 %

Note 7. Compensated Absences

Employees' vacation benefits are recognized in the period earned. Accrued compensated absences at October 31, 2003 and 2002 totaled \$9,061 and \$6,404, respectively.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 8. Simple IRA Plan

The Ambulance District has a Simple IRA Plan covering all eligible employees as of June 2002. Employees can contribute a maximum of \$8,000 for 2003 and \$7,000 for 2002. The Ambulance District contributes 2% of compensation to each eligible employee's Simple IRA for the year. Total Simple IRA plan expenses for the years ended October 31, 2003 and 2002, was \$9,450 and \$3,520, respectively.

Note 9. Subsequent Event

On October 15, 2003, the Ambulance District Board passed a resolution to purchase the Ambulance facility and land to house the Ambulance District's headquarters, at a price of \$85,000. The Ambulance District paid \$40,000 on December 29, 2003, and the remaining balance, was financed at zero percent due on March 24, 2004.



# BROUSSARD, POCHE', LEWIS & BREAUX, L.L.P.

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## INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Commissioners  
Lower Cameron Ambulance Service District  
Creole, Louisiana

Our audit was made for the purpose of forming an opinion on general purpose financial statements of Lower Cameron Ambulance Service District taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Lower Cameron Ambulance Service District. This supplementary information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects, in relation to the respective general purpose financial statements taken as a whole.

*Broussard, Poche', Lewis & Breaux, L.L.P.*

Crowley, Louisiana  
February 23, 2004

LOWER CAMERON AMBULANCE SERVICE DISTRICT

SCHEDULES OF PATIENT SERVICE REVENUES  
 Years Ended October 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Gross patient service revenue	\$ 516,070	\$ 445,981
Less:		
Medicare and Medicaid contractual adjustments	(112,681)	(86,620)
Parish resident discounts	(160,376)	(153,404)
Insurance and other discounts	(7,425)	(22,317)
	<u>235,588</u>	<u>183,640</u>
Net patient service revenue	<u>\$ 235,588</u>	<u>\$ 183,640</u>

LOWER CAMERON AMBULANCE SERVICE DISTRICT

SCHEDULE OF BOARD FEES  
Years Ended October 31, 2003 and 2002

Board Members

The Ambulance District's board members did not receive any compensation during the years ending October 31, 2003 and 2002.





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Members of American Institute of Certified Public Accountants  
Society of Louisiana Certified Public Accountants

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## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners  
Lower Cameron Ambulance Service District  
Creole, Louisiana

We have audited the general purpose financial statements of the Lower Cameron Ambulance Service District as of and for the year ended October 31, 2003, and have issued our report thereon dated February 23, 2004. 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.

### Compliance

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

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Lower Cameron Ambulance Service District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Lower Cameron Ambulance Service District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2003-1.



To the Board of Commissioners  
Lower Cameron Ambulance Service District

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not consider the reportable condition described above to be a material weakness.

This report is intended solely for the information and use of management, others within the Ambulance District, federal award agencies, pass-through entities and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Broussard, Poche, Lewis & Breaux, L.L.P.*

Crowley, Louisiana  
February 23, 2004

LOWER CAMERON AMBULANCE SERVICE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended October 31, 2003

We have audited the general purpose financial statements of Lower Cameron Ambulance Service District as of and for the year ended October 31, 2003, and have issued our report thereon dated February 23, 2004. 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 audit of the general purpose financial statements as of October 31, 2003, resulted in an unqualified opinion.

**Section I. Summary of Auditor's Reports**

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses  Yes  No Reportable Conditions  Yes  No

Compliance

Compliance Material to Financial Statements  Yes  No

b. Federal Awards

The Ambulance District does not have any Federal awards.

**Section II. Financial Statement Findings**

2003-1 Segregation of Duties

**Finding:** The Ambulance District does not have adequate segregation of duties. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize the Ambulance District may not be large enough to permit such procedures, it is important that you be aware of this condition.

**Recommendation:** Keeping in mind the limited number of employees to which duties can be assigned, the Ambulance District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

**Response:** Due to small size of the administrative staff, complete segregation of duties is not possible. However, the Ambulance District will continue to monitor the situation.

**Section III. Internal Control and Compliance Material to the Federal Awards**

This year's report does not include any federal awards.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended October 31, 2003

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

**2002-1 Investment in variable annuity**

**Finding:** We noted, during the audited year, that the Ambulance District invested monies in a variable annuity which is not an allowable investment under R.S. 33:2955.

**Recommendation:** We recommend that the Ambulance District invests its monies in securities covered under R.S. 33:2955.

**Current Status:** RESOLVED - The Ambulance District has since withdrawn its monies from the variable annuity and deposited the monies into investments covered under R.S. 33:2955. In the future, the Ambulance District will deposit funds into obligations allowed under R.S. 33:2955.

**2002-2 Monthly reconciliation of bank statements**

**Finding:** In the course of our audit, we noted that bank statements were not being reconciled to the general ledger.

**Recommendation:** We recommend that bank statements be reconciled to the general ledger on a monthly basis in order to detect differences between the general ledger and the bank statement. It is also recommended that the bank reconciliations be reviewed by the Director of the District for accuracy.

**Current Status:** RESOLVED - A monthly process of reconciling the bank statements to the general ledger has been developed, as well as the review of the bank reconciliation by the Director of the District.

**2002-3 Reconciliation of patient charges, payments and adjustments between accounts receivable software and accounting software**

**Finding:** During the course of our audit, we noted there was no reconciliation of charges, payments or adjustments between the Ambulance District's patient accounts receivable software and the Ambulance District's accounting software.

**Recommendation:** We recommend that the Ambulance District reconcile, on a monthly basis, the charges, payments and adjustments between the Ambulance District's accounts receivable software and the accounting software in order to have an accurate detail accounts receivable.

**Current Status:** RESOLVED - Procedures have been implemented, on a monthly basis, to reconcile all charges, payments and adjustments between the Ambulance District's patient accounts receivable software and the accounting software.

**2002-4 Board authorized payment for services not performed**

**Finding:** During the course of last year's audit, we noted a matter concerning a payment of \$3,237, to an employee for services not actually rendered, which is in violation of Article VII, Section 14(A) of the Louisiana Constitution of 1974. As of this audit report date, we noted there was no reimbursement to the Ambulance District by the former employee to compensate for this payment. The Ambulance District along with the Cameron Parish District Attorney, issued a letter of request for repayment of the \$3,237 to the former employee. The former employee has proposed to compensate the Ambulance District for this payment by offering his services as a maintenance/carpenter.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)

Year Ended October 31, 2003

**Section I. Internal Control and Compliance Material to the Financial Statements (continued)**

**Recommendation:** We recommend that the Ambulance District obtain legal counsel to help them determine the correct measures to take, in accordance with Louisiana law, to recoup the \$3,237 from the former employee. If the Ambulance District is unable to obtain the repayment from the former employee, the Ambulance District will have to seek restitution from all commissioners that authorized the improper payment.

**Current Status:** NOT RESOLVED - Starting in December of 2003, the former employee began paying the District monthly installments of \$25. The former employee intends on paying the balance in full. The Ambulance District has also given the Cameron Parish District Attorney the authority to file suit against the former employee in an effort to recover the amount owed to the Ambulance District.

2002-5    Segregation of Duties

**Finding:** The Ambulance District does not have adequate segregation of duties. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize the Ambulance District may not be large enough to permit such procedures, it is important that you be aware of this condition.

**Recommendation:** Keeping in mind the limited number of employees to which duties can be assigned, the Ambulance District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

**Current status:** NOT RESOLVED – The Ambulance District has continued to try to monitor the problem with segregation of duties, but due to the small size of the administrative staff, complete segregation of duties is not possible. This finding is also included in the audit report for the year ended October 31, 2003, and described in 2003-1.

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

Not applicable.

**Section III. Management Letter**

2002-6    Payroll Tax Reports

**Finding:** We noted that the payroll tax reports filed for calendar year 2002 did not reconcile with the general ledger payroll records, requiring the need to amend various tax reports.

**Recommendation:** We recommend that the Ambulance District reconcile on a quarterly basis, all payroll tax reports to the general ledger payroll records.

**Current status:** RESOLVED – The Ambulance District has implemented a process by which personnel reconcile tax reports to general ledger payroll records.



*Lower Cameron Ambulance Service District*

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MANAGEMENT CORRECTIVE ACTION PLAN

April 30, 2004

Legislative Auditor  
State of Louisiana  
P.O. Box 94397  
Baton Rouge, Louisiana 70804-9397

Lower Cameron Ambulance Service District respectfully submits the following corrective action plan for the year ended October 31, 2003.

Name and address of independent public accounting firm:

Broussard, Poche', Lewis & Breaux, L.L.P.  
Certified Public Accountants  
P.O. Drawer 307  
Crowley, Louisiana 70527

Audit Period: November 1, 2002 through October 31, 2003.

The findings from the 2003 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section I of the schedule, Summary of Auditor's Reports, does not include findings and is not addressed.

**Section II: Financial Statement Findings**

**2003-1 Segregation of Duties**

Recommendation: Keeping in mind the limited number of employees to which duties can be assigned, the District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Response: Due to small size of the administrative staff, complete segregation of duties is not possible. However, the District will continue to monitor the situation.

Responsible party: Byron Broussard, Director

2002-4            Board Authorized Payment for Service Not Performed

**Recommendation:** We recommend that the Ambulance District obtain legal counsel to help them determine the correct measures to take, in accordance with Louisiana law, to recoup the \$3,237 from the former employee. If the Ambulance District is unable to obtain the repayment from the former employee, the Ambulance District will have to seek restitution from all commissioners that authorized the improper payment.

**Response:** Starting in December of 2003, the former employee began paying the District monthly installments of \$25. The former employee intends on paying the balance in full. The Ambulance District has also given the Cameron Parish District Attorney the authority to file suit against the former employee in an effort to recover the amount owed to the Ambulance District.

**Responsible party:** Byron Broussard, Director

**LOWER CAMERON AMBULANCE SERVICE DISTRICT**