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COMPONENT UNIT FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

AMBULANCE SERVICE DISTRICT NO. 2
CAMERON PARISH, LOUISIANA, A COMPONENT UNIT OF
THE CAMERON PARISH POLICE JURY

October 31, 1995

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 SEP 11 1996

CONTENTS

	Page
Independent Auditors' Report	2
Financial Statements:	
Balance Sheet	3-4
Statement of Revenues, Expenses, and Changes in Retained Earnings	5
Statement of Cash Flows	6-7
Notes to Financial Statements	8-13
Independent Auditors' Report on Compliance with Laws and Regulations based on an Audit of Financial Statements Performed in Accordance with <u>Governmental Auditing Standards</u> Issued by the GAO	15
Schedule of Prior Year Findings and Recommendations	16
Schedule of Findings and Recommendations	17
Independent Auditors' Report on the Internal Control Structure In Accordance with <u>Governmental Auditing Standards</u>	19-20

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Ambulance Service District No. 2
Cameron Parish, Louisiana

We have audited the accompanying component unit financial statements of the Ambulance Service District No. 2, of Cameron Parish, Louisiana, a component unit of the Cameron Parish Police Jury as of October 31, 1995 and for the year ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards - Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, issued by the U.S. General Accounting Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Ambulance Service District No. 2, Cameron Parish, Louisiana, a component unit of the Cameron Parish Police Jury, as of October 31, 1995, and the results of its operations and the changes in financial position for the year ended in conformity with generally accepted accounting principles.

March 12, 1996

Members

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

Ambulance Service District No. 2
Cameron Parish, Louisiana, a component unit of
the Cameron Parish Police Jury

BALANCE SHEET
PROPRIETARY FUND TYPE

October 31, 1995

ASSETS

CURRENT ASSETS

Cash (Note C)	\$	45,627
Accounts Receivable, (net of \$20,146 allowance for uncollectible accounts)		45,173
Inventory - Supplies (Note G)		24,411
Total Current Assets		<u>115,211</u>

FIXED ASSETS (Note A2)

Equipment		42,383
Ambulances		270,056
Buildings		531,304
Less Accumulated Depreciation		(79,381)
Total Fixed Assets		<u>764,362</u>

TOTAL ASSETS	\$	<u>879,573</u> =====
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The accompanying notes are an integral part of these statements.

Ambulance Service District No. 2
 Cameron Parish, Louisiana, a component unit of
 the Cameron Parish Police Jury
 BALANCE SHEET (CONTINUED)
 PROPRIETARY FUND TYPE
 October 31, 1995

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES	
Accrued Expenses	\$ 3,462
Accounts Payable	4,699
Due To South Cameron Memorial Hospital	339,132
Notes Payable - Cameron State Bank (Note B)	107,442
Total Current Liabilities	454,735
LONG - TERM LIABILITIES (Note B)	
Notes Payable - Cameron State Bank (net of current maturities)	474,450
TOTAL LIABILITIES	929,185
FUND EQUITY	
Contributed Capital	1,000
Retained Earnings: Unreserved, Undesignated	(50,612)
Total Fund Equity	(49,612)
TOTAL LIABILITIES AND FUND EQUITY	\$ 879,573

The accompanying notes are an integral part of these statements.

Ambulance Service District No. 2
Cameron Parish, Louisiana, a component unit of the
Cameron Parish Police Jury

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
RETAINED EARNINGS, PROPRIETARY FUND TYPE
Year ended October 31, 1995

Operating Revenues:		
Ambulance Charges	\$	122,758
Ambulance Supplies		2,960
		125,718
Total Operating Revenue		
Operating Expenses:		
Salaries	\$	460,178
Supplies		8,987
Repair and Maintenance		2,382
Legal and Professional		1,864
Education and Travel		5,490
Rental Expense		7,043
Fuel		8,741
Insurance		59,709
Telephone and Utilities		23,061
Uniforms		593
Depreciation		67,068
Pension		17,197
Bad Debt		73,030
Advertising		108
Payroll Taxes		29,425
		764,876
Operating Income (Loss)		(639,158)
Non-Operating Revenues (Expenses):		
Tax Revenue (Note D)		469,313
Revenue Sharing		23,290
Miscellaneous Revenue		1,302
Interest Expense		(21,903)
Miscellaneous Expense		(63)
Ambulance Tax Credit		(48,011)
		423,928
Total Non-Operating Revenues (Expenses)		
Net Income (Loss)		(215,230)
INCREASE (DECREASE) IN RETAINED EARNINGS		(215,230)
Retained Earnings At Beginning Of Year		164,618
Retained Earnings At End Of Year		\$ (50,612)

The accompanying notes are an integral part of these statements.

Ambulance Service District No. 2
Cameron Parish, Louisiana, a component unit of
the Cameron Parish Police Jury

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
October 31, 1995
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

Cash flows from operating activities:		
Operating income (loss)		\$ (639,158)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	\$ 67,068	
Interest	(21,903)	
Change in assets and liabilities:		
Decrease (Increase) in accounts receivable, net of allowance for doubtful accounts	22,974	
(Decrease) Increase in due to other governments	340,666	
Decrease (Increase) in inventories	(21,228)	
(Decrease) Increase in accrued liabilities	1,621	
(Decrease) Increase in accounts payable	4,699	
Total adjustments		393,897
Net cash provided by (used for) operating activities		(245,261)
Cash flows from noncapital and related financing activities:		
Advalorem taxes and other intergovernmental revenue	492,603	
Miscellaneous	1,239	
Contributed capital	1,000	
Ambulance tax credit	(48,011)	
Net cash provided by (used for) noncapital financing activities		446,831
Cash flows from capital and related financing activities:		
Capital expenditures	(428,945)	
Proceeds from note payable	205,162	
Payments on notes payable	(123,269)	
Net cash provided by (used for) capital and related financing activities		(347,052)

The accompanying notes are an integral part of these statements.

Ambulance Service District No. 2
Cameron Parish, Louisiana, a component unit
of the Cameron Parish Police Jury
INCREASE (DECREASE) IN CASH AND CASH
EQUIVALENTS (CONTINUED)
PROPRIETARY FUND TYPE
October 31, 1995

Net Increase (Decrease) in cash and cash equivalents	(145,482)
Cash and cash equivalents at beginning of year	191,109 -----
Cash and cash equivalents at end of year	\$ 45,627 =====

The accompanying notes are an integral part of these statements.

Ambulance Service District No. 2
Cameron Parish, Louisiana, a component unit of
the Cameron Parish Police Jury

NOTES TO FINANCIAL STATEMENTS
October 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ambulance Service District No. 2 was created by the Cameron Parish Police Jury, as authorized by Louisiana Revised Statute 33:3811. The Ambulance Service District is governed by a six-member board of director who are appointed by the police jury and are responsible for providing ambulance service to users within the boundaries of the district.

In conformance with the National Council on Governmental Accounting, Statement 3, Ambulance Service District No. 2 is a component unit of the Cameron Parish Police Jury, the governing body of the parish. The accompanying financial statements present information only on the fund maintained by Ambulance Service District No. 2 and do not present information on the Cameron Parish Police Jury and the general government services provided by that governmental unit.

1. Fund Accounting

Ambulance Service District No. 2 is organized and operated as an Enterprise Fund whereby a self-balancing set of accounts is maintained that comprise its assets, liabilities, fund equity, revenues and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges and ad valorem taxes.

2. Property, Plant and Equipment

The accounting and reporting treatment applied to property, plant and equipment and long-term liabilities associated with a fund are determined by its measurement focus. Proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets.

Ambulance Service District No. 2
Cameron Parish, Louisiana, a component unit of
the Cameron Parish Police Jury

NOTES TO FINANCIAL STATEMENTS - CONTINUED
October 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Property, Plant and Equipment - Continued

Depreciation is provided in this enterprise fund in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service lives range from 5 to 40 years.

Depreciation expense for the period ended October 31, 1995 was \$67,068.

Additions to property, plant, and equipment for the period October 31, 1995 were as follows:

	<u>Beginning of year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Ambulances and equipment	\$ 115,077	197,362	--	\$ 312,439
Buildings	--	531,304	--	531,304
Totals	\$ 115,077	728,666	--	\$ 843,743

3. Basis of Accounting

The accrual basis of accounting is used by the Ambulance Service District with revenues being recognized when earned and expenses being recognized when incurred.

4. Budgets and Budgetary Accounting

The District adopts a budget annually for operating expenses. The budget is adopted under a basis consistent with GAAP, except that depreciation, certain capital expenses, revenues, nonoperating income and certain nonoperating expense items are not considered. The budget for the District is not presented in these statements.

Ambulance Service District No. 2
Cameron Parish, Louisiana, a component unit of
the Cameron Parish Police Jury

NOTES TO FINANCIAL STATEMENTS - CONTINUED
October 31, 1995

NOTE B - LONG-TERM LIABILITIES

Notes payable consists of the following at October 31, 1995:

\$500,000 note payable, due in annual installments of \$63,472, including interest at 5.25%, final payment due January 10, 2004	\$ 448,394
\$195,113 note payable, due in annual installments of \$71,664, including interest at 4.87%, final payment due January 10, 1997	133,498
Less current maturities	(107,442)
Long - term liabilities	\$ 474,450 =====

The annual requirements to amortize all debt outstanding as of October 31, 1995 are as follows:

Year Ending October 31,	Principal	Interest
1996	\$ 107,442	\$ 29,925
1997	110,484	24,651
1998	44,363	19,108
1999	46,692	16,779
2000	49,144	14,328
2001 and Thereafter	223,767	30,123
Totals	\$ 581,892	\$ 134,914

Ambulance Service District No. 2
Cameron Parish, Louisiana, a component unit of
the Cameron Parish Police Jury

NOTES TO FINANCIAL STATEMENTS - CONTINUED
October 31, 1995

NOTE C - CASH AND INVESTMENTS

Deposits in excess of federally insured amounts are required by statute to be protected by collateral of equal market value. Authorized collateral includes general obligations of the U. S. government, obligations issued or guaranteed by an agency established by the U. S. government, general obligation bonds or any state of the U. S. or any Louisiana parish, municipality or school district. Deposits with financial institutions should be evaluated for risk and classified in one of the three following categories:

Category 1 - (which represents the lowest level of risk) includes deposits that are collateralized with securities held by the District or its agent in the District's name.

Category 2 - includes collateralized deposits held by the pledging financial institution's trust department or agent in the District's name.

Category 3 - includes uncollateralized deposits or deposits collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the District's name.

At October 31, 1995 the book balance of the District's deposits was \$45,627 and the bank balance was \$46,284. The District's deposits are below the insured (FDIC) amount, therefore assuming no risk at October 31, 1995.

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

NOTE D - AD VALOREM TAXES

For the year ended October 31, 1995 taxes of 9 mills were levied on all the taxable property in Ambulance Service District No. 2, Cameron Parish, Louisiana, and dedicated for purchase of 4 ambulances as well as maintenance and operational purposes.

Ambulance Service District No. 2
Cameron Parish, Louisiana, a component unit of
the Cameron Parish Police Jury

NOTES TO FINANCIAL STATEMENTS - CONTINUED
October 31, 1995

NOTE E - RETIREMENT SYSTEM

Full-time employees are members of the Parochial Employees' Retirement System of Louisiana, a Public Employee Retirement System (PERS), which is the administrator of a cost sharing multiple-employer defined contribution plan. The total amount of contributions made to this plan by the employer for the year ended October 31, 1995 was \$675.

Additionally, the District participates in a 403(B) plan with Northern Life Insurance Company for the benefit of its employees. The District contributes 4% of eligible gross salaries. The total amount contributed to this plan for the year ended was \$14,881.

Employee contributions for the year ended October 31, 1995 were \$14,881.

Current year covered payroll for the year ended was \$460,178.

NOTE F - COMPENSATED ABSENCES

Employees accrue ten (10) vacation days per year after completing one year of service. After 10 years of service, vacation days are accumulated at the rate of fifteen (15) days per year. Employees may accumulate no more than 20 days of vacation.

There are no sick leave provisions. There are provisions for cash settlement of unused vacation. The total accumulated vacation payable at October 31, 1995 has not been determined. Management believes that any unused vacation accrual would be nominal and therefore, would not have a material impact on the financial statements with the omission of this accrual.

Note G - Inventories

Inventory of supplies is valued at cost (first-in, first-out).

Note H - Retained Earnings Deficit

There was a deficit in the retained earnings account for the year ended October 31, 1995 in the amount of \$50,612.

INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE

(Based on an audit of the component unit financial statements
performed in accordance with Government Auditing Standards)

AMBULANCE SERVICE DISTRICT NO. 2
CAMERON PARISH, LOUISIANA, A COMPONENT UNIT OF
THE CAMERON PARISH POLICE JURY

October 31, 1995

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Board of Trustees
Ambulance Service District No. 2
Cameron Parish, Louisiana

We have audited the accompanying component unit financial statements of the Ambulance Service District No. 2, Cameron Parish, Louisiana, a component unit of the Cameron Parish Police Jury, for the year ended October 31, 1995 and have issued our report thereon dated March 12, 1996.

We conducted our audit in accordance with generally accepted auditing standards, 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 component unit financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Ambulance Service District No. 2, Cameron Parish, Louisiana, is the responsibility of the Ambulance Service District No. 2, Cameron Parish, Louisiana's management. As part of obtaining reasonable assurance, about whether the financial statements are free of material misstatement, we performed tests of the Ambulance Service District No. 2, Cameron Parish, Louisiana's compliance with certain provisions of laws, regulations, contract, and grants. However, the objective of our audit of the component unit financial statements was not to provide an opinion on overall compliance with such provisions. 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.

This report is intended for the information of the Ambulance Service District No. 2, Cameron Parish, Louisiana, management, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

March 12, 1996

Members

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

Ambulance Service District No. 2
Cameron Parish, Louisiana, a component unit of
the Cameron Parish Police Jury

SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
for the year ended October 31, 1994

Finding

The Ambulance District does not have a record of minutes of the Board of Directors meetings for the period ended October 31, 1994.

Recommendation

The Ambulance District should maintain a complete and accurate set of minutes for every meeting of the Board of Directors.

Ambulance Service District No. 2
Cameron Parish, Louisiana, a component unit of
the Cameron Parish Police Jury

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
for the year ended October 31, 1995

There were no findings for the year ended October 31, 1995.

INDEPENDENT AUDITORS' REPORT
ON INTERNAL STRUCTURES
(Based solely on a study and evaluation made as part of an
audit of the component unit financial statements)

AMBULANCE SERVICE DISTRICT NO. 2
CAMERON PARISH, LOUISIANA, A COMPONENT UNIT OF
THE CAMERON PARISH POLICE JURY

October 31, 1995

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INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF COMPONENT UNIT FINANCIAL
STATEMENTS IN ACCORDANCE WITH GOVERNMENTAL
AUDITING STANDARDS

Board of Trustees
Ambulance Service District No. 2
Cameron, Louisiana

We have audited the component unit financial statements of the Ambulance Service District No. 2, Cameron Parish, Louisiana as of October 31, 1995, and for the year then ended, respectively, and have issued our report thereon dated March 12, 1996.

We have conducted our audit in accordance with generally accepted auditing standards and *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 component unit financial statements are free of material misstatement.

The management of the Ambulance Service District No. 2, Cameron Parish, Louisiana is responsible for establishing and maintaining internal control structure. In fulfilling that responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of component unit financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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In planning and performing our audit of the component unit financial statements of the Ambulance Service District No. 2, Cameron Parish, Louisiana for the year ended October 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the component unit financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structures and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the ability to record, process, summarize, and report financial data consistent with the assertions of management in the component unit financial statements.

A deficiency in the design in control structure exists due to the lack of appropriate review of systems output. The computer reports on general ledger should be reviewed monthly for accuracy. We noted that the reports were not reviewed until after year end.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not disclose all reportable conditions that are also considered to be material weaknesses as described above. However, we believe none of the reportable conditions described above are material weaknesses.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of the Ambulance Service District No. 2, Cameron Parish, Louisiana in a separate letter dated March 12, 1996. This report is intended for the information of the management, the Board of Trustees, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

March 12, 1996

McMullen and Mancuso
Certified Public Accountants, P.C.

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Board of Trustees
Ambulance Service District No. 2
Cameron, Louisiana

In planning and performing our audit of the component unit financial statements of the Ambulance Service District No. 2, Cameron Parish, Louisiana for the year ended October 31, 1995, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the component unit financial statements and not to provide an opinion on the internal control structure. However we noted certain matters involving the internal control structures and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect South Cameron Memorial Hospital's ability to record, process, summarize, and report financial data consistent with the assertions of management in the component unit financial statements.

A deficiency in the design in control structure exists due to the lack of appropriate review of systems output. The computer reports on general ledger should be reviewed monthly for accuracy. We noted that the reports were not reviewed until after year end.

In addition to printing the financial statements and reports timely, they should also be presented to Supervisor for review along with budget comparisons and other data. The Board should also require the presentation of financial reports periodically throughout the year.

Bank reconciliations should be prepared timely and reviewed by another employee of the District. Adding another person to review and initial the prepared bank reconciliations would add additional internal control and would encourage the more timely reconciliations of the accounts.

Additionally, we noted failures in the operation of the control structure evidenced by a failure to perform reconciliations timely and by instances of failures to sign items of inventory out of Central Supply obtained through another governmental district. The District employee should present a list of the inventory and supply items acquired to the accounting personnel for proper record keeping.

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A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not disclose all reportable conditions that are also considered to be material weaknesses as described above. However, we believe none of the reportable conditions described above is believed to be a material weakness.

This report is intended for the information of the management, the Board and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

McMullen and Mansour, CPAs

March 1, 1996