

OFFICE OF THE
COMPTROLLER
STATE OF LOUISIANA
Baton Rouge, Louisiana
70804

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**COMPONENT UNIT FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT**

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

October 31, 1996 and 1995

Under provisions of state law, this report is a public document. A copy of the report has been distributed to the auditor, or recipient, entity and other interested 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: April 20 1997

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McMullen and Mancuso
Certified Public Accountants, S.S.C.

State of Louisiana, 1997

Parish of Cameron, 1997

State of Louisiana, 1997

Parish of Cameron, 1997

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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, 1996 and 1995 and for the years then 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, 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 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, 1996 and 1995, and the results of its operations and the changes in financial position for the year ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated July 7, 1997 on our consideration of Ambulance Service District No. 2, Cameron Parish, Louisiana's internal control structure and a report dated July 7, 1997 on its compliance with laws and regulations.

McMullen and Mancuso CPA's

July 7, 1997

McMullen

Chartered Accountants of Louisiana, S.S.C.
The American Society of Certified Public Accountants

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

COMPARATIVE BALANCE SHEET
PROPRIETARY FUND TYPE
October 31, 1998 and 1999

ASSETS

	1998	1999
CURRENT ASSETS		
Cash (Note C)	\$ 10,978	45,627
Accounts Receivable, (net of \$19,216 and \$20,146 allowance for doubtful accounts)	57,653	45,173
Inventory - Supplies (Note G)	11,689	26,411
Total Current Assets	80,320	117,211
FIXED ASSETS (Note A2)		
Equipment	54,580	42,383
Ambulances	273,863	270,856
Buildings	531,304	531,304
Less Accumulated Depreciation	(186,648)	(79,381)
Total Fixed Assets	752,299	764,262
TOTAL ASSETS	\$ 182,589	\$ 881,473

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

COMPARATIVE BALANCE SHEET (CONTINUED)
EXERCISESARY FUND TYPE
October 31, 1996 and 1995

LIABILITIES AND FUND EQUITY

	1996	1995
CURRENT LIABILITIES		
Accrued Expenses	\$ 48,383	\$ 3,462
Accounts Payable	2,881	4,899
Due To South Cameron Memorial Hospital	588,045	329,133
Notes Payable - Cameron State Bank (Note B)	110,485	107,843
Total Current Liabilities	749,894	445,337
LONG - TERM LIABILITIES (Note B)		
Notes Payable - Cameron State Bank (net of current maturities)	263,968	274,450
TOTAL LIABILITIES	1,013,862	719,787
FUND EQUITY		
Contributed Capital	1,800	1,800
Retained Earnings:		
Unreserved, Undesignated (Note H)	(328,287)	(50,612)
Total Fund Equity	(326,487)	(48,812)
TOTAL LIABILITIES AND FUND EQUITY	\$ 687,375	\$ 670,975

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

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RECEIVABLES DURING
PROPRIETARY FUND TYPE

For the Years Ended October 31, 1996 and 1995

	1996	1995
Operating Revenues:		
Ambulance Charges	\$ 148,800	\$ 122,758
Ambulance Supplies	3,019	2,660
Ambulance Fee Credit (Note 3)	178,860	148,011
Total Operating Revenue	330,679	273,429
Operating Expenses:		
Salaries	488,150	488,150
Supplies	28,873	8,887
Repair and Maintenance	8,545	2,383
Legal and Professional	2,310	1,864
Education and Travel	1,488	2,480
Benefits	---	7,843
Fuel	7,881	8,341
Insurance	88,783	76,984
Telephone and Utilities	21,324	23,061
Uniforms	---	893
Depreciation	73,260	63,000
Rent Debt	23,150	23,000
Advertising	---	100
Payroll Taxes	34,516	29,425
Contracts	1,180	---
Total Operating Expenses	732,440	704,876
Operating Income (Loss)	(401,761)	(431,447)
Non-Operating Revenues (Expenses):		
Tax Revenue (Note D)	477,184	469,313
Revenue Sharing	---	23,250
Miscellaneous Revenues	722	1,382
Interest Expense	(27,695)	(21,983)
Miscellaneous Expense	1151	(62)
Total Non-Operating Revenues (Expenses)	450,166	471,930
Net Income (Loss)	(51,595)	(59,517)

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

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS (Continued)
PROPRIETARY FUND TYPE
For the Years Ended October 31, 1998 and 1995

	1998	1995
Increase (Decrease) in Retained Earnings	(201,111)	(215,280)
Retained Earnings At Beginning Of Year- As Originally Reported	(50,612)	164,618
Prior Period Adjustment (Note K)	(70,544)	—
Retained Earnings At Beginning Of Year- As Restated	<u>(121,156)</u>	<u>164,618</u>
Retained Earnings At End Of Year	<u>\$ (128,267)</u>	<u>(50,612)</u>

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

COMPARATIVE STATEMENT OF CASH FLOWS
DEPENDENT FUND TYPE

For the Years Ended October 31, 1996 and 1995

	1996	1995
Cash flows from operating activities:		
operating income (loss)	\$ (651,309)B	(687,169)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	72,267	67,068
Interest	(27,855)	(21,903)
Change in assets and liabilities:		
Decrease (increase) in accounts receivable, net of allowance for doubtful accounts	(12,479)	23,874
(Decrease) Increase in due to other governments	172,365	259,666
Decrease (Increase) in inventories	12,732	(21,288)
(Decrease) Increase in accrued liabilities	41,841	1,821
(Decrease) Increase in accounts payable	(1,838)	4,699
Total adjustments	<u>261,267</u>	<u>293,897</u>
Net cash provided by (used for) operating activities	(389,822)	(393,272)
Cash flows from noncapital and related financing activities:		
Advances taxes and other intergovernmental revenue	477,164	492,603
Borrowings	309	1,239
Contributed capital	---	1,000
Net cash provided by (used for) noncapital financing activities	<u>477,853</u>	<u>494,842</u>
Cash flows from capital and related financing activities:		
Capital expenditures	(18,183)	(28,945)
Proceeds from note payable	---	208,162
Payments on notes payable	(107,439)	(123,260)
Net cash provided by (used for) capital and related financing activities	<u>(123,622)</u>	<u>(30,043)</u>

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

COMPARATIVE STATEMENT OF CASH FLOWS(Continued)
 PROPRIETARY FUND TYPE
 For the Years Ended October 31, 1996 and 1995

	1996	1995
Net Increase (Decrease) in cash and cash equivalents	\$ (34,651) \$	(145,482)
Cash and cash equivalents at beginning of year	85,827	191,109
Cash and cash equivalents at end of year	\$ 10,976 \$	85,827

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

NOTICE TO FINANCIAL STATEMENTS
October 31, 1996 and 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 33:2611. The Ambulance Service District is governed by a six-member board of directors 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, whose interest 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. 3
Cameron Parish, Louisiana, a component unit of
the Cameron Parish Police Jury

NOTES TO FINANCIAL STATEMENTS - CONTINUED
October 31, 1998 and 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, 1998 and 1995 was \$77,257 and \$67,988, respectively.

Additions to property, plant, and equipment for the period October 31, 1998 and 1995 were as follows:

	Ambulances & Equipment	Buildings	Totals
Beginning of year, November 1, 1994	\$ 115,073	\$ —	\$ 115,073
Additions	191,362	531,308	726,668
End of Year, October 31, 1995	306,435	531,308	837,743
Additions	15,183	—	15,183
End of Year, October 31, 1998	\$ 321,618	\$ 531,308	\$ 852,926

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.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED
October 31, 1996 and 1995

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, reserves, nonoperating income and certain nonoperating expense items are not considered. The budget for the District is not presented in these statements.

NOTE 5 - LONG-TERM LIABILITIES

Notes payable consists of the following at October 31, 1996 and 1995:

	1996	1995
\$100,000 note payable, due in annual installments of \$83,472, including interest at 5.25%, final payment due January 10, 2004	\$ 406,117	\$ 440,194
\$186,113 note payable, due in annual installments of \$71,664, including interest at 4.87%, final payment due January 10, 1997	86,325	103,498
Lease current maturities	(118,488)	(103,482)
Long - term liabilities	\$ 363,954	\$ 436,210

The annual requirements to amortize all debt outstanding as of October 31, 1996 and 1995 are as follows:

Year Ending October 31,	-----1996-----		-----1995-----	
	Principal	Interest	Principal	Interest
1997	\$116,484	\$34,661	\$107,442	\$20,926
1998	44,363	19,108	110,484	24,661
1999	46,693	18,779	44,363	19,108
2000	48,148	14,328	46,693	16,779
2001	55,725	11,749	48,148	14,328
2002 and Hereafter	172,848	18,374	223,767	38,123
Totals	\$478,452	\$104,989	\$551,802	\$134,918

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED
October 31, 1998 and 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, 1998 and 1995 the book balance of the District's deposits was \$30,978 and \$45,827 and the bank balance was \$9,488 and \$46,384, respectively. The District's deposits are below the insured (FDIC) amount, therefore assuming no risk at October 31, 1998 and 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, 1998 and 1995 taxes of \$.77 and 9 mills, respectively, were levied on all the taxable property in Ambulance Service District No. 2, Cameron Parish, Louisiana, and dedicated for maintenance and operational purposes.

Ambulance Service District No. 3
 Cameron Parish, Louisiana, a component unit of
 the Cameron Parish Police Jury

 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 October 31, 1996 and 1995

NOTE D - AN VALUATION TAXES (CONT.)

The following is a schedule of the 1996 property tax calendar that is applicable to the Ambulance District:

- (1) Levy Date : October, 1996
- (2) Billing date : November, 1996
- (3) Collection dates : December, 1996 to May, 1997
- (4) Due dates : On Receipt
- (5) Delinquent date : December 31, 1996
- (6) Lien date : March, 1997

These taxes, less certain uncollectibles, collection costs and adjustments, plus minor amounts of prior year taxes are reported in both the fiscal year ended October 31, 1996 and 1995.

NOTE E - RETIREMENT SYSTEM

Full-time employees are members of the Parochial Employees' Retirement System of Louisiana, a Public Employees 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 years ended October 31, 1996 and 1995 was \$103,464 and \$475,000.

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 years ended October 31, 1996 and 1995 was \$17,406 and \$14,887.

Covered payroll for the years ended October 31, 1996 and 1995 was \$443,959 and \$488,178.

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 30 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, 1996 and 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.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED
October 31, 1996 and 1995

NOTE G - INVENTORY

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 years ended October 31, 1996 and 1995 in the amount of \$328,367 and \$2,612, respectively.

NOTE I - ECONOMIC DEPENDENCY

The District relied heavily upon funds borrowed from another governmental unit, South Cameron Memorial Hospital. Without such funds, the operations of the District would have been impaired.

NOTE J - AMBULANCE TAX CREDIT

Residents of the ambulance service district receive a credit for any amounts not covered by their private insurance carrier, medicare or medicaid. Those residents who are not covered by any of the aforementioned sources, receive free ambulance services.

NOTE K - PRICE PERIOD ADJUSTMENT

An adjustment of \$36,533 was made in the year ended October 31, 1996 to correct the amount recorded as payable to the South Cameron Memorial Hospital for payment of expenses of the Ambulance Service District No. 2.

McMullen and Associates
Certified Public Accountants, S.A.

July 1989

July 1989

2016 Supplemental

Supplies, Louisiana, 1988

Supplies (1988) 1988

July 1989 1989

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON
AN AUDIT OF COMPONENT UNIT FINANCIAL STATEMENTS IN
ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS

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 years ended October 31, 1988 and 1989, and have issued our report thereon dated July 7, 1989.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States. These 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, contracts, 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 the following instances of noncompliance that are required to be reported under Government Auditing Standards. No General minutes of the Board of Trustees were maintained. In addition, the Ambulance Service District No. 2, Cameron Parish, Louisiana, has not complied with laws and regulations of the State of Louisiana with regard to timely submission of the audit report for the fiscal year ended October 31, 1988. The operation of the Ambulance Service District No. 2, Cameron Parish, Louisiana, relies heavily upon South Cameron Memorial Hospital for loans to pay operating expenses. The issuance of the audit report was delayed pending confirmation of the payable to the Hospital District.

This report is intended for the information of the Ambulance Service District No. 2, Cameron Parish, Louisiana, 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.

McMullen and Associates, CPAs

July 7, 1989

M. Hutton and Associates
Certified Public Accountants, P.A.C.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON
AN ASSESS OF COMPONENT UNIT FINANCIAL STATEMENTS IN
ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

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, as of and for the years ended October 31, 1996 and 1995, and have issued our report thereon dated July 7, 1997.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States. These 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, contracts, 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, 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.

M. Hutton and Associates, P.A.C.
July 7, 1997

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

STATEMENT OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
for the year ended October 31, 1955

There were no prior year findings.

Ambulance Service District No. 3
Cameron Parish, Louisiana, a component unit of
the Cameron Parish Police Jury

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
for the year ended October 31, 1996

Finding

The Ambulance District does not have a formal record of minutes of the Board of Trustees meetings for the year ended October 31, 1996.

Recommendation

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

McBrien and Brunner

Chartered Public Accountants, N.Y.C.

110 South Street, C191

110 South Street, C191

1000 Broadway, N.Y.C.

1000 Broadway, N.Y.C.

1000 Broadway, N.Y.C.

1000 Broadway, N.Y.C.

**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 Parish, Louisiana

We have audited the component unit financial statements of the Ambulance Service District No. 2, Cameron Parish, Louisiana, a component unit of the Cameron Parish Police Jury as of and for the years ended October 31, 1994 and 1993, and have issued our report thereon dated July 7, 1997.

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 the 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 recorded 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.

McBrien

Chartered Public Accountants, N.Y.C.

110 South Street, C191

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, 1994 and 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 structure 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 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.

Additionally, the accounts receivable subsidiary ledger was not adjusted from the prior year for write offs that were noted in the audit. Subsequent to the current year end, several accounts were noted that needed to be written off for the ambulance tax credit that were not discovered through the normal internal controls of the District.

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 July 3, 1997. This report is intended for the information of the Ambulance Service District No. 2, Cameron Parish, Louisiana, 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.

July 7, 1997

McNeill and Associates
Certified Public Accountants, LLP

5700-B Maple Ridge, CSST
7000 Lakeside, CSST

1000 Maple Ridge, CSST
Subject: Parish of ...
City of ...
No. (201) ...

COMMUNICATION OF SIGNIFICANT CONDITIONS

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 years ended October 31, 1996 and 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 structure 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 Ambulance Service District No. 2'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 the control structure exists due to the lack of appropriate review of systems output. The computer reports in 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 the 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.

The deficiencies noted above are repeated from the prior year management letter. We noted no significant improvement.

Failures in the operation of the control structure evidenced by instances of failures to sign items of inventory out of Central Supply obtained through another governmental district appeared to be corrected in the current year.

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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.

We noted the following instance which we believe to be a material weakness. Accounts receivable subsidiary ledgers are not reviewed monthly and reconciled to the general ledger. A significant amount of write offs from the prior year were not removed from the subsidiary ledger. Additionally, we also noted a significant amount of accounts that needed to be written off for the ambulance tax credit or because collection procedures had not been pursued. Monthly reviews of the aged accounts receivable trial balance would allow the District to monitor accounts that are delinquent and need additional steps to be taken to ensure collection. Also, the District should identify each account that is eligible for the ambulance tax credit at inception. Follow up procedures on claims filed with insurance carriers and bills sent to private pay individuals should be done routinely and if necessary, accounts turned over for collection.

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.

Yusef Yusoff and Associates, LLP
July 7, 2023