

5331

**OFFICIAL  
FILE COPY**  
**DO NOT REMOVE**  
This document  
under this act  
may not be  
used in FLS

RECEIVED  
LAW ENFORCEMENT  
SECTION 4 20 1971

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

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

**October 31, 1967 and 1968**

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: NOV 13 1968

**CONTENTS**

	Page
Independent Auditors' Report	2
Financial Statements:	
Comparative Balance Sheet	3-4
Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings	5-6
Comparative Statement of Cash Flows	7-8
Notes to Financial Statements	9-14
Independent Auditors' Report on Compliance Based on An Audit of Component Unit Financial Statements in accordance with <u>Governmental Auditing Standards</u>	15
Schedule of Findings and Recommendations	16
Schedule of Prior Year Findings and Recommendations	17
Independent Auditors' Report on the Internal Control Structure on an Audit of Component Unit Financial Statements in accordance with <u>Governmental Auditing Standards</u>	18-19
Corrective Action Plan	20-21

*McMullen and Manaway*  
Certified Public Accountants, P.C.C.  
P.O. Box 200

One 376 McMullen, CPA  
Frank L. Manaway, CPA

2116 Maplewood Drive  
Bossier, Louisiana 70604-2116

Telephone (504) 422-2020  
Fax (504) 422-2020

**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, 1997 and 1998 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. These 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, 1997 and 1998, 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 on our consideration of Ambulance Service District No. 2, Cameron Parish, Louisiana's internal control structure and a report dated on its compliance with laws and regulations.

*McMullen and Manaway CPAs*  
April 29, 1998

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, 1997 and 1996

ASSETS		
	1997	1996
<b>CURRENT ASSETS</b>		
Cash (Note C)	\$ 37,834	30,976
Accounts Receivable, (net of \$14,038 and \$16,217 allowance for doubtful accounts)	44,850	57,452
Inventory - Supplies (Note G)	11,338	53,889
	-----	-----
Total Current Assets	83,922	80,317
<b>FIXED ASSETS (Note A2)</b>		
Equipment	84,560	84,560
Ambulances	373,563	373,563
Buildings	531,304	531,304
Less Accumulated Depreciation	(224,500)	(186,440)
	-----	-----
Total Fixed Assets	624,427	703,277
	-----	-----
<b>TOTAL ASSETS</b>	<b>\$ 708,349</b>	<b>\$ 783,594</b>
	-----	-----

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)  
PROPRIETARY FUND TYPE  
October 31, 1997 and 1996

LIABILITIES AND FUND EQUITY

	1997	1996
<b>CURRENT LIABILITIES</b>		
Accrued Expenses	\$ 48,839	\$ 48,503
Accounts Payable	1,588	2,861
Due To South Cameron Memorial Hospital	785,782	888,048
Notes Payable - Cameron State Bank (Note B)	42,034	110,488
	<u>888,243</u>	<u>1,059,899</u>
<b>Total Current Liabilities</b>	<b>888,243</b>	<b>1,059,899</b>
<b>LONG - TERM LIABILITIES (Note B)</b>		
Notes Payable - Cameron State Bank (net of current maturities)	120,833	383,988
	<u>120,833</u>	<u>383,988</u>
<b>TOTAL LIABILITIES</b>	<b>1,009,076</b>	<b>1,443,887</b>
<b>FUND EQUITY</b>		
Contributed Capital	1,000	1,000
Retained Earnings:		
Unreserved, Undesignated (Note B)	1488,709	(327,367)
	<u>1489,709</u>	<u>(327,367)</u>
<b>Total Fund Equity</b>	<b>1490,709</b>	<b>(326,367)</b>
	<u>1490,709</u>	<u>(326,367)</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 1,009,148</b>	<b>\$ 782,580</b>
	<u>\$ 1,009,148</u>	<u>\$ 782,580</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 REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS  
PROPRIETARY FUND TYPE**

For the Years Ended October 31, 1997 and 1996

	1997	1996
<b>Operating Revenues:</b>		
Ambulance Charges	\$ 166,484	\$ 148,989
Ambulance Supplies	2,448	3,039
Ambulance Tax Credit (Note J)	(118,403)	(76,588)
<b>Total Operating Revenue</b>	<b>48,529</b>	<b>65,440</b>
<b>Operating Expenses:</b>		
Salaries	471,637	444,799
Supplies	1,683	39,073
Repair and Maintenance	8,445	8,543
Legal and Professional	1,598	2,370
Education and Travel	392	1,408
Fuel	8,324	7,881
Insurance	69,882	88,781
Telephone and Utilities	19,260	21,326
Depreciation	77,883	77,287
Bad Debt	15,337	21,170
Payroll Taxes	38,880	34,918
Contracts	8,898	1,159
<b>Total Operating Expenses</b>	<b>718,612</b>	<b>792,488</b>
<b>Operating Income (Loss)</b>	<b>(669,483)</b>	<b>(626,307)</b>
<b>Non-Operating Revenues (Expenses):</b>		
Tax Revenue (Note B)	536,771	477,184
Miscellaneous Revenue	2,064	733
Interest Expense	(24,778)	(37,655)
Miscellaneous Expense	---	(15)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>514,047</b>	<b>439,247</b>
<b>Net Income (Loss)</b>	<b>(155,436)</b>	<b>(187,060)</b>

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, 1997 and 1996

	1997	1996
Increase (Decrease) in Retained Earnings	(171,643)	(201,113)
Retained Earnings At Beginning of Year- As Originally Reported	(328,267)	(60,612)
Prior Period Adjustment (Note E)	---	(78,844)
	-----	-----
Retained Earnings At Beginning Of Year- As Restated	(328,267)	(139,456)
Retained Earnings At End Of Year	\$ (499,909)	\$ (328,267)
	-----	-----

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 FLOW  
FUNDAMENTARY FUND TYPE

For the Years Ended October 31, 1997 and 1996

	1997	1996
<b>Cash flows from operating activities:</b>		
Operating income (loss)	\$ (603,403)	\$ (481,309)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	77,883	77,567
Interest	(34,776)	(27,699)
Change in assets and liabilities:		
Decrease (Increase) in accounts receivable, net of allowance for doubtful accounts	15,102	(12,479)
(Decrease) Increase in due to other governments	197,737	172,349
Decrease (Increase) in inventories	350	42,722
(Decrease) Increase in accrued liabilities	12,038	41,041
(Decrease) Increase in accounts payable	(3,091)	(1,838)
Total adjustments	<u>374,010</u>	<u>261,562</u>
Net cash provided by (used for) operating activities	(424,473)	(309,923)
<b>Cash flows from nonhospital and related financing activities:</b>		
Advances taxes and other intergovernmental revenue	504,771	477,184
Miscellaneous	3,048	769
Net cash provided by (used for) nonhospital financing activities	<u>518,819</u>	<u>477,953</u>
<b>Cash flows from capital and related financing activities:</b>		
Capital expenditures	--	(15,183)
Payments on notes payable	(118,486)	(107,439)
Net cash provided by (used for) capital and related financing activities	<u>(118,486)</u>	<u>(122,622)</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, 1997 and 1996

	1997	1996
Net Increase (Decrease) in cash and cash equivalents	\$ 16,858	\$ (34,881)
Cash and cash equivalents at beginning of year	10,878	45,627
Cash and cash equivalents at end of year	\$ 27,614	\$ 10,678

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, 1997 and 1996**

**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 13:3811. 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, 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. 3  
Cameron Parish, Louisiana, a component unit of  
the Cameron Parish Police Jury

NOTES TO FINANCIAL STATEMENTS - CONTINUED  
October 31, 1987 and 1986

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. 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 25 years.

Depreciation expense for the period ended October 31, 1987 and 1986 was \$37,852 and \$73,267, respectively.

Additions to property, plants, and equipment for the period October 31, 1987 and 1986 were as follows:

	Ambulances & Equipment	Buildings	Totals
Beginning of year, November 1, 1985	\$ 312,439	\$ 531,304	\$ 843,743
Additions	15,283	--	15,283
	-----	-----	-----
End of Year, October 31, 1986	327,722	531,304	859,026
Additions	--	--	--
	-----	-----	-----
End of Year, October 31, 1987	\$ 327,622	\$ 531,304	\$ 858,926
	-----	-----	-----

2. 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.

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED  
October 31, 1997 and 1996**

**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.

**NOTE 5 - LONG-TERM LIABILITIES**

Notes payable consists of the following at October 31, 1997 and 1996:

	1997	1996
\$200,000 note payable, due in annual installments of \$53,472, including interest at 8.25%, final payment due January 10, 2004	\$ 163,967	\$ 486,117
\$185,113 note payable, due in annual installments of \$71,684, including interest at 8.87%, final payment due January 10, 1997	--	61,304
Less current maturities	(43,034)	(119,484)
Long - term liabilities	\$ 120,933	\$ 367,937

The annual requirement to amortize the debt outstanding as of October 31, 1997 is as follows:

Year Ending October 31,	-----1997-----		-----1996-----	
	Principal	Interest	Principal	Interest
1998	\$41,034	\$28,438	\$187,442	\$29,835
1999	48,032	15,460	118,484	24,621
2000	49,144	14,328	44,363	19,108
2001	51,728	11,747	48,692	14,779
2002	54,438	9,834	49,144	14,328
2003 and Thereafter	117,484	9,340	223,767	30,123
<b>Totals</b>	<b>\$143,943</b>	<b>\$80,937</b>	<b>\$581,882</b>	<b>\$134,624</b>

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED  
October 31, 1997 and 1996**

**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, 1997 and 1996 the book balance of the District's deposits was \$27,834 and \$13,976 and the bank balance was \$12,847 and \$9,480 respectively. The District's deposits are below the insured (FDIC) amount, therefore assuming no risk at October 31, 1997 and 1996.

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 years ended October 31, 1997 and 1996, taxes of \$.77 mills 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, 1997 and 1996

NOTE D - AD VALOREM TAXES (CONT.)

The following is a schedule of the 1997 property tax calendar that is applicable to the Ambulance District:

- (1) Levy date : October, 1997
- (2) Billing date : November, 1997
- (3) Collection dates : December, 1997 to May, 1998
- (4) Due dates : On Receipt
- (5) Delinquency date : December 31, 1997
- (6) Lien date : March, 1998

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, 1997 and 1996.

NOTE E - RETIREMENT SYSTEM

In 1994, full-time employees were 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, 1996 \$703. The District discontinued participation in the Parochial Employees' Retirement System in the fiscal year ended October 31, 1997. All employees of the District now participate in the Federal Social Security Program.

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 October 31, 1996 was \$17,406. No contributions were made by the District in the fiscal year ended October 31, 1997.

Covered payroll for the years ended October 31, 1997 and 1996 was \$471,837 and \$446,789.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED  
October 31, 1997 and 1996

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, 1997 and 1996 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 - 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, 1997 and 1996 in the amount of \$499,709 and \$308,367, 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 - PRIOR PERIOD ADJUSTMENT

An adjustment of \$36,531 was made in the year ended October 31, 1994 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 Manaway*  
Certified Public Accountants, L.L.C.  
P.O. Box 101

Tom J. McMullen, CPA

2019 Maplewood Drive

Telephone (504) 481-1212

Frank C. Manaway, CPA

Bayou La Boute 70481-2107

Fax (504) 481-1219

**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. 3  
Cameron Parish, Louisiana

We have audited the accompanying component unit financial statements of the Ambulance Service District No. 3, Cameron Parish, Louisiana, a component unit of the Cameron Parish Police Jury, as of and for the years ended October 31, 1997 and 1996, and have issued our report thereon dated April 29, 1998.

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. 3, Cameron Parish, Louisiana, is the responsibility of the Ambulance Service District No. 3, 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. 3, 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 instance of noncompliance that is required to be reported under Government Auditing Standards. No formal minutes of the Board of Trustees were maintained.

This report is intended for the information of the Ambulance Service District No. 3, 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 Manaway CPAs*  
April 29, 1998

-15-



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, 1997

There were no new current year findings. However, all of the findings from the prior year remain unresolved.

**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, 1997**

**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.

**Status**

This issue has not been resolved. The District has typed the minutes for the meetings for the fiscal year ended October 31, 1996, but has not yet typed the minutes for the year ended October 31, 1997.

**Finding**

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.

**Status**

This finding was not resolved.

**Finding**

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.

**Status**

This finding was not resolved.

*McMillen and Mancuso*  
Certified Public Accountants, P.C.  
P.O. Box 100

Don T. McMillen, CPA

1100 Washington Drive

Shreveport (318) 815-1054

Donald C. Mancuso, CPA

College Station 77845-2500

Tex. (318) 815-1054

**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL  
STRUCTURE 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 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, 1997 and 1996, and have issued our report thereon dated April 29, 1998.

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 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.

-18-

*Shreveport*

*Member Institute of Certified Public Accountants  
American Society of Certified Public Accountants*

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, 1987 and 1988, 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.

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 Mancuso, CPAs*

April 29, 1988

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

**CORRECTIVE ACTION PLAN**

For the Year Ended October 31, 1997

**Finding**

There were no new current year findings. The finding of not maintaining formal records from the year ended October 31, 1996 is not resolved.

**Recommendation**

The District should have the minutes of the meetings recorded soon after each meeting is held. The minutes should be typed prior to the next meeting of the District and then read for approval at the subsequent meeting.

**Response**

The District concurs with the finding and recommendation of the auditor. We will have the minutes brought up to date and approved at the next Board meeting. Also, we will have the minutes of all future meetings typed and presented for approval at the subsequent board meeting.

**Finding**

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.

**Recommendation**

The District should maintain all accounting records, including the general ledger on a daily basis. The reports should be printed at month end and reviewed for accuracy.

**Response**

The District concurs with the auditors finding and recommendation. We had intended to have this practice in place, but underwent employee turnover problems in the fiscal year ended October 31, 1997. We will perform this procedure immediately.

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

    CORRECTIVE ACTION PLAN

Continued

For the Year Ended October 31, 1997

Finding

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.

Recommendation

The District should review the accounts receivable reports monthly and reconcile them to the general ledger.

Response

The District has identified the accounts for write off and made the appropriate entry in the general ledger. We will continue our efforts to reconcile the subsidiary ledger with the general ledger.