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ELLIOTT & ASSOCIATES, INC.
Professional Accounting Corporation
P. O. Box 1287
Leesville, Louisiana 71496-1287

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(337) 239-2535
(337) 238-5135
Fax 239-2295

W. Micheal Elliott, C

CAMERON PARISH AMBULANCE
DISTRICT NO. 2

FINANCIAL STATEMENTS

December 31, 2003

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

Release Date 9.1.04

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DISTRICT NO. 2

FINANCIAL STATEMENTS

December 31, 2003

Cameron Parish Ambulance District No. 2
December 31, 2003

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REQUIRED SUPPLEMENTAL INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

CAMERON PARISH AMBULANCE DISTRICT NO. 2

December 31, 2003

This section of Cameron Parish Ambulance District #2 (the Ambulance District) annual financial report presents background information and management's analysis of the Ambulance District's financial performance during the year ended December 31, 2003. Please read it in conjunction with the financial statements in this report.

Required Financial Statements

The Basic Financial Statements of the Ambulance District report information about the Ambulance District using Governmental Accounting Standards Boards (GASB) accounting principles. These statements offer short-term and long-term financial information about its activities. The Balance Sheet (on page) includes all of the Ambulance District's assets and liabilities and provides information about the nature and amount of investments in resources (assets) and the obligations to Ambulance District creditors (liabilities). All of the current year's revenues and expenses are accounted for in the Statement of Revenue, Expenses and Changes in Net Assets (on page 12). This statement measures improvements in the Ambulance District's operations over the past year and can be used to determine whether the Ambulance District's operations over the past year and can be used to determine whether the Ambulance District has been able to recover all of its cost through its patient service revenue and other revenue sources. The final required financial statement is the Statement of Cash Flows (on page 13). The primary purpose of this statement is provide information about the Ambulance District's cash from operations, investing and financing activities, and to provide answers to such questions as 'where did cash come from?', " what was cash used for?" and "what was the change in cash balance during the reporting period?"

Financial Analysis of the Ambulance District

The Balance Sheet and the Statement of Revenue, Expenses, and Changes in Net Assets report information about the Ambulance District's activities. These two statements report the net assets of the Ambulance District and changes in them. The Ambulance District's net assets- the difference between assets and liabilities-are one way to measure the Ambulance District's financial health, or financial position. Over time, increases or decreases in the Ambulance District's net assets are one indicator of whether its financial health is improving or deteriorating. However, other nonfinancial factors such as changes in the Ambulance District's property tax base and millage, the health care industry, changes in Medicare and Medicaid regulations, and changes in commercial discounts should also be considered.

CAMERON PARISH AMBULANCE DISTRICT NO. 2
December 31, 2003
Management's Discussion and Analysis

Net Assets

A summary of the Ambulance District's Balance Sheet is presented below:

Condensed Balance Sheet December 31, 2003 and 2002			
	<u>2003</u>	<u>2002</u>	% Change
Total current assets	\$ 1,107,169	886,027	24.95%
Capital assets-net	<u>660,603</u>	<u>435,203</u>	<u>39.38%</u>
 Total assets	 \$ <u>1,767,772</u>	 <u>1,321,230</u>	 33.80%
 Current liabilities	 \$ 181,088	 76,739	 135.98%
Long-term debt outstanding and other long-term liabilities	<u>127,854</u>	<u>68,160</u>	<u>87.61%</u>
 Total liabilities	 \$ <u>308,942</u>	 <u>144,899</u>	 113.21%
 Net capital assets, net of related debt	 \$ <u>419,003</u>	 <u>307,476</u>	 36.27%
Unrestricted net assets	1,039,827	868,855	19.68%
 Total net assets	 1,458,830	 1,176,331	 24.02%
 Total liabilities and net assets	 \$ <u>1,767,772</u>	 \$ <u>1,321,230</u>	 33.80%

Total net assets of the Ambulance District at December 31, 2003 were \$1, 448, 830 Net assets can be separated into three categories: net capital assets of related debt, restricted, and unrestricted assets.

Net capital assets of \$660,603 consist of capital assets at original cost less accumulated depreciation and related debt. The original cost of capital assets less any capital disposals is \$ 1,153,569. Accumulated depreciation of 492, 966 is the accumulation of depreciation expense since acquisition. Depreciation expense is recorded on the original cost of the asset expensed over the estimated useful life of the asset. Related debt of \$ 251,724 is composed of lease and note payables used to purchase the previous capital assets.

The unrestricted net assets of \$1,039,887 are an accumulation of prior years' operating results. This balance is directly affected each year by the Ambulance District's operating results.

CAMERON PARISH AMBULANCE DISTRICT NO. 2
December 31, 2003
Management's Discussion and Analysis

Results of Operations

A summary of the Ambulance District's revenue and expenses is presented below:

Condensed Statement of Revenue and Expenses
For the Year Periods Ended December 31, 2003 and 2002

	2003	2002	% Change
Revenues			
Program revenues:	\$	\$	
Net patient service revenue	119,842	157,322	-23.85%
General revenues:			
Property taxes	1,032,471	1,525,842	-32.33%
Other revenues	8,748	<u>7,981</u>	9.61%
 Total revenues	 \$ 1,161,061	 \$ <u>1,691,145</u>	 (31.64%)
 Expenses			
Payroll cost & benefits	\$ 540,128	\$ 602,274	(10.32)%
Depreciation expense	68,196	36,700	85.82%
Insurance expense	89,099	37,754	135.99%
Contracted services	26,670	32,735	(18.53)%
Other expenses	154,314	<u>135,430</u>	<u>13.94%</u>
 Total expenses	 \$ 878,407	 \$ <u>844,893</u>	 3.97%
 Increase in net assets	 \$ 282,654	 \$ 846,252	 (266.60)%

The predominant reason for the decrease in net asset change from 2003 to 2002 is because 2002 contains two ad valorem billing cycles and related collections and contains fourteen months of activity..

CAMERON PARISH AMBULANCE DISTRICT NO 2
December 31, 2003

Management's Discussion and Analysis

Sources of Revenue

Net patient service revenue totaled \$119,842 or 10.40% of total revenue of the Ambulance District for the year ended December 31, 2003. This revenue is reported at estimated not realizable amounts from patients, Medicare and Medicaid programs, and insurance carriers. A summary of the relative percentages of gross charges billed for patient services by payor for the fourteen month period ended December 31, 2003 is presented below.

Payor Mix by Percentage

Medicare	11 %
Medicaid	16 %
Other-third party payors	42 %
Private Pay	31 %

During the year ended December 31, 2003 the Ambulance District derived the majority of its total revenue from property taxes assessed on property in the District. This amounted to \$1,032,471 or 89.3% of total revenue of the Ambulance District.

Expenses

The majority of the Ambulance District's total expense are for payroll cost and benefits to employees of the District. This amounted to \$640,128 or 72.8% of total expenses.

Capital Assets

The Ambulance District's capital assets mainly consist of ambulances and ambulance substations, which are located throughout the District. Major additions to capital assets included \$240,000 for three new ambulances.

Debt

At year-end, the Ambulance District had total debt outstanding of \$249,454. The Ambulance District entered into a three year note payable for \$180,000 during the year ended December 31, 2003 in order to purchase three new ambulances.

Economic Factors

The Ambulance District's major revenue source is from property taxes, which is projected to remain approximate to the November 2003 assessment of \$1,049,163. There are no other significant changes projected.

Contacting the Ambulance District's Financial Manager

This financial report is designed to provide our citizens, customers and creditors with a general overview of the Ambulance District's finances and to demonstrate the Ambulance District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Ambulance District's Director in Hackberry, La.

See Independent Auditor's Report

ELLIOTT AND ASSOCIATES

P.O. Box 1287
Leesville, La. 71496

(337) 239-2535
(337) 238-5135
Fax 239-2295

W. Micheal Elliott, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Cameron Parish Ambulance District No 2

I have audited the accompanying basic financial statements of the Cameron Parish Ambulance District NO.2, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2003, as listed in the table of contents. These basic financial statements are the responsibility of the Cameron Parish Ambulance District No 2's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

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

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Cameron Parish Ambulance District No 2 as of and for the year ended December 31, 2003, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 1 through 6 is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, I have also issued my report dated June 28, 2004 on my consideration of the Cameron Parish Ambulance District No. 2's internal control over financial reporting and my tests of its compliance with certain provision of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the result of my audit.

Elliott & Assoc. "ALAC"

Leesville, Louisiana
June 28, 2004

BASIC FINANCIAL STATEMENTS

Cameron Parish Ambulance District No. 2
BALANCE SHEET
December 31, 2003

ASSETS

ASSETS

Current asset

Cash and cash equivalents (Note 3)	\$ 87,729
Patient accounts receivable, net of estimated uncollectible of \$40,984	50,584
Ad valorem tax receivable,	950,480
Prepaid expenses	12,050
Inventories	<u>6,326</u>

Total current assets 1,107,169

Fixed assets

Property, plant and equipment, at cost, less accumulated depreciation of \$ 492,966	<u>660,603</u>
---	----------------

Total noncurrent assets 660,603

TOTAL ASSETS 1,767,772

LIABILITIES

Current liabilities

Accrued Interest payable (Note 9)	\$ 12,685
Accounts payable	658
Accrued expenses	10,169
Capital lease payable (Note 8)	2,270
Notes payable-current (Note 9)	121,600
Ad valorem deductions	<u>33,706</u>

Total current liabilities 181,088

Long term liabilities

Capital lease payable (Note 8)	7,854
Notes payable-long-term (Note 9)	<u>120,000</u>

Total long term liabilities 127,854

TOTAL LIABILITIES 308,942

Cameron Parish Ambulance District No. 2

BALANCE SHEET
December 31, 2003**NET ASSETS**

Invested in capital assets, net of related debt	419,003
Unrestricted net assets	<u>1,039,827</u>
TOTAL NET ASSETS	<u>\$ 1,458,830</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$1,767,772</u>

Cameron Parish Ambulance District No. 2
Statement of Revenues, Expenses and
Changes in Fund Net Assets
For the year ended December 31, 2003

OPERATING REVENUES	
Net patient service revenue	119,842
Ad Valorem taxes	1,032,471
Other income	<u>3,833</u>
Total Operating Revenues	<u>1,156,146</u>
OPERATING EXPENSES	
Salaries and FICA	540,128
Contract labor	1,006
Vehicle expense	5,868
Depreciation expense	68,196
Dispatch services	16,670
Dues and subscriptions	992
Education and travel	5,077
Employee benefits	---
Fuel	7,484
Advalorem pension expense	33,706
Insurance expense	89,099
Licenses and permits	2,769
Medical director	10,000
Printing and reproduction	1,061
Professional fees	7,100
Uniforms	8,426
Repairs and maintenance	4,965
Supplies	26,466
Miscellaneous	17,841
Telephone and utilities	<u>17,406</u>
Total operating expenses	<u>864,260</u>
Operating income	<u>291,886</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest income	4,915
Interest expense (Note 8 and 9)	<u>(14,147)</u>
Total non-operating revenues	<u>(9,232)</u>
EXCESS OF REVENUES OVER EXPENSES	282,654
NET ASSETS - BEGINNING OF YEAR	<u>1,176,176</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 1,458,830</u>

The accompanying notes are an integral part of this statement.

Cameron Parish Ambulance District No. 2
 Statements of Cash Flows
 For the year ended December 31, 2003

CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating income (loss)		\$ 291,886
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	68,196	
Accounts receivable	(33,410)	
Other current assets	10,972	
Accounts payable	(340)	
Other current liabilities	33,706	
Accrued expense	<u>6,525</u>	
Net cash (used) by operating activities		377,535
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Ad valorem taxes		<u>----</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Interest expense	(14,147)	
Repayment of indebtedness	123,997	
Maturity of investments	(166,026)	
Payments for the purchase of property and equipment	<u>(293,596)</u>	
Net cash (used) by capital and related financing activities		\$(349,772)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	4,915	
Net increase in cash and cash equivalents		32,678 —
CASH, BEGINNING OF YEAR		<u>55,051</u>
CASH, END OF YEAR		\$ <u>87,729</u>

The accompanying notes are an integral part of this statement.

Cameron Parish Ambulance District No. 2
December 31, 2003
Notes to the Financial Statements

NOTE 1 Description of Organization of Significant Accounting Policies

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

Organization:

For reporting purposes, the Ambulance District is considered a component unit of the Cameron Parish Police Jury, due to the fact that they do meet the *Financial Accountability As a Result of Fiscal Dependency* criteria as provided in GASB Statement No 14, *The Financial Reporting Entity*. These criteria include financial accountability by the Police Jury or the ability to impose their will on the Ambulance District by significantly influencing the programs, projects, activities, or level or services provided by the Ambulance District, and existence of a financial benefit or burden.

Method of Accounting:

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

On November 1, 2001, the Ambulance District adopted the provisions of Statement No. 34 (Statement 34) of GASB, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Statement 34 established Standards for external financial reporting for all state and local governmental entities, which include a balance sheet, statement of revenues, expenses and changes in net assets and a statement of cash flows. It requires the classification of net assets into three components - invested in capital assets, net of related debt, restricted and unrestricted.

Cameron Parish Ambulance District No. 2
December 31, 2003
Notes to the Financial Statements (Continued)

Accounting Standards

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

Cash and Cash Equivalents:

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

Net Patient Revenue:

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

Inventories:

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

Cameron Parish Ambulance District No. 2
December 31, 2003
Notes to the Financial Statements (Continued)

Property, Plant and Equipment:

Property, plant, and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of each class of depreciable assets. Equipment under capital lease obligations is amortized using the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. The following estimated useful lives are generally used:

Ambulances	5 years
Equipment	3 -10 years
Buildings	30 years

Use of Estimates:

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

Allowance for Uncollectible Accounts:

The Ambulance District used the allowance method of recognizing the cost for bad debts. This method provides an estimate of the loss that is applicable to current year revenue, and any adjustment in previous estimates of prior year losses that may be applicable to accounts still remaining on the books.

Income Taxes:

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

Cameron Parish Ambulance District No. 2
December 31, 2003
Notes to the Financial Statements (Continued)

Environmental Matters:

The Ambulance District is subject to laws and regulations relating to the protection of the environment. The Ambulance District's policy is to accrue environmental and clean up related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty, the potential financial impact of the Ambulance District's continuing compliance efforts, management believes any future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of the Ambulance District. At December 31, 2002, management is not aware of any liability resulting from environmental matters.

NOTE 2 Net Patient Services Revenue

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

Medicare - Covered ambulance services are paid based on a fee schedule.

Medicaid - Covered ambulance services are paid based on a fee schedule.

During the fourteen month period ended December 31, 2003, approximately 29%, of the Ambulance District's gross revenue services were furnished to Medicare and Medicaid beneficiaries.

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

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

Cameron Parish Ambulance District No. 2
December 31, 2003
Notes to the Financial Statements (Continued)

NOTE 3 Bank Deposits

For reporting purposes, cash and cash equivalents (book balances) totaled \$87,729. At December 31, 2003, the Ambulance District has \$131,886 in demand deposits (bank balances). These deposits were secured from risk by \$131,886 of Federal Deposit Insurance Corporation (FDIC) coverage.

NOTE 4 Property, Plant, and Equipment

	<u>2003</u>
Ambulances	\$ 602,072
Buildings	531,304
Station Equipment	1,307
Office equipment	<u>18,887</u>
Total property, plant and equipment	\$1,153,570
Less: accumulated depreciation	<u>(492,967)</u>
Net property, plant and equipment	<u>\$ 660,603</u>

Depreciation expense for the year ended December 31, 2003 amounted to \$ 68,196.

NOTE 5 Ad Valorem Taxes

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

Pursuant to Act No. 1140 of the 2001 Regular Legislative Session, protested ad valorem tax receipts are no longer segregated and held pending the outcome of the protest lawsuit. Instead, these payments are remitted to the Ambulance District. If the taxpayer successfully wins the protest lawsuit, the Ambulance District is liable to pay the taxpayer the protested tax amount plus interest. At December 31, 2003, the amount of protested ad valorem taxes paid, pending the outcome of protest lawsuits was approximately \$33,117.

Cameron Parish Ambulance District No. 2
December 31, 2003
Notes to the Financial Statements (Continued)

NOTE 6 Concentrations of Credit Risk

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

	<u>2003</u>
Medicare	46.0%
Medicaid	10.1%
Other third-party payors	<u>43.9%</u>
	100.0%

NOTE 7 Compensated Absences

Employee's vacation benefits are recognized in the period earned. Accrued compensated absences at December 31, 2003 totaled \$6,825.

NOTE 8 Capital Lease

The asset acquired through the capital lease is as follows:

Motorola radios	\$12,239
Less: accumulated depreciation	<u>(4,594)</u>
Net cost of leased equipment at December 31, 2003	<u>\$ 7,645</u>

A summary of the capital lease obligation as of December 31, 2003, follows

Capital lease obligation, with an interest rate of 7.07%	\$10,124
Less: current portion of capital lease obligations	<u>2,270</u>
Capital lease obligations, excluding current portion	<u>\$ 7,854</u>

Cameron Parish Ambulance District No. 2
December 31, 2003
Notes to the Financial Statements (Continued)

NOTE 8 (continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2003:

Years Ended	
<u>December 31,</u>	
2004	\$3,009
2005	3,009
2006	3,009
2007	<u>3,009</u>
Subtotals	\$12,056
Less: amounts representing interest	<u>1,912</u>
Present value of minimum lease payments	<u>\$10,124</u>

NOTE 9 Notes Payable

A Notes payable for buildings at December 31, 2003 follows:

Notes payable, due January 10, 2004 with an interest rate of 5.25%	\$61,600
---	----------

Less: current maturities of long-term debt	<u>61,600</u>
---	---------------

Long-term debt net of current maturities	<u>\$ ---</u>
---	---------------

Another long-term debt secured by ambulance, follows:

Note payable, due March 10, 2006 with an interest rate of 3.86%	180,000
--	---------

Less current maturities of long-term debt	(57,889)
--	----------

Long-term debt on ambulance net of current maturities	<u>122,111</u>
--	----------------

Scheduled principal repayments of long-term debt for the next five years are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Long-term</u> <u>Debt Obligations</u>
2004	\$128,134
2005	64,663
2006	<u>\$ 64,663</u>
Total	<u>\$257,460</u>

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INDEPENDENT AUDITOR'S REPORT ON
THE SUPPLEMENTAL INFORMATION

To the Board of Commissioners
Cameron Parish Ambulance District #2
Grand Lake, Louisiana

Our audit was made for the purpose of forming an opinion on the basic financial statements of Cameron Parish Ambulance District #2 taken as a whole. The supplemental information is presented for purposed of additional analysis and is not a required part of the financial statements of Cameron Parish Ambulance District #2. The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material aspects, in relation to the respective financial statements taken as a whole.

Elliott & Associates Inc. APAC
June 24, 2004

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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

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Professional Accounting Corporation
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Leesville, Louisiana 71496-1287

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

Board of Commissioners
Cameron Parish Ambulance District No. 2

I have audited the financial statements of the Cameron Parish Ambulance District No. 2 as of and for the year ended December 31, 2003, and have issued my report thereon dated June 24, 2004. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Cameron Parish Ambulance District No. 2's basic financial statements are free of material misstatement, my performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, my do not express such an opinion. The results of my tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, my considered the Cameron Parish Ambulance District No. 2's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provided assurance on the internal control over financial reporting. My noted no matters involving the internal control over financial reporting and its operations that my consider to be a reportable condition. Reportable conditions involving matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over of financial reporting that , in my judgement, could adversely affect the Cameron Ambulance District No. 2 ability to record, process, summarize and report financial data consistent with the assertions of management in basic financial statements.

A material weakness is a condition in which the design or the operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic 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. I noted no matters involving the internal control over financial reporting and its operations that I consider to be a material weakness. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

This report is intended solely for the information and use of management and the Board of Commissioners, state awarding agencies and the Louisiana Legislative Auditor's office of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Elliott & Assoc. "APAC"

Leesville, Louisiana
June 24, 2004

**CAMERON AMBULANCE DISTRICT NO 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED December 31, 2003**

SECTION 1- SUMMARY OF AUDITOR'S RESULTS

Not applicable

SECTION II - FINANCIAL STATEMENT FINDINGS

Not applicable

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable

CAMERON AMBULANCE DISTRICT NO 2

SCHEDULE OF PRIOR YEAR FINDINGS

For The Fiscal Year Ended December 31, 2003

SECTION I INTERNAL CONTROL AND COMPLIANCE TO THE FINANCIAL STATEMENTS

There were no prior year findings relating to internal control and compliance to the Financial Statements.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

There were no prior year findings relating to internal control and compliance material to federal awards.

SECTION III MANAGEMENT LETTER

There was no management letter with the prior year audit report.

SUPPLEMENTARY INFORMATION

Cameron Parish Ambulance District No. 2
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
FOR THE YEAR ENDED December 31, 2003

The Ambulance District's board members did not receive any correspondence during the year ended December 31, 2003.

See independent auditor's report.