

RECEIVED
LEGISLATIVE AUDITOR
04 JUL -1 AM 11:26

**GRAND ISLE
VOLUNTEER EMERGENCY SERVICES, INC.
(GIVES)
d/b/a
AMBULANCE DISTRICT NO. 2
OF JEFFERSON PARISH
ANNUAL FINANCIAL REPORT
Year Ended December 31, 2003**

DO N
(Xe
No
cop
BA

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 8/25/04

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	1
GENERAL PURPOSE FINANCIAL STATEMENTS	
Combined Balance Sheet - All Fund Types and Account Groups	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund	5
Notes to Financial Statements	
Note A - Summary of Significant Accounting Policies	6
Note B - Stewardship, Compliance, and Accountability	9
Note C - Deposits and Investments	9
Note D - Fixed Assets	10
Note E - Long-Term Debt	10
Note F - Economic Dependence	12
Note G - Commitments and Contingencies	12
Note H - Retirement System	12
SUPPLEMENTAL INFORMATION	
Schedule of Revenues - General Fund	14
Schedule of Expenditures - General Fund	15
COMPLIANCE SECTION	
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	16
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	18

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the President and Board of
Grand Isle Volunteer Emergency Services, Inc. (GIVES)
Grand Isle, Louisiana

I have audited the general purpose financial statements of the Grand Isle Volunteer Emergency Services, Inc. (GIVES), a non-profit entity d/b/a Ambulance District No. 2 of Jefferson Parish, as of and for the year ended December 31, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of the entity's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose 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 general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Grand Isle Volunteer Emergency Services, Inc. (GIVES), a non-profit entity d/b/a Ambulance District No. 2 of Jefferson Parish, as of December 31, 2003 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated May 22, 2004 on my consideration of the entity's internal control structure and on its compliance with laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The Supplemental Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Grand Isle Volunteer Emergency Services, Inc. (GIVES). This information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Paul C. Rivers, CPA

May 22, 2004

GENERAL PURPOSE FINANCIAL STATEMENTS

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)

d/b/a

AMBULANCE SERVICE DISTRICT NO. 2 OF JEFFERSON PARISH

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP

DECEMBER 31, 2003

	Governmental		Account Groups		Total (Memorandum Only)
	Fund Type				
	General Fund	Fixed Assets	General Long-Term Debt		
ASSETS					
Cash	\$ 28,250	\$ 0	\$ 0	\$ 0	\$ 28,250
Accounts Receivable	13,400	0	0	0	13,400
Prepaid insurance	4,994	0	0	0	4,994
Property, plant & equipment	0	255,441	0	0	255,441
Amount to be provided for retirement of general long-term debt	0	0	18,021	0	18,021
TOTAL ASSETS	\$ 46,644	\$ 255,441	\$ 18,021	\$ 0	\$ 320,106
LIABILITIES, EQUITY & OTHER CREDITS					
Liabilities:					
Accounts payable	\$ 2,280	\$ 0	\$ 0	\$ 0	\$ 2,280
Premiums payable	2,497	0	0	0	2,497
Salaries and related taxes payable	5,114	0	0	0	5,114
Capital leases payable	0	0	0	0	0
Notes payable	0	0	18,021	0	18,021
Total Liabilities	9,891	0	18,021	0	27,912
Equity & Other Credits:					
Investment in general fixed assets	0	255,441	0	0	255,441
Fund Balance					
Unreserved, undesignated	36,753	0	0	0	36,753
Total Equity & Other Credits	36,753	255,441	0	0	292,194
TOTAL LIABILITIES, EQUITY & OTHER CREDITS	\$ 46,644	\$ 255,441	\$ 18,021	\$ 0	\$ 320,106

The accompanying notes are an integral part of this statement.

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE SERVICE DISTRICT NO. 2 OF JEFFERSON PARISH**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Type</u>
	<u>General Fund</u>
REVENUES	
Intergovernmental	\$ 175,547
Service charges and reimbursements	32,571
Donations and gifts	1,331
Miscellaneous	2,186
TOTAL REVENUES	<u>211,635</u>
EXPENDITURES	
Current	
Public Safety	212,111
Debt Service	
Principal	15,975
Interest	2,410
TOTAL EXPENDITURES	<u>230,496</u>
EXCESS OF REVENUES OVER EXPENDITURES	(18,861)
OTHER FINANCING SOURCES	
Capital lease	0
Loan proceeds	0
	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(18,861)
FUND BALANCE	
Beginning of year	55,614
End of year	<u>\$ 36,753</u>

The accompanying notes are an integral part of this statement.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)

d/b/a

AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Grand Isle Volunteer Emergency Services, Inc. (GIVES), a non-profit entity d/b/a Ambulance District No. 2 of Jefferson Parish, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units under the legal premise that GIVES is a "quasi-public" corporation. Quasi-public corporations are non-profit or private companies who are created to perform a public service and which receive the majority of their funding from public funds (i.e., taxes, grants, etc.) The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the GIVES' accounting policies are described below.

1. Reporting Entity

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and its component units. Component units are defined as legally separate organizations for which the elected officials of a primary government are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Ambulance District No. 2 of Jefferson Parish (the "District") was created by Ordinance No. 18001 in 1990 to provide ambulance services to the citizens of the Town of Grand Isle and the surrounding area. The District is currently funded by a 10 mill ad valorem tax levied by the District via the Parish Council and is governed by the same Council that governs the Parish. As such, the District is reported as a component unit within the Parish's financial statements.

Under a cooperative endeavor agreement, the daily operations of the District are contracted out to Grand Isle Volunteer Emergency Services, Inc. (GIVES). GIVES was incorporated as a non-profit service corporation under Section 501(c)(3) of the Internal Revenue Code. GIVES has been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provide in Section 170(b)(1)(A)(vi). GIVES is governed by a President and a Board of Directors which are elected by the membership. The accompanying statements report transactions related only to those of GIVES.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
D/B/A
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
(Continued)
December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Fund Accounting

GIVES uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. GIVES has only one fund, the General Fund, and two account groups, General Fixed Assets and General Long-Term Debt.

The General Fund is the general operating fund used by GIVES. It includes the activity of the "private" account, as well as the "public-funds" account. It is used to account for all financial resources and expenditures.

3. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Intergovernmental revenues received from the Parish in connection with the cooperative agreement are recognized in the year to be benefitted. All other service charges and intergovernmental revenues are recognized as received. Expenditures are recorded when the related fund liability is incurred.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
D/B/A
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
(Continued)
December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgets

As a quasi-public corporation, GIVES is not required to adopt a budget, therefore, a budget to actual statement is not presented in the accompanying financial statements. An informal budget is adopted for internal purposes for the General Fund.

Encumbrance accounting is not utilized.

5. Cash and Investments

For reporting purposes, cash includes amounts in demand deposits, time deposits, and certificates of deposit. This includes the balances in the "private" account, as well as the "public funds" account.

Investments, if any, are stated at fair value, except for investments in government securities with maturities less than 1 year, which are stated at cost or amortized cost.

6. Inventories

The cost of materials and supplies acquired by GIVES are recorded as expenditures at the time of purchase. It is management's opinion that the inventory of such materials and supplies at December 31, 2003 would not be material to the financial statements.

7. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the General Fixed Assets Account Group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
D/B/A
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
(Continued)
December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Public domain ("infrastructure") general fixed assets and improvement costs are not capitalized, as these assets are immovable and of value only to the government/quasi-public corporation.

Assets in the General Fixed Assets Account Group are not depreciated.

8. Fund Equity

Reserves, if any, represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

9. Total Columns on Combined Statements

Total columns on the combined financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Compliance With Cooperative Endeavor Agreement

As a quasi-public corporation, GIVES is not subject to all of the general statutes governing political subdivisions and other governments within the State of Louisiana. Instead, GIVES must comply with the terms and conditions of the cooperative endeavor agreement it has with the Parish of Jefferson. As of December 31, 2003, GIVES was in compliance with all of the significant conditions of the agreement.

NOTE C - DEPOSITS AND INVESTMENTS

The carrying amount of the GIVES' deposits at December 31, 2003 was \$28,250 and the bank balance was \$31,736. All of these amounts were covered by FDIC.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
D/B/A
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
(Continued)
December 31, 2003

NOTE D - FIXED ASSETS

The following is a summary of changes in the general fixed assets account group during the fiscal year:

Asset Type	Balance January 1, 2003	Additions	Deletions	Balance December 31, 2003
Buildings and improvements	\$ 5,000	\$ 3,000	\$ 0	\$ 8,000
Furniture and fixtures	865	1,624	0	2,489
Equipment	50,511	6,428	0	56,939
Vehicles	188,013	0	0	188,013
Total	\$ 244,389	\$ 11,052	\$ 0	\$ 255,441

NOTE E - LONG-TERM DEBT

1. NOTES PAYABLE

In December 2000, GIVES entered into a loan agreement with South Lafourche Bank in order to finance the purchase of a 2002 Ford E-450 Ambulance (Unit #EU-2). The initial amount of the loan was for \$74,680, plus interest at 8.50%, due in 60 equal monthly installments. For the year ended December 31, 2003, GIVES made 12 payments of \$1,532. 12 payments totaling \$18,386 (\$18,021 principal and \$365 in interest) remain to be paid on the note as of year-end.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
D/B/A
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
(Continued)
December 31, 2003

NOTE E - LONG-TERM DEBT (CONTINUED)

Future minimum payments on the above two noted loans for each of the next 5 years are as follows:

Year Ending December 31,	Loan Ambulance	Total
2004	\$ 18,386	\$ 18,386
Other	0	0
	18,386	18,386
Less imputed interest	(365)	(365)
	<u>\$ 18,021</u>	<u>\$ 18,021</u>

3. CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended December 31, 2003:

	Loan Ambulance	Total
Balance, beginning of year	\$ 33,996	\$ 33,996
Additions	0	0
Payments	(15,975)	(15,975)
Balance, end of year	<u>\$ 18,021</u>	<u>\$ 18,021</u>

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
D/B/A
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
(Continued)
December 31, 2003

NOTE F - ECONOMIC DEPENDENCE

In 1995, the public approved a 10 mill ad valorem tax to be levied in lieu of the Parish imposed service charge that was in effect. These taxes would provide the funding for Ambulance District No. 2 of Jefferson Parish. In January 1996, the Parish and GIVES entered into a cooperative endeavor agreement whereby GIVES, rather than the Town of Grand Isle, would be responsible for the day-to-day operations of the District. In return, the Parish would remit to GIVES, on a monthly basis, 1/12th of the currently budgeted revenues expected to be collected from the 10 mill tax. The contract is for the period January 1, 1996 to December 31, 2003. 9.44 mills were levied on the 2001 tax rolls and the remittance during 2003 totaled \$175,547. This agreement is expected to be renewed after the new Parish Council takes office.

Additionally, the Grand Isle Volunteer Fire Department (GIVFD) provides GIVES with the use of office space and some equipment at no cost.

NOTE G - COMMITMENTS AND CONTINGENCIES

1. Risk Management

GIVES is exposed to various risks of loss resulting from personal injury; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To protect against these risks of loss, the District purchases various types of insurance from commercial carriers.

Under these policies, general liability coverage is provided for up to a maximum of \$1,000,000 per occurrence (\$2,000,000 in the aggregate); automobile liability coverage is provided for up to \$1,000,000; and worker's compensation is provided at the statutory limits of \$100,000/500,000/100,000. In each policy, GIVES is responsible for the deductible.

2. Litigation

There is no litigation pending against the District at December 31, 2003.

NOTE H - RETIREMENT SYSTEM

GIVES' employees are members of the Social Security System. In addition to the employee contribution withheld at 7.65 per cent, GIVES contributes an equal amount to the System. Aggregate pension costs for the year is \$5,872. GIVES does not guarantee the benefits granted by the Social Security System.

In 1998, GIVES began allowing certain employees to contribute to an IRA plan. GIVES contributes 3 percent of the employee's gross salary as a match against that contributed by the employee. During 2003, the expense to GIVES was \$2,767.

SUPPLEMENTAL INFORMATION

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE SERVICE DISTRICT NO. 2 OF JEFFERSON PARISH

SCHEDULE OF REVENUES - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Governmental</u> <u>Fund Type</u>
	<u>General Fund</u>
Intergovernmental	
Jefferson Parish contract:	
Direct payments - ad valorem taxes	\$ <u>175,547</u>
	<u>175,547</u>
Service charges and reimbursements	
Reimbursements from insurance companies and citizens	<u>32,571</u>
	<u>32,571</u>
Donations and gifts	
Others	<u>1,331</u>
	<u>1,331</u>
Miscellaneous	
Phone reimbursements	0
Sales of equipment	0
Other	<u>2,186</u>
	<u>2,186</u>
TOTAL REVENUES	\$ <u><u>211,635</u></u>

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE SERVICE DISTRICT NO. 2 OF JEFFERSON PARISH

SCHEDULE OF EXPENDITURES - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Governmental Fund Type</u>
	<u>General Fund</u>
Public Safety	
Current	
Personnel and related costs	
Salaries	\$ 112,906
Salaries Reimbursed to GIVFD	4,276
Payroll taxes	7,127
Retirement	2,767
Health insurance	5,673
Unemployment insurance	1,486
Workmens' compensation	14,540
	<u>148,775</u>
General and administrative costs	
Bank charges	70
Bookkeeping and auditing	2,000
Office supplies	6,659
Postage	156
Phones	3,128
Electricity	201
Licenses and certificates	465
Insurance - auto/general	9,511
Rentals - equipment	1,426
Rodeo expenses	161
Groceries and supplies - regular	1,593
	<u>25,370</u>
Emergency training and supplies	
Medical supplies	8,604
Uniforms and shirts	2,913
Training and educational	1,145
Conferences and seminars	868
Gas and oil	4,006
	<u>17,536</u>
Repairs and maintenance	
R & M - buildings and equipment	2,300
R & M - vehicles	5,819
	<u>8,119</u>
Miscellaneous	
Gifts, flowers, and donations	0
Other	1,259
	<u>1,259</u>
Capital outlay	
Buildings and grounds	3,000
Vehicles and rescue equipment	5,250
Equipment	2,802
	<u>11,052</u>
TOTAL CURRENT	<u>212,111</u>
Debt Service	
Principal	15,975
Interest	2,410
TOTAL DEBT SERVICE	<u>18,385</u>
TOTAL EXPENDITURES	<u>\$ 230,496</u>

COMPLIANCE SECTION

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN
AUDIT PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the President and Board of Directors
Grand Isle Volunteer Emergency Services, Inc.
Grand Isle, Louisiana

I have audited the financial statements of the Grand Isle Volunteer Emergency Services, Inc. (GIVES), a non-profit entity d/b/a Ambulance District No. 2 of Jefferson Parish, as of and for the year ended December 31, 2003, and have issued my report thereon dated May 22, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether the GIVES' financial statements are free of material misstatement, I 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, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are to be reported under *Government Auditing Standards*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing my audit, I considered the GIVES' 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 provide assurance on the internal control over financial reporting. However, I noted several matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect GIVES' ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

The reportable conditions are described in the attached Schedule of Findings and Questioned Costs.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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. My consideration of the internal controls over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe that all of the reportable conditions noted are material weaknesses.

I also noted other matters involving the internal control over financial reporting that I have reported to management of GIVES in a separate report entitled "Memorandum of Advisory Comments", dated May 22, 2004.

This report is intended for the information of the Board, the President, management, the Parish of Jefferson, and the Legislative Auditor of the State of Louisiana, and is not intended to be and should not be used by anyone other than those specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by Legislative Auditor as a public document.

Paul C. Rivers, CPA

May 22, 2004

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
D/B/A
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2003

I have audited the financial statements of the Grand Isle Volunteer Emergency Services, Inc. (GIVES) as of and for the year ended December 31, 2003, and have issued my report thereon dated May 22, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2003 resulted in an unqualified opinion.

SECTION I - SUMMARY OF AUDITOR'S REPORTS

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

Internal Control:

Reportable Conditions were noted.

Material Weaknesses were noted.

Compliance:

No instances of noncompliance material to the financial statements were noted.

B. Federal Awards - not applicable

C. Identification of Major Programs - not applicable

SECTION II - FINANCIAL STATEMENT FINDINGS

Reportable Condition - Comment # 03-01

Condition - I noted that the size of GIVES' operations is too small to provide for an adequate segregation of duties. The GIVES' treasurer/secretary is charged with most of the responsibilities relating to the cash receipts, cash disbursement, and financial reporting cycles. GIVES does, however, have various controls in place which tend to mitigate this problem, including (1) having another person review and initial all bank reconciliations, (2) requiring dual signatures on all checks, and (3) requiring the presentation of actual versus budget reports on a monthly basis.

Recommendation - Employing additional controls may not be cost beneficial, however, the Board should remain cognizant of the lack of segregation of duties.

Response - We are aware of the condition, however, at this point we are not in the financial position of addressing the problem. The Board is aware of the condition and will continue to monitor the financial activity of GIVES in a timely manner.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
D/B/A
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended December 31, 2003

SECTION II - FINANCIAL STATEMENT FINDINGS (continued)

Reportable Condition - Comment # 03-02

Condition - GIVES records its payroll transactions in the general ledger on a "net" check basis. The payroll information concerning gross pay and deductions is maintained in a separate payroll journal. An employee earnings sheet is kept on each employee recapping his/her earnings by month for W-2 purposes. During my testing of payroll expenditures, I noted several instances where the payroll journal did not agree to the amounts recorded in the general ledger and/or the employee earnings sheets. This results in the wrong taxes being remitted in some instances and incorrect W-2 forms being filed at year end.

Recommendation - The treasurer/secretary should set up a process whereby the amounts recorded in the payroll journal are reconciled to the amounts in the general ledger on a monthly basis. The employee earnings sheets should also be reconciled to the payroll journal.

Response - The treasurer/secretary was a new employee in 2002. The previous treasurer/secretary was not able to train the new employee, thus, some mistakes were made. We will make sure that the new treasurer/secretary understands the payroll process and reconciles the various payroll records. We are looking into computerizing the calculations of gross payroll and deductions in the future, which should resolve this problem.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not Applicable

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
D/B/A
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended December 31, 2003**

SECTION IV - STATUS OF PRIOR YEAR FINDINGS

The status of findings and questioned costs noted in prior years is noted below:

FINANCIAL STATEMENT FINDINGS

Prior Year Comment No.	Description	Status
# 02-01	Inadequate segregation of duties.	See CY Comment # 03-01
# 02-02	Bank reconciliations not done properly.	Cleared
# 02-03	Invoices not being filed properly.	Cleared
# 02-04	Payroll not being reconciled. Incorrect W-2's.	See CY Comment # 03-02

FEDERAL AWARDS - FINDINGS AND QUESTIONED COSTS

Not applicable

RECEIVED
LEGISLATIVE AUDITOR
04 JUL -1 AM 11:26

MEMORANDUM OF ADVISORY COMMENTS

**GRAND ISLE
VOLUNTEER EMERGENCY SERVICES, INC.
(GIVES)
d/b/a
AMBULANCE DISTRICT NO. 2
OF JEFFERSON PARISH
Year Ended 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 _____

TABLE OF CONTENTS

	<u>Page</u>
INTERNAL CONTROL STRUCTURE AND RELATED MATTERS	
Auditor's Letter	2
Current Year Comments and Suggestions	
Controlling Expenditures	3
STATUS OF PRIOR YEAR COMMENTS AND FINDINGS	
Status of Prior Year Comments and Findings	5

**INTERNAL CONTROL STRUCTURE
AND RELATED MATTERS**

Paul C. Rivera, CPA

2612 Crestway Road
Marrero, Louisiana 70072

(504) 371-4390

To the President and Board of
Grand Isle Volunteer Emergency Services, Inc. (GIVES)
Grand Isle, Louisiana

I have audited the financial statements of Grand Isle Volunteer Emergency Services, Inc. (GIVES), a nonprofit entity d/b/a Ambulance District No. 2 of Jefferson Parish, for the year ended December 31, 2003, and have issued my reports thereon dated May 22, 2004. As part of my audit, I considered GIVES' internal control structure in order to determine the nature, timing, and extent of my auditing procedures for the purpose of expressing an opinion on the financial statements, and not to provide assurance on the internal control structure.

Reportable conditions which may have been noted during my consideration of the internal control structure have been reported on in a separately issued report, entitled "Independent Auditor's Report on Internal Control Over Financial Reporting Based on an Audit Performed in Accordance With Government Auditing Standards".

This memorandum summarizes various other matters which have come to my attention. While not involving reportable conditions, these matters do present opportunities for strengthening the internal control structure and improving the operating efficiency of GIVES.

I have already discussed these comments and suggestions with GIVES' administrative personnel and have included their responses. I will be pleased to discuss these comments and suggestions with you in further detail at your convenience, perform an additional study of these matters, or assist you in implementing the recommendations.

Paul C. Rivera, CPA

May 22, 2004

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)

d/b/a

AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH

COMMENTS AND SUGGESTIONS

For the Year Ended December 31, 2003

CONTROLLING EXPENDITURES

03-1. COMMENT

During my testing of receipts and expenditures, I noted an increase in office/computer supplies. Upon vouching the expenses, I noted that GIVES was purchasing a rather large quantity of inkjet cartridges for the printer/copier/fax machine. Because the machine is an all-in-one machine, it gets used often. Thus, GIVES has been buying between 10 and 15 cartridges per month at a cost of \$60 each.

RECOMMENDATION

GIVES should look into purchasing a laserjet printer. While the upfront costs would be a bit high, the laserjet cartridges tend to last longer than inkjet cartridges. Thus, GIVES would realize savings on the supplies side.

RESPONSE

We will look into this.

**STATUS OF PRIOR YEAR COMMENTS
AND FINDINGS**

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)

STATUS OF PRIOR YEAR COMMENTS AND FINDINGS

For the Year Ended December 31, 2003

Several advisory comments and compliance findings were made for the year ended December 31, 2002. The status of the comments and findings previously noted are as follows:

Prior Year Comment Finding No.	Description	Status
# 02-1	Increase in general ledger mispostings.	Comment Cleared - Substantially lower number of mispostings in 2003.
Compliance # 02-1	State withholding taxes were not being remitted timely.	All taxes have been remitted as of 12/31/03.

GRAND ISLE EMERGENCY SERVICES, INC. (GIVES)
MANAGEMENTS CORRECTIVE ACTION PLAN
December 31, 2003

RECEIVED
LEGISLATIVE AUDITOR
04/06 -1 AM 11:26

In connection with the audit of the Grand Isle Volunteer Emergency Services, Inc. (GIVES), several comments were noted by our auditor which were classified as *reportable conditions and/or material weaknesses*. These comments are detailed in the December 31, 2003 financial report. The management of GIVES offers the following action plan to correct the deficiencies noted:

Comment # 03-01 – Lack of segregation of duties

Management is aware of this situation. Due to lack of funds, we are not in a position to hire additional personnel to properly segregate the duties of the treasurer. We will, however, continue to monitor the financial activities and require certain mitigating controls.

Comment # 03-02 – Payroll journals not being reconciled with ledger/incorrect W-2's

As noted in our response, the treasurer was a new employee in 2002. She was not trained by the former treasurer, thus, some mistakes were made. We are looking at computerizing this function to eliminate the manual errors.

Except for the first comment, we do not anticipate these problems recurring next year. We hope our action plan is sufficient.


President, GIVES