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**GRAND ISLE  
VOLUNTEER EMERGENCY SERVICES, INC.  
(GIVES)  
d/b/a  
AMBULANCE DISTRICT NO. 2  
OF JEFFERSON PARISH  
ANNUAL FINANCIAL REPORT  
Year Ended December 31, 1997**

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                       
JUL 0 3 1998

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## FINANCIAL SECTION

**Paul C. Rivera, CPA**

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## 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, 1997, 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 generally accepted auditing standards and 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, 1997 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 10, 1998 on my consideration of the entity's internal control structure and a report dated May 10, 1998 on its compliance with laws, regulations, contracts and grants.

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.

  
May 10, 1998

## GENERAL PURPOSE FINANCIAL STATEMENTS

## GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GVES)

d/b/a

## AMBULANCE SERVICE DISTRICT NO. 1 OF JEFFERSON PARISH

## COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP

DECEMBER 31, 2007

	Government		Account Group		Total (Minimum Only)
	Fund Type		Fund		
	General Fund	Special Fund/Asset	Long Term Debt		
<b>ASSETS</b>					
Cash	\$ 34,507	\$ 0	\$ 0	\$ 0	\$ 34,507
Prepaid insurance	4,794	0	0	0	4,794
Property, plant & equipment	0	192,203	0	0	192,203
Amounts to be provided for retirement of general long-term debt	0	0	24,024	0	24,024
<b>TOTAL ASSETS</b>	<b>\$ 39,301</b>	<b>\$ 192,203</b>	<b>\$ 24,024</b>	<b>\$ 0</b>	<b>\$ 255,528</b>
<b>LIABILITIES, EQUITY &amp; OTHER CREDITS</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 500	\$ 0	\$ 0	\$ 0	\$ 500
Retiree payable	4,200	0	0	0	4,200
Salaries and related taxes payable	3,680	0	0	0	3,680
Capital lease payable	0	0	24,024	0	24,024
<b>Total Liabilities</b>	<b>8,380</b>	<b>0</b>	<b>24,024</b>	<b>0</b>	<b>32,404</b>
<b>Equity &amp; Other Credits:</b>					
Investment in general fund assets	0	192,203	0	0	192,204
Fund Balance	31,021	0	0	0	31,021
<b>Total Equity &amp; Other Credits</b>	<b>31,021</b>	<b>192,203</b>	<b>0</b>	<b>0</b>	<b>223,224</b>
<b>TOTAL LIABILITIES, EQUITY &amp; OTHER CREDITS</b>	<b>\$ 39,401</b>	<b>\$ 192,203</b>	<b>\$ 24,024</b>	<b>\$ 0</b>	<b>\$ 255,628</b>

The accompanying notes are an integral part of this statement.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)  
d/b/a  
AMBULANCE SERVICE DISTRICT NO. 1 OF JEFFERSON PARISH

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 1997

	Governmental Fund Type
	<u>General Fund</u>
<b>REVENUES</b>	
Intergovernmental	\$ 154,208
Service charges and reimbursements	1,973
Donations and gifts	900
Miscellaneous	24,843
<b>TOTAL REVENUES</b>	<u>181,924</u>
<b>EXPENDITURES</b>	
Current	
Public Safety	233,982
Debt Service	
Capital lease payments	12,640
<b>TOTAL EXPENDITURES</b>	<u>246,622</u>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	(64,698)
<b>OTHER FINANCING SOURCES</b>	
Capital leases	60,237
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	<u>2,682</u>
<b>FUND BALANCE</b>	
Beginning of year	29,885
End of year	\$ <u>32,567</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, 1997**

**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 record 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 the 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 18 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 provided in Section 170(e)(1)(A)(ii). 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, 1997**

**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 Fund 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 measurable and available (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 benefited. 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. (GTVES)**  
**D/B/A**  
**AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH**  
**(Continued)**  
**December 31, 1997**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. Budgets**

As a quasi-public corporation, GTVES 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 cost or amortized cost.

**6. Inventories**

The cost of materials and supplies acquired by GTVES 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, 1997 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)**  
**DBB/A**  
**AMBULANCE DISTRICT NO. 1 OF JEFFERSON PARISH**  
**(Continued)**  
**December 31, 1997**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

**I. Fund Equity**

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

**II. Total Columns on Combined Statements**

Total columns on the combined financial statements are captioned "Information 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**

**I. 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, 1997, 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, 1997 was \$34,367 and the bank balance was \$27,464. All of these amounts were covered by FDIC.

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)**  
**D/B/A**  
**AMBULANCE DISTRICT NO. 3 OF JEFFERSON PARISH**  
**(Continued)**  
**December 31, 1997**

**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, 1997	Additions	Deletions	Balance December 31, 1997
Buildings and improvements	\$ 3,000	\$ 0	\$ 0	\$ 3,000
Furniture and fixtures	700	0	0	700
Equipment	27,469	4,811	0	32,280
Vehicles	78,478	82,764	(1,880)	159,362
<b>Total</b>	<b>\$ 110,677</b>	<b>\$ 87,575</b>	<b>\$ (1,880)</b>	<b>\$ 196,372</b>

**NOTE E - LONG-TERM DEBT**

**I. LEASES PAYABLE**

In October 1995, GIVES entered into a capital lease to purchase a used Physio-control Lifepak 160 defibrillator. GIVES paid \$1,808 as a down payment, with the balance of \$4,928, plus interest at 18%, due in 30 equal monthly installments. Up until August 1996, the Town of Grand Isle was making payments on the lease on behalf of GIVES with the proceeds of the service charges and ad valorem taxes it was receiving. Beginning in August 1996, GIVES took over the responsibility for making the payments.

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)**  
**D/B/A**  
**AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH**  
**(Continued)**  
**December 31, 1997**

**NOTE E - LONG-TERM DEBT (CONTINUED)**

For the year ended December 31, 1997 GIVES made 12 payments of \$181. 9 payments of \$181, for a total of \$1,629, remain to be paid on the lease as of year-end. Future minimum lease payments for the next five years and in the aggregate are as follows:

Year Ending December 31,	Amount
1998	\$ 1,628
	1,628
Less imputed interest:	(116)
	<u>\$ 1,521</u>

In June 1997, GIVES entered into a capital lease to purchase an ambulance (Unit #E11-1). GIVES paid \$23,385 as a down payment, with the balance of \$60,257, plus interest at 8.35%, due in 48 equal monthly installments.

For the year ended December 31, 1997 GIVES made 7 payments of \$1,707. 41 payments of \$1,707, for a total of \$69,998, remain to be paid on the lease as of year-end. Future minimum lease payments for the next five years and in the aggregate are as follows:

Year Ending December 31,	Amount
1998	\$ 17,707
1999	17,707
2000	17,707
2001	1,277
	<u>68,498</u>
Less imputed interest:	(7,858)
	<u>\$ 60,640</u>

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)**  
**DB/A**  
**AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH**  
**(Continued)**  
**December 31, 1997**

**NOTE E - LONG-TERM DEBT (CONTINUED):**

**2. CHANGES IN LONG-TERM DEBT**

The following is a summary of long-term debt transactions for the year ended December 31, 1997:

	Capital Lease LifePak	Capital Lease Ambulance	Total
Balance, beginning of year	\$ 3,822	\$ 0	\$ 3,822
Additions	0	66,257	66,257
Payments	(2,308)	(7,615)	(9,923)
Balance, end of year	<u>\$ 1,514</u>	<u>\$ 58,642</u>	<u>\$ 60,156</u>

**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 operation 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, 2001. For 1997, the 1/12th remittance amounted to \$1,722 per month, for a total of \$20,664. An additional \$13,543 was remitted from the prior year taxes. These revenues constitute a substantial amount of GIVES' revenues.

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.

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)**  
**D/B/A**  
**AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH**  
**(Continued)**  
**December 31, 1997**

**NOTE G - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

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 limit of \$100,000/\$80,000/\$60,000. In each policy, GIVES is responsible for the applicable deductibles.

**1. Litigation**

There is no litigation pending against the District at December 31, 1997.

**2. Operating Leases**

During 1995, the Grand Isle Volunteer Fire Department (GIVFD) leased some communication/radio equipment for a term of 36 months. GIVES has agreed to pay 1/3 of the monthly lease payments. Thus, GIVES pays 480 dollars per month. Future payments under this lease are as follows:

Year Ending December 31,	Amount
1998	\$ 1,866
1999	1,866
2000	1,844
	\$ 5,576

**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 \$4,238. GIVES does not guarantee the benefits granted by the Social Security System.

## **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, 1997

	Governmental Fund Type
	<u>General Fund</u>
Incorporational	
Jefferson Parish contract	
Direct payments - 1997 taxes	\$ 148,644
Direct payments - 1996 taxes	13,545
	<u>162,189</u>
Service charges and reimbursements	
Reimbursements from medicine	625
Reimbursements from insurance companies	7,132
Service charges - citizens	948
	<u>8,705</u>
Donations and gifts	
Miscellaneous	603
	<u>603</u>
Miscellaneous	
Fringe reimbursements	8,840
Sales of books and shirts	128
Sales of equipment	13,258
Other	3,634
	<u>26,860</u>
<b>TOTAL REVENUES</b>	<b>\$ <u>188,639</u></b>

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

SCHEDULE OF EXPENSES - GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 1997

	Governmental Fund Type
	<u>General Fund</u>
<b>Public Safety</b>	
<b>Career</b>	
Personnel and related costs	
Salaries	\$ 71,407
Payroll taxes	9,344
Workmen's compensation	6,054
	<u>86,805</u>
General and administrative costs	
Advertising	123
Bookkeeping/auditing	2,000
Books and subscriptions	83
Office supplies	143
Copying and supplies	0
Postage	270
Rent	8,400
Electricity	1,200
Linen - replacement	1,000
Licenses and certificates	240
Insurance - auto	6,800
Insurance - general and property	0
Travel - meals	0
Gasoline and supplies - repairs	800
Gasoline and supplies - other	0
	<u>26,943</u>
Emergency towing and supplies	
Medical supplies	10,470
Assets and condition	0
Uniforms and shirts	101
Training and educational	200
Construction and renovation	1,083
Deemed off	1,073
Drinks - vehicles	1,783
Registration - vehicles	80
	<u>18,787</u>
Repairs and maintenance	
R & M - vehicles	11,811
	<u>11,811</u>
Miscellaneous	
Gifts, flowers, and donations	300
Other	100
	<u>400</u>
Capital outlay	
Vehicle and rescue equipment	11,700
Equipment	4,800
Furniture and fixtures	0
	<u>16,500</u>
<b>TOTAL CURRENT</b>	<u>157,847</u>
<b>Debt Service</b>	
Capital lease payments	11,000
<b>TOTAL DEBT SERVICE</b>	<u>11,000</u>
<b>TOTAL EXPENDITURE</b>	<u>\$ 168,847</u>

## COMPLIANCE SECTION

Paul C. Rivera, CPA

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**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 Life Volunteer Emergency Services, Inc.  
Grand Isle, Louisiana

I have audited the financial statements of the Grand Life 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, 1997, and have issued my report thereon dated May 10, 1998. 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 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 required to be reported under Government Auditing Standards.

**Internal Control over Financial Reporting**

In planning and performing my audit, I considered GIVES' internal control over financial reporting as a means 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 a certain matter involving the internal control over financial reporting and its operation that I consider to be a reportable condition. 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.

In my consideration of the internal controls, I noted a reportable condition whereby the size of GIVES' operations are too small to provide for an adequate segregation of duties. GIVES' treasurer/secretary is charged with most of the responsibilities relating to the cash receipts and cash disbursements 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 financial reports on a monthly basis. Employing additional controls may not be cost beneficial.

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 the reportable condition noted above is a material weakness.

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 10, 1998.

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 should not be used for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

  
May 10, 1998

RECEIVED  
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**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, 1997**

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**INTERNAL CONTROL STRUCTURE  
AND RELATED MATTERS**

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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 of the Ambulance District No. 2 of Jefferson Parish, for the year ended December 31, 1997, and have issued my reports thereon dated May 10, 1998. 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 Structure 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 additional study of these matters, or assist you in implementing the recommendations.

*Paul Rivera CPA*

May 10, 1998

**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, 1997

**REVENUES, RECEIPTS & RECEIVABLES**

**1. COMMENT**

During my testing of revenues and receipts, I noted several deposit slips which did not have supporting documentation attached, nor was the nature of the deposit indicated on the slip itself.

**RECOMMENDATION**

GIVES should attach a copy of the check or other remittance advice to a copy of the deposit slip. The validated deposit slip should then be stapled to the pack upon receipt from the bank. Also, the nature of the deposit should be indicated on the deposit slip (i.e., write "tuition" or "insurance - Blue Cross", etc.).

**RESPONSE**

We will make sure the parties involved in depositing funds complete the deposit slips as recommended and file them as well.

**2. COMMENT**

GIVES currently produces invoices to the citizens or insurance companies via a computer billing program. During my testing of revenues and receivables, it was noted that the outstanding invoices were not recorded as receivables on the books. The main problem is that the listing generated from the accounts receivable program is incorrect. It includes outstanding invoices which are known to have been paid and/or written off.

**RECOMMENDATION**

The accounts receivable listing should be reviewed and the incorrect records and balances should be purged. Each month as invoices are generated, they should be posted as accounts receivable to the general ledger. As receipts come in, the receivable should be relieved in the computer as well as on the ledger.

**RESPONSE**

This process will be reviewed.

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)**

**COMMENTS AND SUGGESTIONS (CONTINUED)**

For the Year Ended December 31, 1997

**FIXED ASSETS**

**3. COMMENT**

GIVES received a number of fixed assets from the Town of Grand Isle upon the Town relinquishing control of the Ambulance District. While these assets were identified during the audit, it does not appear that GIVES has a formal fixed asset record established.

**RECOMMENDATION**

GIVES should set up a fixed asset ledger based on the assets identified during the audit. This ledger should be maintained in the future by adding purchases and deleting items sold.

**RESPONSE**

GIVES has an informal list of assets, however, a formal ledger will be set up as recommended.

**EXPENDITURES FOR GOODS AND SERVICES**

**4. COMMENT**

During my testing of cash disbursements for goods and services, several instances were noted where a canceled check was found, but a supporting invoice could not be located.

**RECOMMENDATION**

All invoices should be maintained on file.

**RESPONSE**

The current treasurer is very cognizant about what information must be maintained on file. We do not expect this to be a recurring problem.

## GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)

### COMMENTS AND SUGGESTIONS (CONTINUED)

for the Year Ended December 31, 1997

#### PAYROLL AND RELATED LIABILITIES

##### 5. COMMENT

In reconciling the disbursement journal to the payroll journal, one error was noted whereby a check posted to the disbursement journal was not posted to the payroll journal. The result was an understatement of salaries in the payroll journal, and thus, the 941 report of \$32.27.

##### RECOMMENDATION

The payroll journal should be reconciled to the disbursement journal after each pay period. The payroll journal could be marked to indicate the posting of checks to the disbursements journal.

##### RESPONSE

This will be done.

#### GENERAL LEDGER AND REPORTING

##### 6. COMMENT

The amounts posted to the disbursements journal for salaries and wages represent the net check issued. Thus, for salaries, the gross cost to GIVES is not being recorded. Several adjusting journal entries were needed during the audit to "gross-up" the salary and withholding amounts. The problem stems from the lack of a formal general ledger. GIVES currently maintains a receipts and disbursements journal and a payroll journal, however, a general ledger is not used.

##### RECOMMENDATION

A formal general ledger should be established. The activity from the receipts and disbursements journal and the payroll journal should be posted to the ledger on a timely basis (i.e., at least monthly).

##### RESPONSE

This will be done.

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)**

**STATUS OF PRIOR YEAR COMMENTS**

*For the Year Ended December 31, 1997*

**STATUS OF PRIOR YEAR COMMENTS**

Several advisory comments were made for the year ended December 31, 1996. Comments 1 through 6 above were made in the prior year and have not been sufficiently addressed.