

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

**ANNUAL FINANCIAL REPORT
Year Ended December 31, 2013**

TABLE OF CONTENTS

FINANCIAL SECTION	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
 BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	12
Statement of Activities	13
 Fund Financial Statements	
Balance Sheet - Governmental Funds	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Notes to Financial Statements	
Note A - Summary of Significant Accounting Policies	19
Note B - Reconciliation of Government-wide and Fund Financial Statements ..	24
Note C - Stewardship, Compliance, and Accountability	24
Note D - Detailed Notes on All Activities and Funds	
Note D.1 - Deposits and Investments	24
Note D.2 - Capital Assets	25
Note D.3 - Contracted Services	26
Note D.4 - Fund Balance Components	26
Note E - Economic Dependence	26
Note F - Commitments and Contingencies	
Note F.1 - Risk Management	27
Note F.2 - Litigation	27
Note G - Other Information	
Note G.1 - Significant Event - BP Deepwater Horizon Oil Spill	27
 INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
General Fund	
Schedule of Revenues - Actual	30
Schedule of Expenditures - Actual	31

TABLE OF CONTENTS (CONTINUED)

Page

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	33
Schedule of Findings and Responses	35

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and each major fund (i.e., the General Fund) of 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, 2013, and the related notes to the financial statements, which collectively comprise GIVES's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these basic financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States 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 financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidenced about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of hte financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of GIVES as of December 31, 2013 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise GIVES's financial statements. The individual fund statements, schedules and supplemental information are presented for purposes of additional analysis and are not a required part of the financial statements.

These individual fund statements, schedules and supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the individual fund, schedules, and supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated May 26, 2013, on my consideration of GIVES's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering GIVES's internal control over financial reporting and compliance.

Paul C. Rivera, CPA

June 7, 2014

GRAND ISLE EMERGENCY SERVICES, INC. (GIVES)
PO BOX 1035
GRAND ISLE, LA 70358

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Grand Isle Emergency Management, Inc. ("GIVES"), a non-profit entity d/b/a Ambulance District No. 2 of Jefferson Parish, we offer readers of GIVES' financial statements this narrative overview and analysis of the financial activities of GIVES for the fiscal year ended December 31, 2013.

We encourage readers to consider the information presented here in conjunction with the financial statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

- The assets of GIVES exceeded its liabilities at the close of the most recent fiscal year by \$180,025 (*net position*). Of this amount, \$86,130 or 47.8 percent is invested in capital assets, such as vehicles and equipment. The remaining balance of \$93,895 (*unrestricted net position*) or 52.2 percent may be used to meet the government's ongoing obligations to citizens and creditors.
- GIVES' total net position increased by \$79,938 or 79.9 percent during the current year because total revenues exceeded total expenses by that amount. The increase was primarily caused by an increase in program revenues - charges for services were up \$267,426 and operating grants increased \$30,600. This increase was the result of a contract with a BP contractor to provide medical services and an increase in the millage allocation from the Parish.
- As of the close of the current fiscal year, GIVES' governmental fund (the General Fund) reported ending fund balance of \$93,895, an increase of \$8,650 or 10.1 percent in comparison with the prior year. Approximately \$93,895 or 100.0 percent of this total amount is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned and total fund balance for the general fund was \$93,895 or 13.3 percent of total general fund expenditures.
- The Grand Isle Volunteer Fire Department (GIVFD) provides GIVES with administrative and operating support under a cooperative endeavor agreement. All of the employees of GIVES were transferred to GIVFD in 2007. GIVES paid GIVFD \$364,701 under this agreement.
- GIVES purchased a new ambulance in 2013 at a cost of \$80,000.
- GIVES had no long-term debt at December 31, 2013.
- The BP Deepwater Horizon Oil Spill affected the island in 2010 and remnants continue to affect the area into 2013. See Note G.1 for information.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to GIVES' basic financial statements. GIVES' basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The “government-wide financial statements” are designed to provide readers with a broad overview of GIVES’ finances, in a manner similar to a private-sector business.

The “Statement of Net position” presents information on all of GIVES’ assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of GIVES is improving or deteriorating.

The “Statement of Activities” presents information showing how the government’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements are designed to distinguish functions of GIVES that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). It should be noted that GIVES only has governmental activities.

The government-wide financial statements include only the financial activities of GIVES, which are made up of the “private” account and the “public funds” account. The government-wide financial statements can be found on pages 12 and 13 of this report.

Fund financial statements. A “fund” is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. GIVES, because it is a “quasi-public” entity, uses fund accounting like state and local governments to ensure and demonstrate compliance with finance-related legal requirements.

GIVES’ funds can be classified into three categories: governmental funds, proprietary funds, and fiduciary funds. As discussed below, GIVES only presents governmental funds.

Governmental funds. “Governmental funds” are used to account for essentially the same functions reported as “governmental activities” in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term *inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for “governmental funds” with similar information presented for “governmental activities” in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between “governmental fund” and “governmental activities”.

GIVES maintains only one fund (the General Fund). Information is presented in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General fund.

GIVES is a “quasi-public” entity and is not required to adopt an annual budget. Thus, a budgetary comparison statement is not shown.

The basic governmental fund financial statements can be found on pages 14 to 17 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 to 26 of this report.

Other information. Individual fund statements and schedules, which show additional detailed financial information on the General Fund, are found on pages 28 and 29.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of GIVES, assets exceeded liabilities by \$180,025 at December 31, 2013.

A portion of GIVES’ net position (\$86,130 or 47.8 percent) reflects its investment in capital assets (e.g., land, buildings, furniture and fixtures, heavy equipment, and vehicles) less any related debt used to acquire those assets that is still outstanding. GIVES used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although GIVES’ investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

Below is a comparison of GIVES’ Statement of Net Position for 2013 and 2012.

GRAND ISLE EMERGENCY SERVICES, INC. (GIVES)

	Governmental Activities <u>2013</u>		Governmental Activities <u>2012</u>	
Current and other assets	\$ 98,508		\$ 90,574	
Capital assets	86,130		14,842	
Total assets	<u>184,638</u>		<u>105,416</u>	
Long-term liabilities outstanding	0		0	
Other liabilities	4,613		5,329	
Total liabilities	<u>4,613</u>		<u>5,329</u>	
Net position:				
Invested in capital assets, net of related debt	86,130	47.8%	14,842	14.8%
Restricted	0	0.0%	0	0.0%
Unrestricted	93,895	52.2%	85,245	85.2%
Total net position	<u>\$ 180,025</u>		<u>\$ 100,087</u>	

The balance of *unrestricted net position* (\$93,895 or 52.2 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At December 31, 2013, GIVES is able to report positive fund balances in all three categories of net position.

GIVES' net position increased by \$79,938 or 79.9 percent during the current fiscal year.

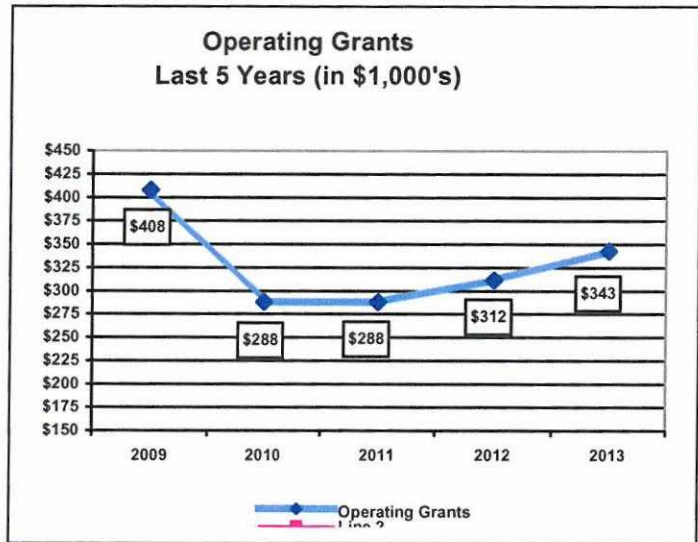
Governmental Activities. During 2013, governmental activities increased GIVES' net position by \$79,938. Key elements of this increase are shown below as compared to 2012.

GRAND ISLE EMERGENCY SERVICES, INC. (GIVES)

	Governmental Activities 2013		Governmental Activities 2012	
Revenues:				
Program revenues:				
Charges for services	\$ 333,724	46.7%	\$ 66,298	15.1%
Operating grants and contributions	342,600	48.0%	312,000	70.9%
Capital grants and contributions	-	0.0%	-	0.0%
General revenues:				
Unrestricted interest	52	0.0%	75	0.0%
Unrestricted gifts and donations	37,522	5.3%	61,624	14.0%
Miscellaneous	-	0.0%	-	0.0%
Total revenues	<u>713,898</u>	<u>162.3%</u>	<u>439,997</u>	<u>100.0%</u>
Expenses:				
Public Safety	633,960	100.0%	386,941	100.0%
Total expenses	<u>633,960</u>	<u>100.0%</u>	<u>386,941</u>	<u>100.0%</u>
Increase in net position	79,938		53,056	
Net position - beginning of year	100,087		47,031	
Net position - end of year	<u>\$ 180,025</u>		<u>\$ 100,087</u>	

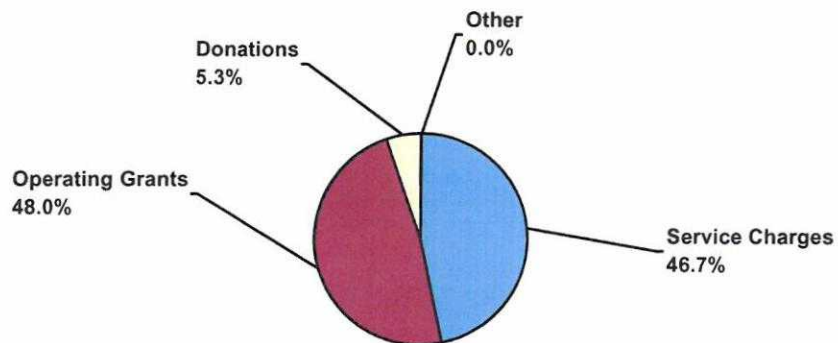
- The program revenue - charges for services was \$333,724 during 2013. GIVES contracts with a private company to assist in billing insurance companies or Medicare for reimbursable services. These billings generated \$83,321 for 2013, an increase of \$17,023 or 25.7 percent. This increase resulted from an increase in activity and collections (including delinquent fees). In addition, during 2013, a subcontractor working for BP to perform some additional clean-up related to the 2010 oil spill contracted with GIVES to provide stand-by medics. For 2013, this contract generated \$250,403. The majority of this money was paid out to GIVES' employees as "boat medic details".
- Operating grants come from the Parish of Jefferson. The Parish levies an ad valorem tax in Grand Isle and remits a certain amount to GIVES each month to provide funding to the Ambulance District under a cooperative endeavor agreement. The number of mills levied was 9.74 (the same as last year). This allocation came in at \$342,600 for 2013, which was the slightly higher than last year. The graph below shows the revenues from this tax over the past five years.

- Unrestricted gifts and donations were generated last year from a fundraising effort. Letters were sent to all businesses in the area asking for donations to GIVES. The total received this past year was \$37,522, which is \$(24,102) or 39.1 percent less than last year. Letters were sent out this year but once enough funds were raised for the new ambulance, the campaign was halted.
- Interest income came in at \$52 for 2013.

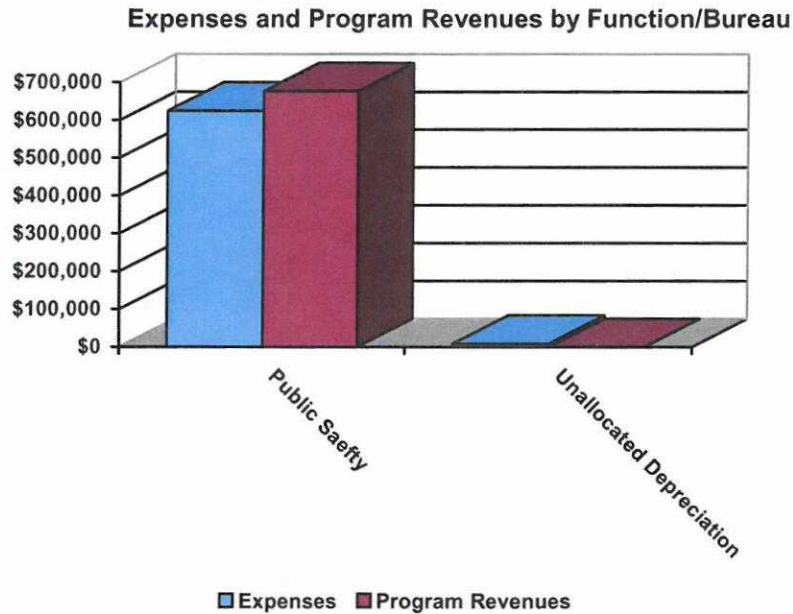


A breakdown of the revenues received by GIVES' governmental activities is as follows

Revenues by Source - Governmental Activities



Expenses totaled \$633,960, including current year depreciation of \$8,712. As an ambulance district, the only function GIVES provides is the public safety function. These expenses of GIVES were offset by program revenues (service charges and grants) totaling \$676,324 (see above), leaving a net revenue (cost) to citizens of GIVES of \$42,364. A graph comparing the expenses with the program revenue generated is presented below.



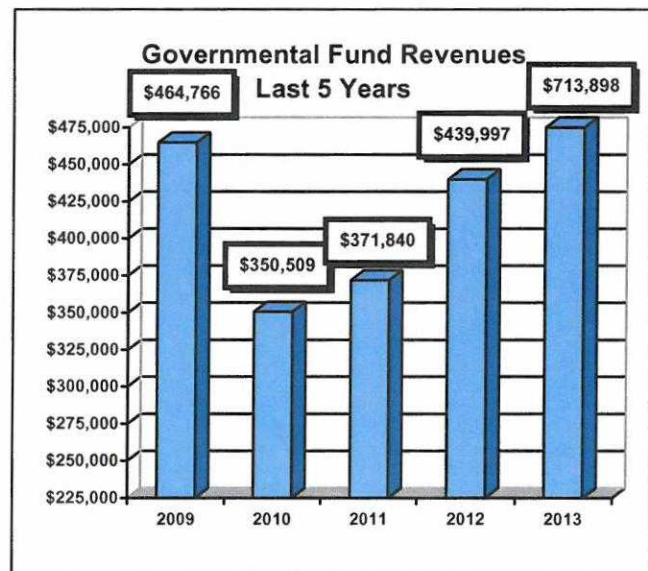
FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, GIVES uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of GIVES' "governmental funds" is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing GIVES' financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2013, GIVES' governmental fund (i.e., the General Fund) reported ending fund balance of \$93,895, an increase of \$8,650 or 10.1 percent in comparison with the prior year. Approximately \$93,895 or 100.0 percent of this total constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

GIVES showed an *assigned fund balance* of \$61,475 in the prior year which represented funds received from donations that were dedicated to the purchase of a new ambulance. This purchase was made in 2013, thus, no portion of fund balance is shown as assigned at year end.



As noted above, the governmental funds include the general operating funds of GIVES (i.e., the General Fund). Overall, as the graph shows, revenues of the Governmental Funds increased significantly from 2012. Because of the small size of the operating fund, operating and capital grants can create large swings in revenues when recognized. As discussed above, most of the increase was caused by an increase in the service charges to Medicare and insurance companies for ambulance runs, an increase in the millage allocation from the Parish, as well as the "boat medic" contract with a BP subcontractor.

As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents only 13.3 percent of total general fund expenditures. This is an increase from 2012, when unassigned fund balance represented 6.1 percent of general fund expenditures. Total fund balance amounts to 13.3 percent of total general fund expenditures at year end, a decrease from last year's percentage of 22.1 percent (due to the purchase of a new ambulance and the spending down of the assigned fund balance).

The fund balance of GIVES' General fund increased by \$8,650 during the current fiscal year. Key factors in this change are as follows:

- The General Fund's revenues totaled \$713,898, while expenditures totaled \$705,248.
- Revenues were made up of:
 - Intergovernmental revenues are made up of an intergovernmental allocation (i.e., Property taxes) from the Parish of Jefferson totaling \$342,600. This amount is \$30,600 or 9.8 percent more than 2012. The number of mills levied on the 2012 tax roll remained at 10.15. The increase was caused by the Parish upping its monthly allocation slightly.
 - Service charges totaled \$333,724, made up of collections from insurance carriers for reimbursable costs and a subcontract with a BP contractor for "boat medic" details. GIVES contracts with a private company to bill for ambulance services. An increase of \$17,023 resulted from an increase in billings/collections. In addition, GIVES received \$250,403 under a contract to provide stand-by medical services to a BP contractor.
 - Donations totaled \$37,522 in 2013 due to a fundraising effort whereby letters were mailed to all local businesses asking for support. This campaign was a continuation from 2012 and ceased when enough money was raised to buy a new ambulance.
- Expenditures totaled \$705,248, an increase of \$319,045 or 82.6 percent:
 - Personnel and related costs totaled \$136,151, an increase of 100.0 percent from last year. This was made of the details paid out to GIVES' employees who worked the boat medic contract discussed above. The details were paid out at a negotiated rate.
 - General and administrative costs totaled \$456,629. This category increased \$118,781 from last year due to: 1) an increase of \$94,507 in payments under the cooperative agreement with the GIVFD to provide administrative services (2013 included \$286,000 in base fees and \$78,701 of excess overtime incurred by the ambulance drivers), 2) an increase of \$33,275 in insurance (due to the purchase of a new ambulance and a general increase in premiums, 3) an increase of \$6,305 in billing services (due to increase in billings), and 4) a decrease of \$(18,620) in professional services (as a contract to pay a consultant to keep up with licenses and collections on billings was discontinued).
 - Emergency training and supplies totaled \$22,734 – medical supplies were \$12,893, training costs were \$-0- and gas and oil for the ambulances totaled \$9,841. This category decreased \$(12,353) due to a decrease in medical supplies purchased.
 - Repairs and maintenance totaled \$9,234 - \$4,879 was spent on building and equipment repairs (radios) and \$4,355 was spent on repairs to the ambulances.

- Miscellaneous expenses totaled \$500.
- Capital outlay totaled \$80,000 due to the purchase of new ambulance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. GIVES’ investment in capital assets for its governmental activities as of December 31, 2013 amounts to \$86,130 (net of accumulated depreciation). This investment in capital assets includes land, buildings, furniture and fixtures, heavy equipment, and vehicles. GIVES’ investment in capital assets increased by \$71,288 or 480.3 percent this year.

Major capital asset events during the current fiscal year included the following:

- \$80,000 was spent on a new ambulance.
- \$8,712 was recognized as depreciation expense.

**GRAND ISLE EMERGENCY SERVICES, INC. (GIVES)
CAPITAL ASSETS
(NET OF DEPRECIATION)**

	Governmental Activities 2013	Governmental Activities 2012
Land	\$ -	\$ -
Buildings	3,325	3,725
Furniture and fixtures	2,574	3,557
Heavy Equipment	4,231	7,560
Vehicles	76,000	-
Total	\$ 86,130	\$ 14,842

Additional information on GIVES’ capital assets can be found in Note D.2 on page 24.

Long-term Debt. At the end of 2013, GIVES had total outstanding debt of \$-0-.

ECONOMIC FACTORS AND NEXT YEAR’S RATES

- The unemployment rate for the Parish of Jefferson is currently 4.3 percent, which is 0.9 percent lower than it was a year ago (a reflection of the recovering economy). In the coastal community of Grand Isle, which is heavily dependent on offshore oil and commercial fisheries (primarily shrimping), the rate is typically much higher.
- Inflationary trends in the region compare favorably to national indices.
- The ad valorem millage rate levied for the 2013 (next year’s) tax roll was 9.74 mills, which is the same as in 2012. Thus, revenues are expected to remain the same.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of GIVES’ finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Grand Isle Emergency Services, Inc., President, PO Box 1035, Grand Isle, Louisiana 70358.

BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION
DECEMBER 31, 2013

	<u>GOVERNMENTAL ACTIVITIES</u>	
ASSETS		
Cash and cash equivalents	\$	98,508
Receivables (net of allowance for uncollectibles)		-
Capital assets (net of accumulated depreciation)		
Land		-
Buildings		3,325
Furniture and fixtures		2,574
Heavy equipment		4,231
Vehicles		76,000
Infrastructure		-
Construction in progress		-
TOTAL ASSETS		<u>184,638</u>
LIABILITIES		
Accounts payable and other current liabilities		4,613
Noncurrent liabilities:		
Due within one year		-
Due in more than one year		-
TOTAL LIABILITIES		<u>4,613</u>
NET POSITION		
Invested in capital assets, net of related debt		86,130
Restricted for:		
Debt service		-
Other		-
Unrestricted		93,895
TOTAL NET POSITION	<u>\$</u>	<u>180,025</u>

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 ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

FUNCTION	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Primary Government Governmental Activities:					
Public Safety	\$ 625,248	\$ 333,724	\$ 342,600	\$ -	\$ 51,076
Unallocated depreciation expense	8,712	-	-	-	(8,712)
Interest on long-term debt	-	-	-	-	-
Total governmental activities	<u>\$ 633,960</u>	<u>\$ 333,724</u>	<u>\$ 342,600</u>	<u>\$ -</u>	<u>42,364</u>
		GENERAL REVENUES:			
					Unrestricted interest 52
					Gain (loss) on sale of equipment -
					Unrestricted gifts and donations 37,522
					Other -
					TRANSFERS IN (OUT) -
					<u>TOTAL GENERAL REVENUE AND TRANSFERS 37,574</u>
					CHANGE IN NET POSITION 79,938
					NET POSITION
					Beginning of Year 100,087
					<u>End of Year \$ 180,025</u>

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

GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2013

	<u>General Fund</u>
ASSETS	
Cash	\$ 98,508
Accounts Receivable	-
TOTAL ASSETS	<u>\$ 98,508</u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 4,613
Total Liabilities	<u>4,613</u>
Fund Balances:	
Nonspendable	-
Restricted	-
Committed	-
Assigned	-
Unassigned	93,895
Total Fund Balance	<u>93,895</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 98,508</u>

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

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2013

Amounts reported for governmental activities in the Statement of Net Position (page 12) are different because:

Total Fund Balances at December 31, 2013 - Governmental Funds (page 14)	\$	93,895
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$305,573 and the accumulated depreciation is \$219,443.		86,130
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year-end consist of:		
Notes Payable		-
Total Net Position of Governmental Activities at December 31, 2013 (page 12)	\$	<u>180,025</u>

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

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>General Fund</u>
REVENUES	
Intergovernmental	\$ 342,600
Service charges and reimbursements	333,724
Donations and gifts	37,522
Miscellaneous	52
TOTAL REVENUES	<u>713,898</u>
EXPENDITURES	
Current	
Public Safety	
Personnel and related costs	136,151
General and administrative costs	456,629
Emergency training and supplies	22,734
Repairs and maintenance	9,234
Miscellaneous	500
Capital outlay	80,000
Debt Service	
Principal	-
Interest	-
TOTAL EXPENDITURES	<u>705,248</u>
EXCESS OF REVENUES OVER EXPENDITURES	8,650
OTHER FINANCING SOURCES	
Capital lease	-
Loan proceeds	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>8,650</u>
FUND BALANCE	
Beginning of year	85,245
End of year	<u>\$ 93,895</u>

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Amounts reported for governmental activities in the Statement of Activities (page 13) are different because:

Net change in fund balances - total governmental funds (page 16)	\$	8,650
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		71,288
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.		-
The issuance of long-term debt (e.g., notes payable, leases) provides current financial resources to the governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.		-
Change in net position of governmental activities (page 13)	<u>\$</u>	<u>79,938</u>

The accompanying notes are an integral part of this statement.

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GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Grand Isle 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 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
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of GIVES. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Because of the nature of GIVES' operations, GIVES reports only governmental activities.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Funds are used by GIVES 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. The funds of GIVES are classified into the "governmental" category. The category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all financial activities of the general government not accounted for in some other fund.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GIVES reports the following major governmental funds:

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

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using a *current financial resources measurement focus* and 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 endeavor 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. Principal and interest on general long-term debt are recognized as expenditures only when payment is due.

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.

5. Assets, Liabilities, and Net Position or Equity

A. *Cash and Investments*

For reporting purposes, cash and cash equivalents 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.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. 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, 2013 would not be material to the financial statements.

C. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by GIVES as assets with an initial, individual cost of more than \$100 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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. Major outlays for capital assets and improvements are capitalized as projects are constructed and are included in construction in progress.

Property, plant, equipment, and infrastructure is depreciated using the straight-line method (with a mid-year convention) over the following estimated useful lives:

<u>Asset Category</u>	<u>Useful Life in Years</u>
Buildings	20
Furniture and fixtures	3 to 5
Heavy Equipment	5
Vehicles	5 to 10
Infrastructure (if any)	40

D. Fund Equity

In accordance with Government Accounting Standards Board (GASB) Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*, in the fund financial statements, fund balances of the governmental fund types are categorized into one of five categories - Non-spendable, Restricted, Committed, Assigned, or Unassigned.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For *assigned fund balances*, the President and/or Fire Chief may assign amounts to a specific purpose via internal memorandum, with the board's approval.

While GIVES has not established a policy for its use of unrestricted fund balance, it does consider that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

6. Use of Estimates

Preparation of financial statements in accordance with generally accepted accounting principles requires GIVES to make estimates 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/expenditures. Actual results could differ from the estimates that were used.

7. Subsequent Events

GIVES has evaluated subsequent events through June 7, 2014, the date the financial statements were available to be issued.

8. Expenses Paid by Others

The full-time firefighters of GIVES that meet certain qualifications, receive supplemental pay from the State of Louisiana under the provisions of LRS 33:2202. The amount of pay received as these supplemental state funds are paid directly to the firefighters and are not reflected in these statements.

9. Donated Services, Facilities, or Supplies

No amounts are reflected in the financial statements for donated services. Donated services include a substantial number of hours from volunteer firefighters/paramedics. These amounts are not readily determinable.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$71,288 difference are as follows:

Capital outlay	\$	80,000
Depreciation expense		(8,712)
		(8,712)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	\$	71,288

NOTE C - 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, 2013, GIVES was in compliance with all of the significant conditions of the agreement.

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

1. Deposits and Investments

The carrying amount of the GIVES' deposits at December 31, 2013 was \$98,408 and the bank balance was \$101,614. 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
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

2. Capital Assets

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

	Balance December 31, 2012	Additions	Deletions	Transfers	Balance December 31, 2013
Governmental activities:					
Capital assets, not being depreciated					
Land	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total capital assets, not being depreciated	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Capital assets, being depreciated					
Buildings	\$ 8,000	\$ 0	\$ 0	\$ 0	\$ 8,000
Furniture and fixtures	6,539	0	0	0	6,539
Heavy Equipment	48,365	0	0	0	48,365
Vehicles	162,669	80,000	0	0	242,669
Total capital assets, being depreciated	225,573	80,000	0	0	305,573
Less accumulated depreciation for:					
Buildings	(4,275)	(400)	0	0	(4,675)
Furniture and fixtures	(2,982)	(983)	0	0	(3,965)
Heavy equipment	(40,805)	(3,329)	0	0	(44,134)
Vehicles	(162,669)	(4,000)	0	0	(166,669)
Total accumulated depreciation	(210,731)	(8,712)	0	0	(219,443)
Total capital assets being depreciated, net	\$ 14,842	\$ 71,288	\$ 0	\$ 0	\$ 86,130
Total governmental activities capital assets, net	\$ 14,842	\$ 71,288	\$ 0	\$ 0	\$ 86,130

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

3. Contracted Services

GIVES has a cooperative agreement with the Grand Isle Volunteer Fire Department (GIVFD), whereby GIVFD provides all administrative and accounting services for GIVES. In addition, in an effort to save money by consolidating operations, the employees of GIVES were transferred to GIVFD. Now, GIVFD employees are cross-trained and are responsible for responding to both fires and emergencies. In return, GIVES pays up to 85.0 percent of its millage allocation over to GIVFD to cover these costs. During 2013, GIVES made payments totaling \$364,701 to GIVFD under this arrangement, including a base of \$286,000 plus additional transfers to cover excess costs). The base transfer amounted to 83.5 percent of its millage receipts. The additional transfers were due to unexpected overtime costs.

4. Fund Balance Components

Per Note A.5.D., GIVES follows the requirements of Government Accounting Standards Board (GASB) Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*. In accordance with this statement, in the fund financial statements, fund balances of the governmental fund types are categorized into one of five categories - Non-spendable, Restricted, Committed, Assigned, or Unassigned.

GIVES is reporting \$-0- in *assigned* fund balance, as the funds previously earmarked for a new ambulance were expended in 2013. In addition, \$93,895 is shown as *unassigned* fund balance. These funds are available for spending in the future for any purpose.

NOTE E - 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 GIVES. 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, 2012. This agreement has not yet been renewed but is working on a month-to-month basis. 9.74 mills were levied on the 2012 tax rolls and the remittance during 2013 totaled \$342,600.

Additionally, the Grand Isle Volunteer Fire Department (GIVFD) provides GIVES with the use of office space and some equipment at no cost. GIVES also now relies upon GIVFD for labor - See Note D.3.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

NOTE F - 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, GIVES 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. In each policy, GIVES is responsible for the deductible.

2. Litigation

There is no litigation pending against GIVES at December 31, 2013.

NOTE G - OTHER INFORMATION

1. Significant Event - BP Deepwater Horizon Oil Spill

On April 20, 2010, the BP Deepwater Horizon oil drilling platform exploded and sank off the southeastern coast of Louisiana. Oil spewed into the Gulf of Mexico for the next three months. A good amount of this oil spill affected the Louisiana coastline and interior waterways and bayous, including the southern portion of Jefferson Parish (i.e., Grand Isle). The Grand Isle Fire (GIVFD) and Ambulance (GIVES) Districts played a part in the subsequent disaster response effort. All labor and equipment costs incurred by GIVFD and GIVES were reimbursed by BP.

The federal response to this disaster also included provisions for citizens, businesses, and government agencies to recoup "economic losses" resulting from the oil spill. The loss of the use of commercial fishing grounds for most of the summer and the continuing offshore drilling moratorium may have an effect on the local economy, especially if long-term damage is done to the fisheries and estuaries. Both the seafood industry and the offshore drilling industry play vital roles in the local economy. To date, neither GIVES nor the Town have filed any claims against BP relating to economic losses; however, as the true long-term impact of the oil spill is determined, claims may be made in the future.

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INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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

GOVERNMENTAL FUNDS - GENERAL FUND
SCHEDULE OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>General Fund</u>
Intergovernmental	
Jefferson Parish contract:	
Direct payments - ad valorem taxes	\$ 342,600
	<u>342,600</u>
Service charges and reimbursements	
Reimbursements from insurance companies and citizens	83,321
Service charges - boat medics for cleanup	250,403
	<u>333,724</u>
Donations and gifts	
Others	37,522
	<u>37,522</u>
Miscellaneous	
Interest	52
Insurance proceeds	-
Sales of equipment	-
Other	-
	<u>52</u>
TOTAL REVENUES	<u>\$ 713,898</u>

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

GOVERNMENTAL FUNDS - GENERAL FUND
SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>General Fund</u>
Public Safety	
Current	
Personnel and related costs	
Salaries	\$ -
Boat Medic details	136,151
	<u>136,151</u>
General and administrative costs	
Bank charges	42
Billing services	16,382
Bookkeeping and auditing	2,750
Contracted services - GIVFD Admin	364,701
Garbage/waste disposal	24
Groceries and supplies - station	3,012
Insurance - auto/general	56,449
Licenses and certificates	510
Office supplies	1,430
Postage	55
Professional services - training/license coordination	-
Rentals - equipment	220
Travel and other	1,190
Utilities - Phones	1,683
Utilities - Electricity	5,732
Utilities - Cable TV/Internet	2,449
	<u>456,629</u>
Emergency training and supplies	
Medical supplies	12,893
Training and educational	-
Gas and oil	9,841
	<u>22,734</u>
Repairs and maintenance	
R & M - buildings and equipment	4,879
R & M - vehicles	4,355
	<u>9,234</u>
Miscellaneous	
Gifts, flowers, and donations	500
Other	-
	<u>500</u>
Capital outlay	
Buildings and grounds	-
Vehicles and rescue equipment	80,000
Equipment	-
Furniture and fixtures	-
	<u>80,000</u>
TOTAL CURRENT	<u>705,248</u>
Debt Service	
Principal	-
Interest	-
TOTAL DEBT SERVICE	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 705,248</u>

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COMPLIANCE SECTION

**INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
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, in accordance with the 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, the financial statements of the governmental activities and each major fund (i.e., the General Fund) of the Grand Isle 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, 2013, and the related notes to the financial statements, which collectively comprise GIVES' basic financial statements, and have issued my report thereon dated June 7, 2014.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing my audit, I considered GIVES' internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GIVES' internal control. Accordingly, I do not express an opinion on the effectiveness of GIVES' internal control

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected in a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be a material weakness. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control, as described in the accompanying schedule of findings and responses, that I consider to be significant deficiencies in internal control over financial reporting (See Findings SD13-01, SD13-02, and SD13-03).

COMPLIANCE AND OTHER MATTERS

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 grant agreements, 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 and other matters that are required to be reported under *Government Auditing Standards*.

GIVES' RESPONSE TO FINDINGS

GIVES' responses to the findings identified in my audit is described in the accompanying Schedule of Findings and Responses. GIVES' responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on them.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of GIVES' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Paul C. Arice, CPA

June 7, 2014

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

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2013

I have audited the financial statements of the Grand Isle Volunteer Emergency Services, Inc. (GIVES) as of and for the year ended December 31, 2013, and have issued my report thereon dated June 7, 2014. 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, 2013 resulted in an unqualified opinion.

SECTION I - SUMMARY OF AUDITOR'S RESULTS

- A. The auditor's report expresses an unqualified opinion on the financial statements of GIVES.
- B. Report on Internal Control and Compliance Material to the Financial Statements
 - Internal Control:
 - Significant Deficiencies were noted (see below).
 - No material Weaknesses were noted.
 - Compliance:
 - No instances of noncompliance material to the financial statements were noted.
- C. Federal Awards - not applicable
- D. Identification of Major Programs - not applicable

SECTION II - FINANCIAL STATEMENT FINDINGS

SIGNIFICANT DEFICIENCIES

SD Comment # 13-01 - Inadequate Segregation of Duties

Condition and Criteria - I noted that the size of GIVES' operations is too small to provide for an adequate segregation of duties. GIVES' bookkeeper/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 the President/Chief review all bank reconciliations, (2) requiring dual signatures on all checks, and (3) requiring the presentation of actual revenue and expense reports on a monthly basis.

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

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
For the Year Ended December 31, 2013

Cause - Recently issued Statement of Auditing Standards (SAS) 115 requires that I report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that may be partially mitigated or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

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

Management's 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 in a timely manner.

SD Comment # 13-02 - Preparation of Financial Statements by Auditor

Condition and Criteria - GIVES does not have controls in place for proper oversight of its financial reporting and for the preparation of financial statements in accordance with generally accepted accounting principle. As is common in small organizations, GIVES has chosen to engage the auditor to prepare its annual financial statements. This condition is intentional by management, along with the cost effectiveness of acquiring the ability to prepare the financial statements in accordance with generally accepted accounting principles.

Cause - Recently issued Statement of Auditing Standards (SAS) 115 requires that I report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Recommendation - As mentioned, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 115's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies noted under SAS 115. In this case, I do not believe that curing the significant deficiency described in this finding would be cost effective or practical and accordingly, I do not believe any corrective action is necessary.

Management's Response - GIVES' staff is familiar with the day-to-day accounting requirements; however, due to limited staffing and funding, we do not consider it practical to provide sufficient training to our staff in order to eliminate this condition and can only continue to rely on the auditor to prepare the financial statements at this time.

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

**SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
For the Year Ended December 31, 2013**

SD Comment # 13-03 – Maintaining Proper Fixed Asset Records

Condition and Criteria - GIVES does not maintain a formal fixed assets ledger. Instead, it has chosen to rely on the external auditor to maintain a schedule of general fixed assets within an excel spreadsheet, which is adjusted each year during the audit. By not maintaining a general ledger on fixed assets, GIVES must wait until year end to calculate and post depreciation on fixed assets.

Cause - GIVES' software system (Quickbooks) was not set up to record and depreciate fixed assets.

Recommendation - GIVES should work towards entering the records relating to the fixed assets into the Quickbooks software system. This would allow for the timely capitalization and depreciation of all fixed assets.

Management's Response - We might look into doing this for the next fiscal year audit. Since we record our activity on a "cash-basis" of accounting, we do not see this as a must and are satisfied with relying on the year-end audit adjustments to reflect capitalization and depreciation activity.

REPORTABLE INSTANCES OF NONCOMPLIANCE

Not Applicable

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 RESPONSES (CONTINUED)
For the Year Ended December 31, 2013**

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
SD# 12-01	Inadequate segregation of duties	See CY Comment SD# 13-01
SD# 12-02	Preparation of financial statements by auditor	See CY Comment SD# 13-02
SD# 12-03	Maintaining proper fixed asset and depreciation records	See CY Comment SD# 13-03
CF# 12-01	Use of public funds for donations instead of private funds	Resolved. No instances noted in 2013.

FEDERAL AWARDS - FINDINGS AND QUESTIONED COSTS

Not applicable

[END OF REPORT]