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Financial Report
AMBULANCE SERVICE DISTRICT
No. 1 OF LAFOURCHE PARISH
Cut Off, Louisiana
December 31, 2006
and
December 31, 2005

Audits of Financial Statements

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

Release Date 7-25-07

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**AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH**

MANAGEMENT DISCUSSION AND ANALYSIS

This section of **AMBULANCE SERVICE DISTRICT NO. 1 OF LAFOURCHE PARISH** annual financial report presents background information and management's analysis of the Ambulance District's financial performance during the fiscal year that ended December 31, 2006. Please read it in conjunction with the financial statements in this report.

Financial Highlights

- The Ambulance District's total assets increased by \$160,776 due to an increase in cash and cash equivalents and receivables.
- During the year, the Ambulance District's total operating revenues increased \$30,381 from prior year. The Ambulance District had an increase in operating expenses of \$122,688. The increase in operating expenses was primarily due to an increase in fuel, salaries and related benefits.
- The Ambulance District increased net assets by \$155,904.
- The district added \$90,594 of Capital Assets bringing the total Capital Assets being depreciated to \$1,271,372.
- Net patient service revenue decreased by \$ 65,161 from the prior year primarily due to the increase in the Provision for Bad Debts.
- Other operating revenue increased by \$95,542 compared to prior year.
- Non-operating revenue increased by \$192,750. The majority of the increase was from millage tax revenue

Overview of the Financial Statements

This financial report consists of four parts: Management's Discussion and Analysis, Basic Financial Statements, and Supplementary Information and various governmental compliance reports and schedules by certified public accountants and management. The Basic financial Statements also include notes to the financial statements, which explain some of the information in the financial statements in more detail.

Required Basic Financial Statements

The Basic Financial Statements of the Ambulance District report information about the Ambulance District using Governmental Accounting Standards Board (GASB) accounting principles. These statements offer short-term and long-term financial information about its activities. The Statement of Net Assets includes the Ambulance District's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to Ambulance District creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Ambulance District and assessing the liquidity and financial flexibility of the Ambulance District. All of the current year's revenues and expenses are accounted for in the Statement of Revenue, Expenses and Changes in Net Assets. This statement measures the success of the Ambulance District's operations over the past two years and can be used to determine whether the Ambulance District has been able to recover all of its costs through its patient service revenue and other revenue sources. The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Ambulance District's cash from operations, investing and financing activities, and to provide answers to such questions as where did cash come from, what was cash used for and what was the change in cash balance during the reporting period.

**AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH**

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Analysis of the Ambulance District

The Statement of Net Assets and the Statement of Revenue, Expenses, and Changes in Net Assets report information about the Ambulance District's activities. These two statements report the net assets of the Ambulance District and changes in them. Increases or decreases in the Ambulance District's net assets are one indicator of whether its financial health is improving or deteriorating. However, other non-financial factors such as changes in the economic conditions, population growth and new or changed government legislation.

Net Assets

A Summary of the Ambulance District's Statement of Net Assets is present in Table 1 below:

**TABLE 1
Statement of Net Assets
(in thousands)**

	<u>December 31,</u>		Dollar Change	Percentage Change
	<u>2006</u>	<u>2005</u>		
Current and Other Assets	\$2,267,452	\$2,096,697	\$ 170,755	8.14 %
Capital Assets – Net	<u>479,793</u>	<u>489,772</u>	<u>(9,979)</u>	<u>(2.03)%</u>
Total Assets	<u>\$2,747,245</u>	<u>\$2,586,469</u>	<u>\$ 160,776</u>	<u>6.21 %</u>
Current Liabilities	\$ 88,924	\$ 84,052	\$ 4,872	5.79 %
Total Liabilities	<u>\$ 88,924</u>	<u>\$ 84,052</u>	<u>\$ 4,872</u>	<u>5.79 %</u>
Net Assets				
Invested in Capital Assets	479,793	489,772	(9,979)	2.03 %
Unrestricted	<u>2,178,528</u>	<u>2,012,645</u>	<u>165,883</u>	<u>8.24 %</u>
Total Net Assets	<u>\$2,658,321</u>	<u>\$2,502,417</u>	<u>\$ 155,904</u>	<u>6.23 %</u>

As can be seen in Table 1, total assets increased from \$2,586,469 to \$2,747,245 in fiscal year 2006. The change in total assets results primarily from increases in receivables and cash and cash equivalents.

**AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH**

MANAGEMENT DISCUSSION AND ANALYSIS

Summary of Revenue, Expenses and Changes in Net Assets

**TABLE 2
Condensed Statements of Revenues, Expenses and Changes in Net Assets**

	Years Ended December 31	
	2006	2005
Net Patient Service Revenue, (Net of Provision for Bad Debts of \$1,201,734 for 2006 and \$885,596 for 2005)	\$ 880,964	\$ 946,125
Other Revenue, Net	201,258	105,716
Total Operating Revenue	1,082,222	1,051,841
Depreciation	100,573	108,007
Other operating expenses	1,742,476	1,612,354
Total Operating Expenses	1,843,049	1,720,361
Loss From Operations	(760,827)	(668,520)
Non-operating Income	916,731	723,981
Change in Net Assets	155,904	55,461
Net Assets – Beginning of Year	2,502,417	2,446,956
Net Assets – End of Year	\$ 2,658,321	\$ 2,502,417

Sources of Revenue

Operating Revenue

During fiscal year 2006, the Ambulance District derived the majority of its total revenue from patient service revenue. Patient service revenue includes revenue from the Medicare and Medicaid programs and patients, or their third-party payors, who receive ambulance care. As can be seen in Table 3 the number of ambulance trips was up from the previous year causing an increase in Gross Charges Billed. There was also a corresponding increase in the bad debts experienced causing a decrease in Net Patient Service Revenue.

**AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH**

**MANAGEMENT DISCUSSION AND ANALYSIS
(Continued)**

Other Revenue

Other revenue includes revenues from cooperative endeavor agreements with the Lafourche Parish Government and the Tenth Ward Veterans District. The details of these agreements are included in the footnotes to the financial statements.

Non-operating Revenue

The majority of Non-operating revenue is from millage (Ad valorem) taxes received by the district. The district received millage (Ad valorem) taxes of \$844,179 in 2006 and \$677,489 in 2005 net of assessor's fees of \$27,196 in 2006 and \$21,853 in 2005. The district also receives revenue sharing of approximately \$10,000 per year and has investment income from its investments which consist mainly of money market accounts and certificates of deposits.

Operating Expenses

Operating expenses increased due to an increase in repairs and maintenance, fuel, salaries and related benefits which were partly offset by a decrease in insurance cost. Some of these increases are due to the services the district is providing under the cooperative endeavor agreements that were started in 2005 and in place the entire year of 2006.

Table 3 presents the gross charges billed for patient services and the number of ambulance trips for the fiscal years ended December 31, 2006 and 2005.

**TABLE 3
Gross Charges Billed and Ambulance Trips**

	Year Ended	
	<u>December 31,</u>	
	<u>2006</u>	<u>2005</u>
Gross Charges Billed	\$2,082,698	\$1,831,721
Number of Trips	3,520	3,455

Summary of Cash Flows

**TABLE 4
Condensed Statements of Cash Flows**

	Year Ended	
	<u>December 31,</u>	
	<u>2006</u>	<u>2005</u>
Cash and Cash Equivalents Provided By (Used In)		
Operating Activities	\$(583,681)	\$(641,466)
Non-capital Financing Activities	678,503	680,721
Capital and Related Financing Activities	(90,594)	(11,959)
Investing Activities	<u>50,684</u>	<u>25,875</u>
Net Increase(Decrease) in Cash and Cash Equivalents	54,912	53,171
Cash and Cash Equivalents		
Beginning of Year	<u>635,051</u>	<u>581,880</u>
End of Year	<u>\$ 689,963</u>	<u>\$ 635,051</u>

**AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH**

MANAGEMENT DISCUSSION AND ANALYSIS

Capital Assets

The Ambulance District's capital assets activities are included in Table 4 below:

**TABLE 5
Capital Assets**

	December 31 <u>2006</u>	December 31 <u>2005</u>	Dollar <u>Change</u>	Percentage <u>Change</u>
Buildings	\$ 469,968	\$ 469,968	\$ -	.0 %
Vehicles (Ambulances)	323,327	296,116	27,211	9.18 %
Furniture and Equipment				
Furniture and Fixtures	119,517	115,563	3,954	3.42 %
Medical Equipment	217,942	201,782	16,160	8.00 %
Communication Equipment	59,324	59,324	-	.0 %
Other Equipment	<u>81,294</u>	<u>38,025</u>	<u>43,269</u>	<u>113.79 %</u>
	1,271,372	1,180,778	90,594	7.67 %
Accumulated Depreciation	<u>791,579</u>	<u>691,006</u>	<u>100,573</u>	<u>14.55 %</u>
Net Capital Assets	<u>\$ 479,793</u>	<u>\$ 489,772</u>	<u>\$(9,979)</u>	<u>(2.03)%</u>

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

- The district purchased \$16,160 of various medical equipment.
- The district purchased \$47,223 of various other equipment, including two generators.
- The district purchased a Sprint truck for \$27,211.

Economic Factors and Next Year's Budgets and Rates

The district's Board of Directors and management considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

- The Economy
- Changes in Medicare Regulations
- Changes in Medicaid Regulations
- Changes in Health Care Industry
- Millage Rate
- Fee Schedule

The tax revenues are expected to remain consistent with the prior year. Operating revenue should remain steady. The district does not expect any significant variances for its other revenues or expenses. Normal increases are expected for insurance, salaries and related benefits.

**AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH**

MANAGEMENT DISCUSSION AND ANALYSIS

Contacting the District's Financial Manager

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

Ambulance Service District No. 1 of Lafourche Parish
17078 West Main Street
Cut Off, LA 70345

A PROFESSIONAL CORPORATION

P.O. BOX 965

LAROSE, LA 70373

Board of Commissioners
Ambulance Service District No. 1
of Lafourche Parish

INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying financial statements of the business-type activities and the major fund of **Ambulance Service District No. 1 of Lafourche Parish**, component unit of the Lafourche Parish Council, as of and for the years ended December 31, 2006 and December 31, 2005, which collectively comprise the Ambulance District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of **Ambulance Service District No. 1 of Lafourche Parish's** management. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the major fund of **Ambulance Service District No. 1 of Lafourche Parish** as of December 31, 2006 and December 31, 2005, and the respective changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT

(Continued)

In accordance with *Government Auditing Standards*, I have also issued my report dated June 21, 2007 on my consideration of **Ambulance Service District No. 1 of Lafourche Parish** 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 our 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* and should be considered in assessing the results of my audits.

The management's discussion and analysis information on pages i through vi are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

My audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise **Ambulance Service District No. 1 of Lafourche Parish's** basic financial statements. The accompanying supplementary schedule of Per Diems Paid Commissioners is presented for purposes of additional analysis and is not a required part of the basic financial statements of **Ambulance Service District No. 1 of Lafourche Parish**. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Aldon G. Wahl, Jr.
Certified Public Accountant

June 21, 2007

**AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH**

STATEMENT OF NET ASSETS

	<u>December 31,</u>	
	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 689,963	\$ 635,051
Investments	490,989	491,156
Patients accounts receivable, less allowance for doubtful accounts of \$680,796 and \$421,267 respectively	183,104	230,966
Millage tax receivable, less allowance for doubtful accounts of \$8,714 and \$ 6,993 respectively	835,465	670,496
Other accounts receivables, less allowance for doubtful accounts of \$ 0 and \$ 0 respectively	34,491	40,977
Prepaid expenses	<u>33,390</u>	<u>28,001</u>
Total current assets	<u>2,267,402</u>	<u>2,096,647</u>
NON CURRENT ASSETS		
CAPITAL ASSETS		
Depreciable, net	<u>479,793</u>	<u>489,772</u>
OTHER ASSETS		
	<u>50</u>	<u>50</u>
Total noncurrent assets	<u>479,843</u>	<u>489,822</u>
Total assets	<u>\$ 2,747,245</u>	<u>\$ 2,586,469</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 4,081	\$ 5,663
Accrued vacation and sick pay	81,855	76,657
Payroll liabilities payable	<u>2,988</u>	<u>1,732</u>
Total current liabilities	<u>88,924</u>	<u>84,052</u>
Total liabilities	<u>88,924</u>	<u>84,052</u>
<u>NET ASSETS</u>		
Invested in capital assets	479,793	489,772
Unrestricted	<u>2,178,528</u>	<u>2,012,645</u>
Total net assets	<u>\$ 2,658,321</u>	<u>\$ 2,502,417</u>

The accompany notes are an integral part of these financial statements.

**AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN
NET ASSETS**

	<u>December 31,</u>	
	<u>2006</u>	<u>2005</u>
NET PATIENT SERVICE REVENUE, Net		
of Provision for Bad Debts of \$1,201,734 for 2006 and \$885,596 for 2005	\$ 880,964	\$ 946,125
OTHER OPERATING REVENUE	<u>201,258</u>	<u>105,716</u>
Total operating revenues	<u>1,082,222</u>	<u>1,051,841</u>
OPERATING EXPENSES:		
Contractual services	23,600	23,600
Depreciation	100,573	108,007
Fuel	58,029	38,638
Insurance - general	181,734	262,589
Insurance - medical	76,155	72,021
Medical supplies	52,458	39,155
Miscellaneous expenses	16,781	13,594
Office and general supplies	14,764	12,556
Payroll taxes and retirement	109,516	98,906
Postage	4,098	3,353
Professional fees	3,600	3,600
Repairs and maintenance	76,076	31,905
Salaries	1,082,657	969,823
Telephone	15,327	13,999
Tower expense	6,000	6,000
Uniforms	5,853	5,970
Utilities	<u>15,828</u>	<u>16,645</u>
Total operating expenses	<u>1,843,049</u>	<u>1,720,361</u>
Operating income (loss)	<u>(760,827)</u>	<u>(668,520)</u>
NONOPERATING REVENUES (EXPENSES):		
Millage tax, net of assessor's fees of \$27,196 in 2006 and \$21,853 in 2005	844,179	677,489
Revenue sharing	10,189	10,101
Investment income	<u>62,363</u>	<u>36,391</u>
Total nonoperating revenue (expenses)	<u>916,731</u>	<u>723,981</u>
Change in net assets	155,904	55,461
NET ASSETS, BEGINNING OF YEAR	<u>2,502,417</u>	<u>2,446,956</u>
NET ASSETS, END OF YEAR	<u>\$ 2,658,321</u>	<u>\$ 2,502,417</u>

The accompany notes are an integral part of these financial statements.

**AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH**

STATEMENTS OF CASH FLOWS

	<u>December 31,</u>	
	<u>2006</u>	<u>2005</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from patients and third-party payors	\$ 1,159,312	\$ 962,688
Cash payments to employees for services and benefits	(1,261,874)	(1,133,381)
Cash payments to suppliers of goods and services	<u>(481,119)</u>	<u>(470,773)</u>
Net cash used in operating activities	<u>(583,681)</u>	<u>(641,466)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Millage tax	668,314	670,620
Revenue sharing	<u>10,189</u>	<u>10,101</u>
Net cash provided by non-capital financing activities	<u>678,503</u>	<u>680,721</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets	<u>(90,594)</u>	<u>(11,959)</u>
Net cash used for capital and related financing activities	<u>(90,594)</u>	<u>(11,959)</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Purchase of investment securities	(11,085)	(13,463)
Net increase in fair value of investments	<u>61,769</u>	<u>39,338</u>
Net cash provided by (used in) investing activities	<u>50,684</u>	<u>25,875</u>
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	54,912	53,171
CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR	<u>635,051</u>	<u>581,880</u>
CASH AND CASH EQUIVALENTS – END OF YEAR	<u>\$ 689,963</u>	<u>\$ 635,051</u>

The accompany notes are an integral part of these financial statements.

**AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH**

**STATEMENTS OF CASH FLOWS
(Continued)**

	<u>December 31,</u>	
	<u>2006</u>	<u>2005</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (760,827)	\$ (668,520)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	100,572	108,007
Provision for uncollectible accounts	1,201,734	885,596
Changes in assets and liabilities:		
(Increase) decrease in receivables	(1,124,643)	(974,749)
(Increase) decrease in prepaid expenses	(5,389)	(902)
Increase (decrease) in accounts payable	(1,582)	1,733
Increase (decrease) in accrued vacation and sick pay	5,198	8,009
Increase (decrease) in payroll liabilities payable	<u>1,256</u>	<u>(640)</u>
Net cash provided by (used in) operating activities	<u>(583,681)</u>	<u>(641,466)</u>
 NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES	 <u>\$ -</u>	 <u>\$ -</u>

The accompany notes are an integral part of these financial statements.

**AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH**

NOTES TO FINANCIAL STATEMENTS

INTRODUCTION

Ambulance Service District No. 1 of Lafourche Parish was created by the Police Jury of the Parish of Lafourche on November 22, 1978. The district serves the area of Lafourche Parish served by Hospital Service District No. 1 of Lafourche Parish (Tenth Ward of Lafourche Parish). The Ambulance District was created to own and operate ambulances for the care and transportation of persons suffering from illness, injury or disabilities which require ambulance care.

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Government Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the reporting entity for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Parish to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Parish.
2. Organizations for which the Parish does not appoint a voting majority but are fiscally dependent on the Parish.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Lafourche Parish Council appoints all members of the district's governing board it has the ability to impose its will on the District, and therefore the Ambulance District was determined to be a component unit of Lafourche Parish. The accompanying basic financial statements present information only on the funds maintained by the Ambulance District and do not present information on Lafourche Parish, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

The district has reviewed all of its activities and determined that there are no potential component units which should be included in the financial statements.

**AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH**

NOTES TO FINANCIAL STATEMENTS

(continued)

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING STANDARDS

The financial statements of the **Ambulance Service District No. 1 of Lafourche Parish** have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the district has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB), including those issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements.

ENTERPRISE FUND ACCOUNTING

The ambulance district utilizes the enterprise fund method of accounting whereby revenue and expenses are recognized on the accrual basis using the economic resources measurement focus. Substantially all revenues and expenses are subject to accrual.

BASIS OF ACCOUNTING

Basis of Accounting refers to when revenues and expenditures (or expenses) are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The accrual basis of accounting is followed in recording revenues and expenses by the district. Under the accrual basis of accounting revenues are recognized when they are earned and expenses are recognized when incurred.

REVENUES

Ad valorem taxes are recognized in the year the taxes are levied. Net patient revenues (ambulance charges) and services provided under cooperative endeavor agreements are recognized when the services are rendered.

EXPENSES

Expenses are recognized when the related liability is incurred.

CAPITAL ASSETS-PROPERTY, PLANT AND EQUIPMENT

Property plant and equipment are recorded at cost. Donated equipment is recorded at fair value at the date of donation, which is then treated as cost. Depreciation is computed under the straight-line method of depreciation based on the estimated useful lives of the individual assets. Depreciation is charged as an expense to operations. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed as incurred. Major replacements and improvements are capitalized at cost.

**AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH**

NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS

For purposes of presentation, transactions deemed by management to be ongoing, major or central to the provision of ambulance care services are reported as operating revenues and expenses. Peripheral or incidental transactions are reported as non-operating income and expense.

NET ASSETS

Net assets represent the difference between assets and liabilities. Net asset classifications are defined as follows:

Net Assets Invested in Capital Assets, Net of Related Debt – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds. The district had no debt at December 31, 2006 and December 31, 2005.

Restricted Net Assets - Net assets are reported as restricted when there are limitations imposed on their use, either through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt,” as described above.

The district first applies restricted resources when expenditures are incurred for purposes for which both restricted and unrestricted net assets are available. The district had no restricted net assets at December 31, 2006 and December 31, 2005.

CASH AND INVESTMENTS

Cash includes demand deposits, money market accounts and certificates of deposit in banks with a maturity of 90 days or less at purchase and are recorded at cost plus accrued interest which approximates market value.

Investments with a original maturities in excess of 90 days (including certificates of deposits) are classified as investments. If the original maturity is 90 days or less they are classified as cash equivalents. Investments are stated at fair market value. Interest, dividends, and gains and losses, both realized and unrealized, on investments are included in non-operating revenue when earned.

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana or any other federally insured investments, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

**AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the District considers all cash on hand, demand deposits, money market accounts and investments with an original maturity of three months or less to be cash equivalents.

REVENUE RECOGNITION - PROPERTY TAXES

Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January and February. Ad valorem taxes (which are based on population and homesteads in the parish) are recorded in the year the taxes are levied. The Lafourche Parish Tax Collector bills and collects taxes for the district.

NET PATIENT SERVICE REVENUE AND RELATED RECEIVABLE

The district provides care to patients even though they may lack adequate insurance or may be covered under contractual arrangements that do not pay full charges. As a result, the district is exposed to certain credit risks. The district manages such risk by regularly reviewing it's accounts and contracts, and by providing appropriate allowances.

Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a timely basis. Management estimates the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

The allowance for doubtful accounts is maintained at an amount which presents accounts receivable at their realizable value. Receivables are written off against the allowance for doubtful accounts in the year the accounts are determined to be uncollectible.

COMPENSATED ABSENCES

Compensated absences (vacation leave and sick pay) are accounted for in accordance with GASB Statement No. 16.

Vacation and sick leave are determined by length of service for full-time employees as follows:

1 year completed	1 week vacation and 1 week sick leave
2-4 years	2 weeks vacation and 2 week sick leave
5 years or more	3 weeks vacation and 3 weeks sick leave

Vacation leave must be used within the next twelve months or it is forfeited. Sick leave can be banked up to 160 hours. Sick leave in excess of 160 hours is paid to employees on their anniversary date. Sick leave is paid to employees upon termination of employment.

**AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management 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 during the reporting period. Actual results could differ from those estimates.

NOTE B

CASH AND INVESTMENTS

CASH AND CASH EQUIVALENTS

State law requires deposits (cash and certificates of deposits) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes the FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

At December 31, 2006 and 2005, the carrying amount of the ambulance district's cash was \$689,963 and \$635,051, respectively, and the bank balance was \$726,301 and \$659,158, respectively. At December 31, 2006 and December 31, 2005 all deposits were fully secured from risk by federal deposit insurance or by pledged securities held by the District's third party agent in the district's name. Cash and cash equivalents are stated at cost, plus accrued interest, which approximates market. The carrying amounts for cash and cash equivalents at December 31, 2006 and December 31, 2005 respectively, are as follows:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Noninterest-bearing demand deposits	\$ -	\$ -
Interest-bearing demand deposits	23,337	57,380
Moneymarket accounts	666,626	577,671
Certificates of deposits	-	-
	<u>\$ 689,963</u>	<u>\$ 635,051</u>

GASB Statement No. 40, which amended GASB Statement No. 3, only requires disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either:

- 1) uninsured and uncollateralized,
- 2) uninsured and collateralized with securities held by the pledging financial institution or
- 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name

At December 31, 2006, the Ambulance District had no deposits that were required to be reported in any of the three categories listed above.

AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH
NOTES TO FINANCIAL STATEMENTS

(continued)

INVESTMENTS

Investments are stated at fair value. The district accounts for its investments in accordance with GASB Statement 31. This statement requires investments to be carried at fair value. Fair value has been determined at the last reported sales price on a national exchange.

Investments at December 31, 2006 are as follows:

<u>Type of Investment</u>	<u>Investment Maturities</u> (in Years)			<u>Carrying</u> <u>Amount</u>	<u>Fair</u> <u>Value</u>
	Less than				
	<u>1</u>	<u>1-5</u>	<u>6-10</u>		
Certificates of Deposits	<u>\$309,759</u>	\$ _____	\$ _____	<u>\$309,759</u>	<u>\$309,759</u>
Governmental Mutual Fund	<u>181,230</u>	_____	_____	<u>181,230</u>	<u>181,230</u>
TOTAL	<u>\$490,989</u>	_____	_____	<u>\$490,989</u>	<u>\$490,989</u>

Investments at December 31, 2005 are as follows:

<u>Type of Investment</u>	<u>Investment Maturities</u> (in Years)			<u>Carrying</u> <u>Amount</u>	<u>Fair</u> <u>Value</u>
	Less than				
	<u>1</u>	<u>1-5</u>	<u>6-10</u>		
Certificates of Deposits	<u>\$316,534</u>	_____	\$ _____	<u>\$316,534</u>	<u>\$316,534</u>
Governmental Mutual Fund	<u>174,622</u>	_____	_____	<u>174,622</u>	<u>174,622</u>
TOTAL	<u>\$491,156</u>	\$ _____	\$ _____	<u>\$491,156</u>	<u>\$491,156</u>

CONCENTRATION OF CREDIT RISK

The District places no limit on the amount it may invest in any one issuer. Issuers comprising more than 5 percent of the District's investments at December 31, 2006 and December 31, 2005 are as follows:

<u>ISSUER</u>	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Certificates of Deposit	21 %	21 %
Certificates of Deposit	43 %	43 %
Mutual Fund U.S. Govt.	36 %	36 %

INTEREST RATE RISK

The district does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates.

CREDIT RISK

As of December 31, 2006 and December 31, 2005 all of the District's investments were entirely insured or collateralized by investments held by the District's third party agent in the District's name.

At December 31, 2006 and December 31, 2005 all Certificates of Deposit amounts classified as investments were fully secured from risk by federal deposit insurance or by securities pledged and held by the District's third party agent in the district's name.

**AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH
NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE C

**CAPITAL ASSETS
PROPERTY, PLANT AND EQUIPMENT**

A summary of property and equipment at December 31, 2006 and 2005 is as follows:

	Estimated life in years	December 31,	
		<u>2006</u>	<u>2005</u>
Buildings	15-39	\$ 469,968	\$ 469,968
Vehicles (Ambulances)	5	323,327	296,116
Furniture and Equipment			
Furniture and Fixtures	5-8	119,517	115,563
Medical Equipment	5-8	217,942	201,782
Communication Equipment	5-8	59,324	59,324
Other Equipment	5-8	<u>81,294</u>	<u>38,025</u>
		1,271,372	1,180,778
Accumulated Depreciation		<u>791,579</u>	<u>691,006</u>
		<u>\$ 479,793</u>	<u>\$ 489,772</u>

Depreciation expense charged to operations for the years ended December 31, 2006 and 2005 were \$100,573 and \$108,007 respectively.

The following changes occurred in the property and equipment account:

	Balance December 31 <u>2005</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31 <u>2006</u>
Capital Assets, Being Depreciated:				
Buildings	\$ 469,968	\$ ---	\$ ---	\$ 469,968
Vehicles (Ambulances)	296,116	27,211	---	323,327
Furniture and Equipment	115,563	3,954	---	119,517
Medical Equipment	201,782	16,160	---	217,942
Communication Equipment	59,324	---	---	59,324
Other Equipment	<u>38,025</u>	<u>43,269</u>	<u>---</u>	<u>81,294</u>
Total Capital Assets Being Depreciated	<u>\$ 1,180,778</u>	<u>90,594</u>	<u>---</u>	<u>\$ 1,271,372</u>
Less Accumulated Depreciation For:				
Buildings	\$ 186,827	\$ 18,236	\$ ---	\$ 205,063
Vehicles (Ambulances)	250,825	37,729	---	288,554
Furniture and Equipment	87,595	10,008	---	97,603
Medical Equipment	96,381	21,142	---	117,523
Communication Equipment	40,698	4,739	---	45,437
Other Equipment	<u>28,680</u>	<u>8,719</u>	<u>---</u>	<u>37,399</u>
Total Accumulated Depreciation	<u>691,006</u>	<u>100,573</u>	<u>---</u>	<u>791,579</u>
Total Capital Assets Being Depreciated, Net	<u>489,772</u>	<u>(9,979)</u>	<u>---</u>	<u>479,793</u>
Total Capital Assets, Net	<u>\$ 489,772</u>	<u>\$(9,979)</u>	<u>---</u>	<u>479,793</u>

**AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE C

CAPITAL ASSETS

PROPERTY, PLANT AND EQUIPMENT (continued)

	Balance December 31 <u>2004</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31 <u>2005</u>
Capital Assets, Being Depreciated:				
Buildings	\$ 469,968	\$ ---	---	\$ 469,968
Vehicles (Ambulances)	296,116	---	---	296,116
Furniture and Equipment	111,042	4,521	---	115,563
Medical Equipment	198,482	3,300	---	201,782
Communication Equipment	55,186	4,138	---	59,324
Other Equipment	<u>38,025</u>	<u>---</u>	<u>---</u>	<u>38,025</u>
 Total Capital Assets Being Depreciated	 <u>\$ 1,168,819</u>	 <u>11,959</u>	 <u>---</u>	 <u>\$ 1,180,778</u>
 Less Accumulated Depreciation For:				
Buildings	\$ 168,591	\$ 18,236	---	\$ 186,827
Vehicles (Ambulances)	201,384	49,441	---	250,825
Furniture and Equipment	77,374	10,221	---	87,595
Medical Equipment	76,045	20,336	---	96,381
Communication Equipment	36,043	4,655	---	40,698
Other Equipment	<u>23,562</u>	<u>5,118</u>	<u>---</u>	<u>28,680</u>
 Total Accumulated Depreciation	 <u>582,999</u>	 <u>108,007</u>	 <u>---</u>	 <u>691,006</u>
 Total Capital Assets Being Depreciated, Net	 <u>585,820</u>	 <u>(96,048)</u>	 <u>---</u>	 <u>489,772</u>
 Total Capital Assets, Net	 <u>\$ 585,820</u>	 <u>\$ (96,048)</u>	 <u>\$ ---</u>	 <u>\$ 489,772</u>

NOTE D

PENSION PLAN

During 1991 the district established a plan under Section 408K of the Internal Revenue Code. Employees are automatically enrolled in the SEP (Small Employer Pension) or 408 (k) type plan after three (3) years of continuous full-time service. Lafourche Ambulance District's contribution rate will be set by the Board of Commissioners annually. The rate will be based on the employees gross earnings. The employee is allowed to contribute an amount up to, but not to exceed, fifteen (15%) percent of his/her gross earnings when combined with the employer's contribution. Employee contributions are allowed after one year of full-time service. Employees are 100% vested at the time of their enrollment. The plan does not issue a stand-alone report.

**AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH**

NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE D

PENSION PLAN (continued)
SPECIFIC PROVISIONS

1. Full-time employees are eligible upon completion of three (3) years of uninterrupted service. Leave of absence or other non-paid leave does not count toward accumulation of seniority.
2. Employee contributions will be calculated on a percentage of the employee's gross earnings on a pre-taxed basis.
3. Contributions will begin the month following the employee's third anniversary date.
4. Other regulations governing options such as premature withdrawals and changes in contribution rates, etc. are specified in the original contract.
5. The employer's contribution rate was five (5) percent of gross wages of qualifying employees for 2006, 2005 and 2004.
6. Other than its contribution made to the participants' accounts and recorded as expenditures, the district does not guarantee benefits under the plan.
7. All amounts are maintained in each individual's account administered by an insurance company.

The total payroll for the year 2006 was \$1,082,657 of which \$529,800 was covered by the plan. For 2006, the district's contribution was \$26,490 (5% of covered payroll). Employee contributions to the plan amounted to \$36,519 for 2006.

The total payroll for the year 2005 was \$969,823 of which \$506,320 was covered by the plan. For 2005, the district's contribution was \$25,316 (5% of covered payroll). Employee contributions to the plan amounted to \$28,570 for 2005.

The total payroll for the year 2004 was \$868,397 of which \$462,660 was covered by the plan. For 2004, the district's contribution was \$23,133 (5% of covered payroll). Employee contributions to the plan amounted to \$24,219 for 2004.

NOTE E

COOPERATIVE ENDEAVOR AGREEMENTS

During the year the Ambulance District was party to a Cooperative Endeavor Agreement with Fire Protection District No. 3 of Lafourche Parish. The Fire District provides communication services, including dispatching of calls, on a twenty-four hour a day basis, seven days a week for the Ambulance District at a fee of \$5,000 per quarter.

**AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

The Ambulance District was party to a Cooperative Endeavor Agreement with the Tenth Ward Veterans Memorial District to provide professional services to staff the Veterans District with drivers along with supervision and appropriate liability coverage for these drivers. The Veterans District reimburses the Ambulance District for all cost associated with providing this service including wages, payroll taxes, disability insurance, health insurance and any other cost plus an administrative fee of \$500 per month.

The Ambulance District was party to a Cooperative Endeavor Agreement with the Lafourche Parish Government to provide professional services to staff the Lafourche Parish Detention Center with EMT staffing to cover medical operations up to 24 hours a day along with supervision and appropriate liability coverage for these days at a fee of \$14,350 per month.

NOTE F

POST EMPLOYMENT BENEFITS

The Ambulance District has no Post Employment Benefits.

NOTE G

PER DIEM PAID BOARD MEMBERS

Per diem payments are presented on Schedule I

No per diem was paid to members of the Board of Commissioners for the year ended December 31, 2006.

NOTE H

BUSINESS AND CREDIT CONCENTRATIONS

The District grants credit to patients, substantially all of who are local residents. The district generally does not require collateral or other security extending credit to patients; however, it routinely obtains assignments of (or is otherwise entitled to receive) patients' benefits payable under health insurance programs, plans or policies (e.g., Medicare, Medicaid, Blue Cross and commercial insurance policies).

**AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE I

CONTINGENCIES AND RISK MANAGEMENT

LITIGATION

There is no litigation pending against the district that is required to be disclosed in accordance with Statement of Financial Accounting Standards No. 5.

RISK MANAGEMENT

The District is exposed to various risks of loss related to workers compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. No settlements were made during the year that exceeded the District's insurance coverage.

LAWS AND REGULATIONS

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments; compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. These laws and regulations include, but are not limited to, accreditation, licensure, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicare fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in exclusion from government healthcare program participation, together with the imposition of significant fines and penalties, as well as significant repayment for past reimbursement for patient services received. While the District is subject to similar regulatory reviews, management believes the District is not the subject of any investigation at this time, and the outcome of any such regulatory review will not have a material adverse effect on the District's financial position.

HURRICANE KATRINA:

On August 29, 2005, southeastern Louisiana and southern Mississippi were impacted by Hurricane Katrina, and its resulting aftermath. The economy, population, and infrastructure of the metropolitan New Orleans area, in particular, have been severely affected. The District is located in Galliano, Louisiana, and only suffered minor damage and disruption of business from the effects of the Hurricane. While management currently does not anticipate any significant adverse impact on the District's operations, the ultimate future effect of this event is unknown.

**AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE J

NET PATIENT SERVICE REVENUE AND RECEIVABLES

Presented below is a summary of net patient service revenues and receivables for the years ended December 31, 2006 and 2005.

	<u>2006</u>	<u>2005</u>
Gross Patient Service Revenue	\$ 2,082,698	\$ 1,831,721
Less: Provision for Bad Debts	<u>(1,201,734)</u>	<u>(885,596)</u>
Net Patient Service Revenue	<u>\$ 880,964</u>	<u>\$ 946,125</u>
	<u>2006</u>	<u>2005</u>
Patient Accounts Receivables	\$ 863,900	\$ 652,233
Less Allowance for Doubtful Accounts	<u>(680,796)</u>	<u>(421,267)</u>
Net Patient Accounts Receivables	<u>\$ 183,104</u>	<u>\$ 230,966</u>

SUPPLEMENTARY INFORMATION

**AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH**

**SCHEDULE I
SCHEDULE OF PER DIEMS PAID COMMISSIONERS
For the year ended December 31, 2006**

No per diems were paid to commissioners

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANT

A PROFESSIONAL CORPORATION

P.O. Box 965

LAROSE, LA 70373

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

Board of Commissioners
Ambulance Service District No. 1
of Lafourche Parish

I have audited the financial statements of the business-type activities and the major fund of **AMBULANCE SERVICE DISTRICT NO. 1 of LAFOURCHE PARISH**, component unit of Lafourche Parish, as of and for the years ended December 31, 2006 and 2005, which collectively compromise the Ambulance District's basic financial statements and have issued my report thereon dated June 21, 2007. I conducted my audits 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.

Internal Control Over Financial Reporting

In planning and performing my audits, I considered **AMBULANCE SERVICE DISTRICT NO. 1 of LAFOURCHE PARISH's** internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **AMBULANCE SERVICE DISTRICT NO. 1 OF LAFOURCHE PARISH's** internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the **AMBULANCE SERVICE DISTRICT NO. 1 OF LAFOURCHE PARISH'S** internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the **AMBULANCE SERVICE DISTRICT NO. 1 OF LAFOURCHE PARISH's** ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the **AMBULANCE SERVICE DISTRICT NO.1 OF LAFOURCHE PARISH's** financial statements that is more than inconsequential will not be prevented or detected by the **AMBULANCE SERVICE DISTRICT NO. 1 OF LAFOURCHE PARISH's** internal control.

(22)

**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**

(continued)

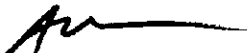
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the **AMBULANCE SERVICE DISTRICT NO. 1 OF LAFOURCHE PARISH**'s internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **AMBULANCE SERVICE DISTRICT NO. 1 of LAFOURCHE PARISH**'s 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 or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Board of Commissioners, management, the State of Louisiana and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.


Aldon G. Wahl, Jr.
Certified Public Accountant

June 21, 2007

**AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH**

**SCHEDULE OF FINDINGS AND QUESTIONED COST
FOR THE YEAR ENDED DECEMBER 31, 2005**

I have audited the financial statements of the business-type activities and the major fund of the Ambulance Service District No. 1 of Lafourche Parish as of and for the year ended December 31, 2006, and have issued my report thereon dated June 21, 2007. 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, 2006 resulted in an unqualified opinion.

SECTION I – SUMMARY OF AUDITOR’S REPORTS

A) Report on Internal Control and Compliance material to the Financial Statements:

Internal control:

Material Weakness – **NO**

Other Conditions - **NO**

Compliance:

Noncompliance Material to the Financial Statements - **NO**

B) Federal Awards

The Ambulance District received no federal awards for the year ended December 31, 2006.

SECTION II FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the year ended December 31, 2006.

SECTION III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable.

SECTION IV MANAGEMENT LETTER

A management letter was not issued in connection with the audit for the year ended December 31, 2006.

REPORTS BY MANAGEMENT

**AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH**

**SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2006**

**SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENTS**

There were no prior year findings.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO
FEDERAL AWARDS**

Ambulance Service District No. 1 did not receive federal awards during the year ended December 31, 2005.

SECTION III MANAGEMENT LETTER

A management letter was not issued in connection with the audit for the year ended December 31, 2005.

**AMBULANCE SERVICE DISTRICT NO. 1
OF LAFOURCHE PARISH**

**MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2006**

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENTS**

There were no current or prior year findings.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL
AWARDS**

Ambulance Service District No. 1 did not receive federal awards during the year ended December 31, 2006.

SECTION III MANAGEMENT LETTER

A management letter was not issued in connection with the audit for the year ended December 31, 2006.