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## Comments and Recommendations, 2004

Florissant Valley Fire Protection District

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~~FLORISSANT VALLEY FIRE PROTECTION DISTRICT~~

COMMENTS AND RECOMMENDATIONS

Year Ended December 31, 2004

FLORISSANT VALLEY FIRE PROTECTION DISTRICT

COMMENTS AND RECOMMENDATIONS

Year Ended December 31, 2004

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## **McCoy & Associates, P.C.**

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To the Board of Directors  
Florissant Valley Fire Protection District  
St. Louis County, Missouri

In planning and performing our audit of the general purpose financial statements of Florissant Valley Fire Protection District (the District) for the year ended December 31, 2004, we considered the District's internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements. Although our audit was not designed to provide assurance on the internal control, we noted certain matters involving the internal control and its operation, and are submitting for your consideration related recommendations designed to help the District make improvements and achieve operational efficiencies. Our comments reflect our desire to be of continuing assistance to the District.

Certain of these matters may be considered reportable conditions, as defined by the American Institute of Certified Public Accountants, which involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions in the financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control elements does not reduce, to a relatively low level, the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, none of the reportable conditions referred to above are believed to be material weaknesses.

We appreciate the opportunity to be of service to Florissant Valley Fire Protection District. Should questions arise about our recommendations, we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended solely for the information and the use of the Board of Directors, management and the Missouri State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

*Malloy & Associates, P.C.*

June 30, 2005

## COMMENTS AND RECOMMENDATIONS, continued

### City of Hazelwood Payments

In connection with our audit procedures, we noted that the documentation supporting a payment received from the City of Hazelwood (the City) with respect to contract protection did not support the amount actually received by the District. As a result, the District had to contact the City to inform them of the shortage.

In addition, we noted that the District's contract with the City gives the District the authority to review the City's accounting records to ensure compliance with the contract terms.

We recommend that the District periodically make arrangements to review the City's accounting documentation to ensure that amounts due the District are calculated properly and remitted in a timely fashion.

### District Response

We will make provisions to periodically review the City's accounting records to ensure compliance with the contract terms.

## COMMENTS AND RECOMMENDATIONS, continued

### Ambulance Billings

Historically, the District has recognized revenue from ambulance billings when the related cash has been collected. However, GASB Statement No. 33 requires that for transactions where the government gives up and receives essentially equal values, i.e. exchange transactions, that the revenue should be recognized when the transaction takes place. With respect to ambulance billings, this would be during the accounting period that the ambulance run took place.

With respect to ambulance billings, we also noted that billing and collection procedures are not well documented in an accounting manual. In addition, we noted that internal controls could be improved relative to:

- ✓ Ensuring that all billable runs are actually billed in accordance with the rates and terms approved by the District;
- ✓ That all billed runs are either collected or otherwise made subject to collection procedures;
- ✓ That uncollectible runs are adjusted or written off in accordance with District policy; and
- ✓ That the billing and collection of ambulance runs is accurately and timely reflected in the District's accounting records.

We recommend that the District review the accounting practices and related policies and procedures relative to ambulance runs to ensure compliance with the applicable accounting standards and the District's objectives.

### District Response

The District presently uses a third-party service for the billing of ambulance runs. We will review the available documentation provided by the billing service, as well as the District's accounting practices and related policies and procedures relative to ambulance runs to help ensure compliance with the applicable accounting standards and the District's objectives.

COMMENTS AND RECOMMENDATIONS, continued

Follow-Up to Prior Year's Recommendations

1. We recommended that the District develop a fixed asset listing.

The District has compiled a fixed asset listing.

2. We recommended that the District consider the effects of GASB Statement No. 34.

The District effectively implemented GASB Statement No. 34.