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ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
Kinder, Louisiana

ANNUAL FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

For the Year Ended December 31, 1995

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

Release Date 8-28-96

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GRAGSON, CASIDAY & GUILLORY, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

March 7, 1996

Board of Commissioners  
Allen Parish Ambulance Service  
District No. 1  
Kinder, Louisiana

We have audited the accompanying general purpose financial statements of the Allen Parish Ambulance Service District No. 1, a component unit of the Allen Parish Policy Jury, as of and for the year ended December 31, 1995. These general purpose financial statements are the responsibility of the Allen Parish Ambulance Service District No. 1 management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Allen Parish Ambulance Service District No. 1 as of December 31, 1995, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

*Gragson, Casiday & Guillory*

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

Combined Balance Sheet - All Fund Types and Account Groups

December 31, 1995

	Governmental Account		Totals	
	<u>Fund Type</u>	<u>Group</u>	<u>(Memorandum Only)</u>	
	General <u>Fund</u>	General Fixed <u>Assets</u>	<u>1995</u>	<u>1994</u>
ASSETS				
Cash	\$ 17,956	\$ -	\$ 17,956	\$ 10,520
Investment, at cost	9,979	-	9,979	9,979
Accounts receivable (net)	75,505	-	75,505	74,052
Ad valorem tax receivable (net)	242,546	-	242,546	228,734
Prepaid insurance	7,583	-	7,583	7,583
Fixed assets	<u>-</u>	<u>162,374</u>	<u>162,374</u>	<u>137,096</u>
 TOTAL ASSETS	 \$ <u>353,569</u>	 \$ <u>162,374</u>	 \$ <u>515,943</u>	 \$ <u>467,964</u>
 LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts payable	\$ 11,335	\$ -	\$ 11,335	\$ 2,053
Accrued liabilities	<u>1,666</u>	<u>-</u>	<u>1,666</u>	<u>1,896</u>
TOTAL LIABILITIES	<u>13,001</u>	<u>-</u>	<u>13,001</u>	<u>3,949</u>
Fund Equity				
Investment in general fixed assets	-	162,374	162,374	137,096
Fund balance				
Unreserved	<u>340,568</u>	<u>-</u>	<u>340,568</u>	<u>326,919</u>
TOTAL FUND EQUITY	<u>340,568</u>	<u>162,374</u>	<u>502,942</u>	<u>464,015</u>
 TOTAL LIABILITIES AND FUND EQUITY	 \$ <u>353,569</u>	 \$ <u>162,374</u>	 \$ <u>515,943</u>	 \$ <u>467,964</u>

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

GRAGSON, CASIDAY & GUILLORY, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

Statement of Revenues, Expenditures and Changes  
in Fund Balances - Governmental Fund Type

Year Ended December 31, 1995

	<u>1995</u>	<u>1994</u>
<b>REVENUES</b>		
Ad valorem taxes (net)	\$ 248,667	\$ 235,297
Service charges (net)	206,095	138,400
Interest	4,675	3,937
Proceeds from sale of fixed assets	1,700	-
Loss on sale of cash investments	-	(5,115)
TOTAL REVENUES	<u>461,137</u>	<u>372,519</u>
<b>EXPENDITURES</b>		
General government		
Advertising	516	1,456
Fuel and oil	11,670	7,560
Insurance - general	38,161	31,099
Insurance - hospitalization	2,629	3,420
Interest	950	-
Medical director	1,800	-
Medical supplies	20,257	5,154
Miscellaneous	9,916	1,190
Office supplies	3,113	1,604
Per diem	2,525	2,700
Postage	927	972
Professional fees	3,315	3,000
Rent	2,400	2,350
Repairs	9,976	13,990
Retirement	6,923	6,833
Salaries	217,173	161,699
Taxes	10,717	8,154
Telephone	9,494	6,472
Training	1,179	869
Uniforms	1,895	394
Utilities	2,156	1,615
Capital outlay	<u>89,796</u>	<u>2,852</u>
TOTAL EXPENDITURES	<u>447,488</u>	<u>263,383</u>
EXCESS OF REVENUES OVER EXPENDITURES	13,649	109,136
FUND BALANCE - BEGINNING	<u>326,919</u>	<u>217,783</u>
FUND BALANCE - ENDING	\$ <u>340,568</u>	\$ <u>326,919</u>

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

GRAGSON, CASIDAY & GULLORY, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

Statement of Revenues, Expenditures and Changes in  
Fund Balances - Budget and Actual - General Fund

Year Ended December 31, 1995

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Ad valorem taxes (net)	\$ 227,000	\$ 248,667	\$ 21,667
Service charges (net)	176,000	206,095	30,095
Interest	-	4,675	4,675
Proceeds from sale of fixed assets	-	1,700	1,700
TOTAL REVENUES	<u>403,000</u>	<u>461,137</u>	<u>58,137</u>
<b>EXPENDITURES</b>			
General government			
Advertising	800	516	284
Fuel and oil	12,000	11,670	330
Insurance - general	20,000	38,161	(18,161)
Insurance - hospitalization	-	2,629	(2,629)
Interest	-	950	(950)
Medical Director	1,800	1,800	-
Medical supplies	28,000	20,257	7,743
Miscellaneous	2,500	9,916	(7,416)
Office supplies	3,200	3,113	87
Per diem	2,800	2,525	275
Postage	1,200	927	273
Professional fees	-	3,315	(3,315)
Rent	2,400	2,400	-
Repairs	13,900	9,976	3,924
Retirement	-	6,923	(6,923)
Salaries	222,000	217,173	4,827
Taxes	-	10,717	(10,717)
Telephone	10,500	9,494	1,006
Training	1,500	1,179	321
Uniforms	2,500	1,895	605
Utilities	2,200	2,156	44
Capital outlay	<u>51,700</u>	<u>89,796</u>	<u>(38,096)</u>
TOTAL EXPENDITURES	<u>379,000</u>	<u>447,488</u>	<u>(68,488)</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 24,000	 13,649	 (10,351)
 FUND BALANCE - BEGINNING	 <u>326,919</u>	 <u>326,919</u>	 <u>-</u>
 FUND BALANCE - ENDING	 \$ <u>350,919</u>	 \$ <u>340,568</u>	 \$ <u>(10,351)</u>

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

GRAGSON, CASIDAY & GULLORY, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS



ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

Notes to Financial Statements

December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Allen Parish Ambulance Service District No. 1 consists of five commissioners appointed by the Allen Parish Police Jury. The District is authorized to own and operate ambulances for the transportation of persons suffering from illnesses or disabilities which necessitate ambulance care.

The financial statements of the Allen Parish Ambulance Service District No. 1 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. The more significant of the government's accounting policies are described below.

1. Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement NO. 14,, the Allen Parish Ambulance Service District No. 1 includes all funds, account groups, et cetera, that are within the oversight responsibility of the Allen Parish Ambulance Service District No. 1.

As the governing authority, for reporting purposes, the Allen Parish Police Jury is the financial reporting entity. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Allen Parish Police Jury 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 Allen Parish Police Jury to impose its will on that organization and/or

Continued

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

Notes to Financial Statements - Continued

December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Allen Parish Police Jury.
- (2) Organizations for which the Allen Parish Police Jury does not appoint a voting majority but are fiscally dependent on the Allen Parish Police Jury.
- (3) Organizations for which the reporting entity financial statements could be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon the application of these criteria, Allen Parish Ambulance Service District No. 1 is a component unit of the Allen Parish Police Jury's reporting entity.

2. Fund Accounting

The Allen Parish Ambulance Service District No. 1 uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

The following funds and group of accounts are used by the District:

Governmental Fund:

The Governmental Fund accounts for all of the District's general activities. The Governmental Fund includes:

- 1. General Fund - The General operating fund of the District. All financial resources are accounted for in the General Fund.

Continued



ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

Notes to Financial Statements - Continued

December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

General Fixed Assets Account Group:

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

3. Basis of Accounting

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

The modified accrual basis of accounting is used by the governmental fund type. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are property taxes, service charges and interest.

4. Cash and Investments

Cash includes amounts in demand deposits and time deposits with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Continued

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CERTIFIED PUBLIC ACCOUNTANTS

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

Notes to Financial Statements - Continued

December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Cash and Investments - Continued

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1995, the District had \$26,342 in deposits (collected bank balances). These deposits were secured from risk by federal deposit insurance.

Investments:

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

The District has an investment in a FNMA.

The District's investment is categorized to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the District's name.

	<u>Category</u>			<u>Carrying Amount</u>	<u>Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
FNMA	\$ <u>9,979</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>9,979</u>	\$ <u>9,719</u>

Continued

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

Notes to Financial Statements - Continued

December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. Accounts Receivable

Uncollectible amounts due for service charges are recognized as bad debts using the allowance method. The allowance for bad debt at December 31, 1995 was \$100,498.

6. Budgets

A budget is adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year end.

On or before the last meeting of each year, the budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the District's Board of Commissioners for review. The board may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated. There was one amendment to the originally adopted budget for 1995 and all amendments are in the budget comparison statement.

7. Total Columns

Total Columns on the financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation.

8. Comparative Data

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations.

Continued

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

Notes to Financial Statements - Continued

December 31, 1995

NOTE D - RETIREMENT COMMITMENTS - CONTINUED

service; (3) Age 60 with a minimum of ten years of creditable service; (4) Disability requires five years of creditable service; or (5) survivors benefits require five years creditable service at death of member. The retirement allowance for any member shall consist of an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service.

NOTE E - PER DIEM

Per Diem paid board commissioners for the year ended December 31, 1995 are as follows: (\*-former commissioners)

Gene Allemand - *	\$ 225
John Bolles	300
Willie Brown	375
Dewitt Carrier - *	75
Raoul Frank, Jr.	300
Mike Fuselier	75
Fred Sonnier	925
Colleen Unkel - *	<u>250</u>
	\$ <u>2,525</u>

NOTE F - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

March 7, 1996

Board of Commissioners  
Allen Parish Ambulance Service  
District No. 1  
Kinder, Louisiana

We have audited the general purpose financial statements of the Allen Parish Ambulance Service District No. 1, a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 1995, and have issued our report thereon dated March 7, 1996.

We have conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements.

The management of the Allen Parish Ambulance Service District No. 1 is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.



In planning and performing our audit of the general purpose financial statements of Allen Parish Ambulance Service District No. 1, for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the component unit financial statements.

The reportable condition is that the District does not have adequate segregation of duties within its internal control structure. However, because of the District's size and resources, proper segregation of duties is not feasible.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure 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 general purpose 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 structure would not necessarily disclose all matters in the internal control structure 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, we believe the reportable condition described above is not a material weakness.

This report is intended for the information of the management and the Board of Commissioners. However, this report is a matter of public record and its distribution is not limited.



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAWS,  
REGULATIONS, CONTRACTS AND GRANTS BASED ON AN AUDIT OF  
GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

March 7, 1996

Board of Commissioners  
Allen Parish Ambulance Service  
District No. 1  
Kinder, Louisiana

We have audited the general purpose financial statements of the Allen Parish Ambulance Service District No. 1, a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 1995, and have issued our report thereon dated March 7, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the Allen Parish Ambulance Service District No. 1 is the responsibility of management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed the following instances of noncompliance that are required to be reported herein under Government Auditing Standards for which the ultimate resolution cannot presently be determined. Accordingly, no provision for any liability that may result has been recognized in Allen Parish Ambulance Service District No. 1's 1995 financial statements.

Local Budget Act:

LSA-RS 39:1306 requires that to the extent the proposed expenditures are greater than \$250,000, the District must advertise the availability of the proposed budget for public inspection. The advertisement must include date, time and place of public hearing on the proposed budget and include a proposed budget summary. The advertisement must be published at least 10 days prior to the public hearing.

The District's 1995 budget, as originally adopted, was for \$315,000 and was adopted in a public meeting at least fifteen days prior to the beginning of the budget year and made available for public inspection; however, the above stated requirement of advertisement was not complied with.

In addition, LSA-RS 39:3909-10 requires the District to amend the budget when actual expenditures plus projected expenditures for the year exceed budgeted expenditures by 5 percent or more. Although the District did amend its 1995 budget once during the year, the total year end actual expenditures exceeded the amended budget by 18 percent.

It appears the above stated noncompliance issues were a result of the administration being unaware of these requirements.

Management Response:

The administration is aware of all local budget act requirements and will closely monitor compliance in the future.

We considered these instances of noncompliance in forming our opinion on whether Allen Parish Ambulance Service District No. 1's 1995 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated March 7, 1996, on those general purpose financial statements.

This report is intended for the information of the management and the Board of Commissioners. However, this report is a matter of public record and its distribution is not limited.

