

7-28-99

**OFFICIAL
FILE COPY**
DO NOT SEND OUT
(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
A Component Unit of the Allen Parish Police Jury
Kinder, Louisiana

ANNUAL FINANCIAL REPORT
Year Ended December 31, 1998

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 7-28-99

CONTENTS

	<u>Schedule</u>	<u>Page</u>
INDEPENDENT AUDITORS' REPORT.....		J
GENERAL PURPOSE FINANCIAL STATEMENTS:		
Combined Balance Sheet - Fund Type and Account Group.....		3
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund Type.....		4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund.....		5
Notes to Financial Statements.....		6
SUPPLEMENTAL INFORMATION SCHEDULES:		
Compensation Paid to Board Members.....	1	13
Schedule of Findings.....	2	14
Management's Corrective Action Plan for Current..... Year Audit Findings (Unaudited)	3	16
Summary Schedule of Prior Audit Findings.....	4	17
INDEPENDENT AUDITORS' REPORT SECTION:		
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....		18



Mires & Company
A Professional Corporation
Certified Public Accountants

Members:
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants
Private Company Practice Section AICPA

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Allen Parish Ambulance Service
District No. 1
A Component Unit of the Allen Parish Police Jury
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 Police Jury, as of and for the year ended December 31, 1998, as listed in the table of contents. 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 the standards applicable to financial audits contained in *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 general purpose 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, a component unit of the Allen Parish Police Jury, as of December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 1999 on our consideration of the Allen Parish Ambulance Service District No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Board of Commissioners
Allen Parish Ambulance Service District No. 1
Page 2

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Allen Parish Ambulance Service District No. 1. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements; and, in our opinion, the information is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Mires & Company, CPAs, APC

Mires & Company, CPAs, APC
June 18, 1999

M & C

GENERAL PURPOSE FINANCIAL STATEMENTS

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
COMBINED BALANCE SHEET - FUND TYPE AND ACCOUNT GROUP
December 31, 1998

	GOVERNMENTAL FUND TYPE	ACCOUNT GROUP	TOTALS (MEMORANDUM ONLY)	
	General Fund	General Fixed Assets	1998	1997
ASSETS				
Cash	\$ 91,426	\$ -	\$ 91,426	\$ 93,958
Accounts receivable (net).....	235,432	-	235,432	233,435
Ad valorem tax receivable (net)	271,600	-	271,600	270,278
Interest receivable.....	181	-	181	-
Prepaid insurance.....	6,058	-	6,058	6,662
Fixed assets.....	<u>-</u>	<u>159,842</u>	<u>159,842</u>	<u>159,191</u>
TOTAL ASSETS	\$ <u>604,697</u>	\$ <u>159,842</u>	\$ <u>764,539</u>	\$ <u>763,524</u>
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts payable	\$ 2,614	\$ -	\$ 2,614	\$ 3,351
Accrued liabilities	<u>10,302</u>	<u>-</u>	<u>10,302</u>	<u>14,610</u>
TOTAL LIABILITIES	<u>12,916</u>	<u>-</u>	<u>12,916</u>	<u>17,961</u>
Fund equity				
Investment in general fixed assets	-	159,842	159,842	159,191
Fund balance Unreserved	<u>591,781</u>	<u>-</u>	<u>591,781</u>	<u>556,372</u>
TOTAL FUND EQUITY	<u>591,781</u>	<u>159,842</u>	<u>751,623</u>	<u>745,563</u>
TOTAL LIABILITIES AND FUND EQUITY	\$ <u>604,697</u>	\$ <u>159,842</u>	\$ <u>764,539</u>	\$ <u>763,524</u>

See accompanying notes.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND TYPE
Year Ended December 31, 1998

	<u>1998</u>	<u>1997</u>
REVENUES:		
Ad valorem taxes (net).....	\$ 281,032	\$ 281,528
Service charges (net).....	152,682	236,492
Interest.....	11,066	6,469
Miscellaneous.....	103	-
TOTAL REVENUES	<u>444,883</u>	<u>524,489</u>
EXPENDITURES:		
General government:		
Advertising.....	1,090	-
Dues.....	464	-
Fuel and oil.....	5,346	9,094
Insurance - general.....	34,715	48,684
Insurance - hospitalization.....	-	-
Medical director.....	2,400	2,400
Medical supplies.....	17,980	13,447
Miscellaneous.....	2,863	2,494
Office supplies.....	2,960	4,806
Per diem.....	1,175	1,350
Postage.....	3,887	1,603
Professional fees.....	3,500	3,000
Rent.....	-	1,700
Repairs.....	14,264	9,576
Relief help.....	834	1,445
Retirement.....	17,195	21,490
Salaries.....	302,391	339,728
Taxes.....	12,888	10,289
Telephone.....	6,905	7,268
Training.....	-	-
Uniforms.....	2,829	843
Utilities.....	5,137	4,986
Capital outlay.....	651	12,295
TOTAL EXPENDITURES	<u>439,474</u>	<u>496,498</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	5,409	27,991
FUND BALANCE - BEGINNING	<u>586,372</u>	<u>558,381</u>
FUND BALANCE - ENDING	<u>\$ 591,781</u>	<u>\$ 586,372</u>

See accompanying notes.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
Year Ended December 31, 1998

	1998		Variance Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
REVENUES:				
Ad valorem taxes (net).....	\$ 270,000	\$ 281,032	\$ 11,032	\$ 281,528
Service charges (net).....	275,000	152,682	(122,318)	236,492
Interest.....	-	11,066	11,066	6,469
Miscellaneous.....	300	103	(197)	-
TOTAL REVENUES	<u>545,300</u>	<u>444,883</u>	<u>(100,417)</u>	<u>524,489</u>
EXPENDITURES:				
General government:				
Advertising.....	1,200	1,090	110	-
Dues.....	-	464	(464)	-
Fuel and oil.....	14,000	5,346	8,654	9,094
Insurance - general.....	46,000	34,715	11,285	48,684
Insurance - hospitalization..	150	-	150	-
Medical director.....	2,000	2,400	(400)	2,400
Medical supplies.....	8,730	17,980	(9,250)	13,447
Miscellaneous.....	10,400	2,863	7,537	2,494
Office supplies.....	2,000	2,960	(960)	4,806
Per diem.....	1,000	1,175	(175)	1,350
Postage.....	1,000	3,887	(2,887)	1,603
Professional fees.....	3,600	3,500	100	3,000
Rent.....	1	-	1	1,700
Repairs.....	15,000	14,264	736	9,576
Relief help.....	300	834	(534)	1,445
Retirement.....	24,000	17,195	6,805	21,490
Salaries.....	220,000	302,391	(82,391)	339,728
Taxes.....	32,000	12,888	19,112	10,289
Telephone.....	4,800	6,905	(2,105)	7,268
Training.....	1,500	-	1,500	-
Uniforms.....	600	2,829	(2,229)	843
Utilities.....	3,200	5,137	(1,937)	4,986
Capital Outlay.....	-	651	(651)	12,295
TOTAL EXPENDITURES	<u>391,481</u>	<u>439,474</u>	<u>(47,993)</u>	<u>496,498</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	153,819	5,409	(148,410)	27,991
FUND BALANCE - BEGINNING	<u>586,372</u>	<u>586,372</u>	<u>-</u>	<u>558,381</u>
FUND BALANCE - ENDING	<u>\$ 740,191</u>	<u>\$ 591,781</u>	<u>\$ (148,410)</u>	<u>\$ 586,372</u>

See accompanying notes.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
NOTES TO FINANCIAL STATEMENTS
December 31, 1998

INTRODUCTION

The Allen Parish Ambulance Service District No. 1 consists of five compensated 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying general purpose 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 governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

The District is a component unit of the Allen Parish Police Jury, the financial reporting entity. The police jury is financially accountable for the District because it appoints a voting majority of the board and has the ability to impose its will on them.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The District 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 available financial resources.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the District include:

1. General Fund - the general operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
NOTES TO FINANCIAL STATEMENTS
December 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. 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 are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental fund. 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.

E. Budgets and Budgetary Accounting

A budget is adopted on a basis consistent with generally 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.

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original Maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the District's investment policy. If the original maturities of investments exceed

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
NOTES TO FINANCIAL STATEMENTS
December 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

H. Prepaid Items

Prepaid items consist of expenditures of the current period that benefit future periods.

I. Fixed Assets

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Public domain or infrastructures are not capitalized. Interest costs incurred during construction are capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

J. Compensated Absences

The District's leave policy does not provide for the accumulation of leave that would be payable in future periods.

K. Total Columns on Statements

Total columns on the 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.

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS

At December 31, 1998, the District has cash and cash equivalents (book balances) totaling \$91,426 as follows:

Demand deposits	\$ 9,398
Interest-bearing demand deposits	7,028
Time deposits	75,000
Other	-
Total	<u>\$ 91,426</u>

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.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
 A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
 NOTES TO FINANCIAL STATEMENTS
 December 31, 1998

NOTE 2 - CASH AND CASH EQUIVALENTS

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, 1998, the District has \$96,890 in deposits (collected bank balances). These deposits are fully insured by federal deposit insurance.

NOTE 3 - ACCOUNTS RECEIVABLE

Uncollectible amounts due for receivables are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible. This method does not result in a charge to bad debts that is materially different from the amount that would be charged if the reserve method were used.

The following is a summary of receivables at December 31, 1998:

<u>Class of Receivable</u>	<u>General Fund</u>
Ad valorem taxes	\$ 271,600
Accounts	235,432
Other	181
Total	<u>\$ 507,213</u>

NOTE 4 - AD VALOREM TAXES

For the year ended December 31, 1998 taxes of 10.00 mills were levied on property with assessed valuations totaling \$28,973,000, and were dedicated as follows:

General corporate purposes..... 10.00 mills

Total taxes levied were \$289,729.

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31. Property taxes not paid by the end of February are subject to lien.

NOTE 5 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
 A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
 NOTES TO FINANCIAL STATEMENTS
 December 31, 1998

NOTE 5 - CHANGES IN GENERAL FIXED ASSETS

	Balance January 31, 1997	(Deletions) Additions	Balance December 31, 1998
Ambulances.....	\$ 111,038	\$ -	\$ 111,038
Equipment.....	35,858	651	36,509
Leasehold improvements.....	12,295	-	12,295
TOTAL	<u>\$ 159,191</u>	<u>\$ 651</u>	<u>\$ 159,842</u>

NOTE 6 - PENSION PLAN

Plan Description. Substantially all employees of the Allen Parish Ambulance Service District No. 1 are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contribution may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, P.O. Box 14619, Baton Rouge, Louisiana 70898-4619 or by calling (225) 928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the District are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District's contributions to the System

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
NOTES TO FINANCIAL STATEMENTS
December 31, 1998

NOTE 6 - PENSION PLAN

under Plan A for the years ending December 31, 1998, 1997, and 1996 were \$17,195, \$21,490, and \$10,567 respectively, equal to the required contributions.

NOTE 7 - 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.

NOTE 8 - EXPENDITURES/EXPENSES-ACTUAL AND BUDGET

The following individual funds have actual expenditures/expenses over budgeted expenditures/expenses for the year ended December 31, 1998:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General	\$ 391,481	\$ 439,474	\$ 47,993

NOTE 9 - SUBSEQUENT EVENT

After December 31, 1998, a lawsuit was filed by former employees of the District. The former employees are suing in regards to a wage dispute. The District has retained the services of an attorney and labor consultant to represent the District in this lawsuit. The risk of loss, if any, cannot be determined at this time.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
SUPPLEMENTAL INFORMATION SCHEDULES
December 31, 1998

COMPENSATION PAID BOARD MEMBERS

A schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 session of the Louisiana Legislature.

SCHEDULE OF FINDINGS

Current audit findings are presented in Schedule 2.

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS (UNAUDITED)

Management's corrective action plan for current year audit findings is presented in Schedule 3.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The follow-up and corrective action taken on all prior audit findings is presented in Schedule 4.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
SUPPLEMENTAL INFORMATION SCHEDULE
December 31, 1998

Schedule 1

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

Per Diem paid board commissioners for the year ended December 31, 1998 are as follows:

Jerry Martin.....	\$ 275
Susan Doumite.....	150
Elsie Frank.....	225
Yvonne Hyatt.....	250
Lowell Keys.....	275
	<u>\$ 1,175</u>

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
 A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
 SUPPLEMENTAL INFORMATION SCHEDULE
 SCHEDULE OF FINDINGS
 December 31, 1998

Schedule 2

We have audited the financial statements of the Allen Parish Ambulance Service District No. 1 as of and for the year ended December 31, 1998, and have issued our report dated June 18, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 1998 resulted in an unqualified opinion.

Section I Summary of Auditors' Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

Material Weaknesses	<u> X </u> Yes	_____ No
Reportable Conditions	<u> X </u> Yes	_____ No

Compliance:

Compliance Material to Financial Statements	<u> X </u> Yes	_____ No
---	------------------	----------

Section II Financial Statement Findings

98-1 I/C (Material weakness)

Segregation of duties: Because of the lack of a large staff, more specifically accounting personnel, there is a problem with segregation of duties necessary for proper controls. We do note that this situation is inherent to most entities of this type and is difficult to solve due to the funding limitations of the District. We recommend that the Board Members take an active interest in the review of all of the financial information. This was also a prior year finding.

98-2 I/C (Material weakness)

General ledger account balances not reconciled to subsidiary ledgers:

Condition: The District's accounting records and supporting documents were not maintained on a current basis. (First reported at December 31, 1997).
 Specifically:

- a. General ledger balances did not reflect activity for entire year.
- b. Accounts receivable balance did not agree with subsidiary ledger.
- c. Cash accounts were not reconciled to bank reconciliations.

Effect of condition: The District's accounting records were incomplete and inaccurate.

Cause: Administrative oversight.

Recommendation: Accounting personnel must perform monthly procedures, such as reconciliation, so that the District's accounting records are complete and accurate.

98-1 C

Budget authority and control:

Condition: Actual expenditures exceeded total budgeted expenditures by more than 5% in the

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
SUPPLEMENTAL INFORMATION SCHEDULE
SCHEDULE OF FINDINGS
December 31, 1998

Schedule 2

98-1 C (Continued)

General Fund for the year ended December 31, 1998. (12.3%) Actual revenues failed to meet total budgeted revenues by more than 5% in the General Fund for the year ended December 31, 1998. (18.4%)

Criteria: LA. Rev. Stat. § 39.1310 - whenever total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year are exceeding the total budgeted expenditures and other uses by 5% or more, the budget should be amended. Whenever total revenue and other sources plus projected revenue and other sources for the remainder of the year are failing to meet total budgeted revenues and other sources by 5% or more, the budget should be amended.

Effect: Violation of LA. Rev. Stat. § 39.1310 - Budgetary authority and control.

Cause: Administrative oversight.

Recommendation: The District should compare actual to budget revenues/expenditures each month and amend the budget if necessary.

Section I Internal Control and Compliance Material to the Financial Statements:

98-1 I/C Segregation of duties:

This is an ongoing finding that cannot be corrected due to lack of financial resources.

98-2 I/C General ledger account balances not reconciled to subsidiary ledgers:

Recommendation: Accounting personnel must perform monthly procedures, such as reconciliation's, so that the District's accounting records are complete and accurate.

Planned action: The District will take whatever steps necessary to ensure that its accounting records are accurate, current and reliable. This action will be taken by July 31, 1999.

Contact person: Jerry Martin, President.

98-1 C Budgetary authority and control:

Recommendation: The District should compare actual to budget revenues/expenditures each month and amend the budget if necessary.

Planned action: Closer attention to the budget process will be taken in the future.

Contact person: Jerry Martin, President.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
SUMMARY OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 1998

Schedule 4

Section I - Internal Control and Compliance Material to the Financial Statements:

97-1 (12/31/97) Donation of public funds:

Public funds were used to purchase gifts for individuals totaling \$225 and banquet tickets totaling \$60.

Corrective action taken - Yes.

97-1 I/C (Ongoing finding) Segregation of duties:

Corrective action taken - Due to lack of sufficient financial resources, this finding cannot be resolved. See 98-1 I/C.

97-2 I/C (12/31/97) Supporting documentation for disbursements:

Supporting documentation (invoices) for 9 disbursements could not be found.

Corrective action taken - Yes.

97-3 I/C (12/31/97) Accounting records:

The District's accounting records and supporting documents were not maintained on a current basis.

Corrective action taken - No.

Planned corrective action - The District will take whatever steps necessary to ensure that its accounting records are accurate, current and reliable.

INDEPENDENT AUDITORS' REPORT SECTION



Mires & Company
A Professional Corporation
Certified Public Accountants

Members:
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants
Private Company Practice Section AICPA

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Allen Parish ambulance Service District No. 1
A Component Unit of the
Allen Parish Police Jury
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, 1998, and have issued our report thereon dated June 18, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Allen Parish Ambulance Service District No. 1's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as item 98-1 C.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Allen Parish Ambulance Service District No. 1's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Allen Parish Ambulance Service District No. 1's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable

Board of Commissioners
Allen Parish Ambulance Service District No. 1
A Component Unit of the
Allen Parish Police Jury
Page 2

conditions are described in the accompanying schedule of findings as items 98-1 I/C and 98-2 I/C.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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 over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 98-1 (I/C) and 98-2 (I/C) to be material weaknesses.

This report is intended solely for the information and use of management, the Board of Commissioners, 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.

Mires & Company, CPAs, APC

Mires and Company, CPAs, APC
June 18, 1999

M & Co.