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**Report On**  
**The Financial Statements Of**  
**AMBULANCE SERVICE DISTRICT**  
**No. 1 OF LAFOURCHE PARISH**  
**December 31, 1998**  
**and**  
**December 31, 1997**

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 OCT 20 1999

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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 general purpose financial statements of Ambulance Service District No. 1 of Lafourche Parish, component unit of the Lafourche Parish Council, as of December 31, 1998 and December 31, 1997, and for the years then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of Ambulance Service District No. 1 of Lafourche Parish management. My responsibility is to express an opinion on these general purpose financial statements based on my audits.

I conducted my audits 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 I plan and perform the audits 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. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Ambulance Service District No. 1 of Lafourche Parish as of December 31, 1998 and December 31, 1997, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

My audits were conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose 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 general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

(1)

INDEPENDENT AUDITOR'S REPORT  
(Continued)

In accordance with Government Auditing Standards, I have also issued my report dated August 6, 1999 on my consideration of Ambulance Service District No. 1 of Lafourche Parish internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.



Aldon G. Wahl, Jr.  
Certified Public Accountant

August 6, 1999

AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH

BALANCE SHEETS

	December 31,	
	1998	1997
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 246,040	\$ 234,954
Investments	136,666	125,119
Accounts receivable, net allowance for uncollectible accounts (1998- \$205,335; 1997 -\$243,755)	122,092	71,268
Millage tax receivable, net allowance for uncollectible accounts (1998 - \$ 15,576; 1997 - \$13,192)	373,810	316,599
Prepaid insurance	24,600	26,017
Total	903,208	773,957
PROPERTY AND EQUIPMENT		
Property and equipment, at cost	693,436	629,566
Less: Accumulated depreciation	295,109	233,067
Property and equipment - net	398,327	396,499
OTHER ASSETS		
Total assets	50	50
	<u>\$1,301,585</u>	<u>\$1,170,506</u>
<u>LIABILITIES AND FUND EQUITY</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 9,067	\$ 8,493
Accrued liabilities	21,752	8,532
Total current liabilities	30,819	17,025
FUND EQUITY		
Contributed capital		
Government	17,272	17,272
Customers	2,414	2,414
Retained earnings	1,251,080	1,133,795
Total fund equity	1,270,766	1,153,481
Total liabilities and fund equity	<u>\$1,301,585</u>	<u>\$1,170,506</u>

See accompanying notes to financial statements.

AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH

STATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS

	December 31,	
	1998	1997
<b>OPERATING REVENUES:</b>		
Charges for Services-Ambulance	\$ 849,412	\$ 932,428
Other	571	784
	<u>849,983</u>	<u>933,212</u>
<b>OPERATING EXPENSES:</b>		
Advertising	591	348
Contractual services	23,600	23,600
Depreciation	62,042	56,967
Dues and subscriptions	780	516
Fuel	6,115	6,436
Insurance - general	72,067	54,290
Insurance - medical	24,515	23,341
Medical supplies	25,742	21,035
Miscellaneous expenses	1,788	1,935
Office and general supplies	11,387	15,183
Payroll taxes and retirement	80,569	63,794
Postage	2,533	2,623
Professional fees	3,300	3,300
Provision for uncollectible receivables	225,567	349,660
Repairs and maintenance	24,105	18,685
Salaries	557,268	474,290
Telephone	16,029	13,619
Travel and training	2,396	1,215
Uniforms	2,327	2,800
Utilities	12,163	13,794
	<u>1,154,884</u>	<u>1,147,431</u>
Total operating expenses		
	<u>1,154,884</u>	<u>1,147,431</u>
Operating income (loss)	( 304,901)	( 214,219)
<b>NONOPERATING REVENUES:</b>		
Millage tax, net of assessor's fees of \$11,871 in 1998 and \$10,103 in 1997	389,385	329,790
Revenue sharing	10,103	-
Net increase in fair value of investments	22,698	18,743
Total nonoperating revenue	<u>422,186</u>	<u>348,533</u>
Net income	117,285	134,314
Retained earnings, beginning of year	<u>1,133,795</u>	<u>999,481</u>
Retained earnings, end of year	<u>\$1,251,080</u>	<u>\$ 1,133,795</u>

See accompanying notes to financial statements.

AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH

STATEMENTS OF CASH FLOWS

	December 31,	
	1998	1997
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating loss	\$ (304,901)	\$ (214,219)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation	62,042	56,967
Changes in assets and liabilities:		
(Increase) decrease in receivables	(108,035)	( 23,948)
(Increase) decrease in accrued interest	-	1,450
(Increase) decrease in prepaid expenses	1,417	984
Increase (decrease) in accounts payable	574	( 281)
Increase (decrease) in accrued liabilities	13,220	486
Net cash provided by (used in) operating activities	(335,683)	(178,561)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Millage tax	389,385	329,790
Revenue sharing	10,103	-
Net cash provided by non-capital financing activities	399,488	329,790
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds disposition of capital assets	-	22,580
Acquisition of capital assets	( 63,870)	( 49,346)
Net cash used for capital and related financing activities	( 63,870)	( 26,766)
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:</b>		
Purchase of investment securities	( 11,547)	( 6,786)
Net increase in fair value of investments	22,698	18,743
Net cash provided by investing activities	11,151	11,957
Net increase(decrease) in cash and cash equivalents	11,086	136,420
Cash and cash equivalents at beginning of year	234,954	98,534
Cash and cash equivalents at end of year	\$ 246,040	\$ 234,954

See accompanying notes to 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

1. BASIS OF PRESENTATION

The financial statements of the Ambulance Service District No. 1 of Lafourche Parish have been prepared in conformity with generally accepted accounting principles as applied to government units. The Government Accounting Standards board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

2. REPORTING ENTITY

Government Accounting Standards Board 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.



AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH

NOTES TO FINANCIAL STATEMENTS  
(continued)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.

3. FUND ACCOUNTING

The ambulance district's accounts are organized on the basis of funds and account groups, each of which is a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. The ambulance district has no account groups, and one fund, an enterprise fund, which is described as follows:

ENTERPRISE FUND

The enterprise fund is used to account for operations (a) that are financed and operated in a matter similar to private business enterprises - where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The district applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

4. FIXED ASSETS

Property and equipment are recorded at cost, and depreciation is computed on all exhaustible fixed assets thereon under the straight-line method of depreciation based on the estimated useful lives of the individual assets. Public domain or infrastructure are not capitalized (the district has none). 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 not capitalized.

AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH

NOTES TO FINANCIAL STATEMENTS  
(continued)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. BASIS OF ACCOUNTING

Basis of Accounting refers to when revenue 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 in the ambulance district's only fund (an enterprise fund). 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. Ambulance charges are recognized when the services are rendered.

EXPENSES

Expenses are recognized when the related liability is incurred.

6. BUDGET PRACTICES

The budget practices of the ambulance district are prescribed by the Louisiana Local Government Budget Act. The act requires the district to have the budget completed and available for public inspection no later than fifteen days prior to the beginning of each fiscal year.

The ambulance district prepares a budget for its fund. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). The budget was amended during the year.

Amendments to the budget must be approved by the board.

Appropriations which are not expended lapse at year end.

Encumbrance accounting is not utilized by the ambulance district.

7. CASH AND INVESTMENTS

Cash includes demand deposits in banks and are recorded at cost plus accrued interest.

R.S. 39:1271 and 33:2955 authorize the ambulance district to invest in United States bonds, treasury notes, certificates of deposit of state banks organized under the laws of Louisiana and national banks having the principal office in the state of Louisiana or any other federally insured investment, or in mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies, or any other investment allowed by R.S. 33:2955.

AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH

NOTES TO FINANCIAL STATEMENTS  
(continued)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

9. 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.

10. 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.

11. COMPENSATED ABSENCES

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

At December 31, 1998, the liability for compensated absences is reflected in the district's only fund.

12. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles 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

At December 31, 1998 and 1997, the carrying amount of the ambulance district's cash was \$246,040 and \$234,954, respectively, and the bank balance was \$255,127 and \$255,087, respectively. Cash and cash equivalents are stated at cost, which approximates market. The deposits at December 31, 1998, were secured as follows:

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

	<u>Cash Equivalents</u>			<u>Total</u>
	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	
Carrying Amount on Balance Sheet	<u>\$246,040</u>	<u>\$</u>	<u>\$</u>	<u>\$246,040</u>
Bank Balances:				
a: Insured (FDIC) or collateralized with securities held by the entity or its agent <u>in the entity's name</u>	<u>255,127</u>	<u>_____</u>	<u>_____</u>	<u>255,127</u>
b. Collateralized with securities held by pledging financial institution's trust department or agent <u>in the entity's name</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
c. Uncollateralized, including any securities held for the entity but <u>not in the entity's name</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
TOTAL Bank Balances	<u>\$255,127</u>	<u>\$</u>	<u>\$</u>	<u>\$255,127</u>

There were no uncollateralized securities fitting the description in (c) above during the year.

INVESTMENTS

Investments are stated at fair value. The district accounts for its investments in accordance with GASB Statement 31. The adjustment required to restate investments at the beginning of the fiscal year is reflected in current year investment increase. The adjustment was immaterial to the financial statements and therefore was not recorded as a prior period adjustment.

Investments can be classified according to the level of risk to the entity. The following categories list each type of investment disclosing the carrying amount, market value, and applicable category of risk.

Category 1 - Insured or registered in the entity's name, or securities held by the entity or its agent in the entity's name

Category 2 - Uninsured and unregistered with securities held by the counterparty's trust department or agent in the entity's name

Category 3 - Unsecured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the entity's name

<u>Type of Investment</u>	<u>Category of Risk</u>			<u>Mutual Fund</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>			
Repurchase Agreements	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
U.S. Government Securities	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Common & Preferred Stock	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Commercial Paper	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Corporate Bonds	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Governmental Mutual Fund	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>136,666</u>	<u>136,666</u>	<u>136,666</u>
TOTAL	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$136,666</u>	<u>\$136,666</u>	<u>\$136,666</u>

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

NOTE C - PROPERTY, PLANT AND EQUIPMENT

A summary of property and equipment at December 31, 1998 and 1997 is as follows:

	<u>Estimated life in years</u>	<u>December 31, 1998</u>	<u>1997</u>
Buildings	15-30	\$323,062	\$323,062
Vehicles (Ambulances)	5	217,623	164,538
Furniture and Equipment			
Furniture and Fixtures	5-8	54,478	52,157
Medical Equipment	5-8	61,906	53,763
Communication Equipment	5-8	24,267	23,946
Other Equipment	5-8	<u>12,100</u>	<u>12,100</u>
		693,436	629,566
Accumulated Depreciation		<u>295,109</u>	<u>233,067</u>
		<u>\$398,327</u>	<u>\$396,499</u>

Depreciation expense charged to operations for the years ended December 31, 1998 and 1997 were \$62,042 and \$56,967 respectively.

The following changes occurred in the property and equipment account:

	<u>Balance December 31 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31 1998</u>
Buildings	\$ 323,062	\$ ---	\$ ---	\$ 323,062
Vehicles (Ambulances)	164,538	53,085		217,623
Furniture and Equipment	52,157	2,321	---	54,478
Medical Equipment	53,763	8,143	---	61,906
Communication Equipment	23,946	321	---	24,267
Other Equipment	<u>12,100</u>	<u>---</u>	<u>---</u>	<u>12,100</u>
	<u>\$ 629,566</u>	<u>\$ 63,870</u>	<u>\$ ---</u>	<u>\$ 693,436</u>

AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH

NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

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 1998, 1997 and 1996.
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 1998 was \$557,268 of which \$276,980 was covered by the plan. For 1998, the district's contribution was \$13,849 (5% of covered payroll). Employee contributions to the plan amounted to \$14,744 for 1998.

The total payroll for the year 1997 was \$474,290 of which \$300,160 was covered by the plan. For 1997, the district's contribution was \$15,008 (5% of covered payroll). Employee contributions to the plan amounted to \$10,356 for 1997.

AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH

NOTES TO FINANCIAL STATEMENTS  
(Continued)

The total payroll for the year 1996 was \$448,565 of which \$287,720 was covered by the plan. For 1996, the district's contribution was \$14,386 (5% of covered payroll). Employee contributions to the plan amounted to \$13,047 for 1996.

NOTE E - CONTRACTUAL AGREEMENTS

During the year the Ambulance District was party to an intergovernmental 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.

NOTE F - POST EMPLOYMENT BENEFITS

The Ambulance District has no Post Employment Benefits.

NOTE G - YEAR 2000

The district's computer systems are Y2K ready.

SUPPLEMENTARY INFORMATION



AMBULANCE SERVICE DISTRICT NO. 1

OF LAFOURCHE PARISH

SCHEDULE I

SCHEDULE OF PER DIEMS PAID COMMISSIONERS

For the year ended December 31, 1998

No per diems were paid to commissioners

AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH

STATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS  
BUDGET (GAAP BASIS) AND ACTUAL

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
OPERATING REVENUES:			
Charges for Services-Ambulance	\$ 860,000	\$ 849,412	\$(10,588)
Other	<u>-</u>	<u>571</u>	<u>571</u>
Total operating revenues	<u>860,000</u>	<u>849,983</u>	<u>(10,017)</u>
OPERATING EXPENSES:			
Advertising	500	591	( 91)
Contractual services	24,600	23,600	1,000
Depreciation	57,060	62,042	( 4,982)
Dues and subscriptions	750	780	( 30)
Fuel	6,500	6,115	385
Insurance - general	73,000	72,067	933
Insurance - medical	27,500	24,515	2,985
Medical supplies	28,000	25,742	2,258
Miscellaneous expenses	2,200	1,788	412
Office and general supplies	15,500	11,387	4,113
Payroll taxes and retirement	82,500	80,569	1,931
Postage	2,500	2,533	( 33)
Professional fees	3,300	3,300	---
Provision for uncollectible receivables	322,500	225,567	96,933
Repairs and maintenance	23,000	24,105	(1,105)
Salaries	550,000	557,268	(7,268)
Telephone	14,000	16,029	(2,029)
Travel and training	2,000	2,396	( 396)
Uniforms	2,500	2,327	173
Utilities	<u>13,300</u>	<u>12,163</u>	<u>1,137</u>
Total operating expenses	<u>1,251,210</u>	<u>1,154,884</u>	<u>96,326</u>
Operating income (loss)	<u>\$(391,210)</u>	<u>\$(304,901)</u>	<u>\$ 86,309</u>

AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH

STATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS  
BUDGET (GAAP BASIS) AND ACTUAL  
(Continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
NONOPERATING REVENUES:			
Millage tax, net of assessor's fees of \$11,871 in 1998	\$ 328,000	\$ 389,385	\$ 61,385
Revenue sharing	10,000	10,103	103
Net increase in fair value of ivestments	<u>12,500</u>	<u>22,698</u>	<u>10,198</u>
Total nonoperating revenue	<u>350,500</u>	<u>422,186</u>	<u>71,686</u>
Net income (loss)	( 40,710)	117,285	157,995
Retained earnings, beginning of year	<u>1,133,795</u>	<u>1,133,795</u>	<u>---</u>
Retained earnings, end of year	<u>\$1,093,085</u>	<u>\$1,251,080</u>	<u>\$157,995</u>

A PROFESSIONAL CORPORATION

P.O. Box 965

LAROSE, LA 70373

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  
Ambulance Service District No. 1  
of Lafourche Parish

I have audited the general purpose financial statements of AMBULANCE SERVICE DISTRICT NO. 1 of LAFOURCHE PARISH, component unit of Lafourche Parish, as of and for the year ended December 31, 1998, and have issued my report thereon dated August 6, 1999. I conducted my 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 AMBULANCE SERVICE DISTRICT NO. 1 of LAFOURCHE PARISH's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provision 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 items 98-2, 98-3 and 98-4.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered AMBULANCE SERVICE DISTRICT NO. 1 of LAFOURCHE PARISH's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my 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.

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

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 AMBULANCE SERVICE DISTRICT NO. 1 of LAFOURCHE PARISH's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings as items 98-1 and 98-5.

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, we believe none of the reportable conditions described above is a material weakness.

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



Aldon G. Wahl, Jr.  
Certified Public Accountant

August 6, 1999

AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH

SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 1998

**SECTION I SUMMARY OF AUDITOR'S RESULTS**

A) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- \* Material weakness(es) identified? yes no
- \* Reportable condition(s) identified that are not considered to be material weakness? yes none reported

Noncompliance material to financial statements noted? yes no

B) Federal Awards

Ambulance Service District No. 1 Of Lafourche Parish did not receive federal awards during the year ended December 31, 1998.

**SECTION II FINANCIAL STATEMENT FINDINGS**

98-1 Criteria

The district is exempt from sales taxes on purchases of goods and services.

Finding

It was noted during the audit that sales taxes had been paid on several invoices.

Recommendation

All invoices should be verified before payment.

Management Response

It is the district's policy to verify all invoices before presentation for payment. The district has instructed its staff to be more diligent when reviewing vendor invoices for accuracy. The district is in the process of requesting refunds of the sales taxes paid.

AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH

SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 1998  
(continued)

98-2 Criteria

State law requires that audit reports be submitted to the Legislative Auditor within six months after the close of the district's fiscal year.

Finding

Due to irregularities encountered the audit was expanded and therefore could not be submitted within the allotted six month period.

Recommendation

No recommendation considered necessary because the only reason the six month deadline was not met was due to the irregularities noted in this audit report.

Management Response

The district has previously been in compliance with state law and if it were not for the irregularities it would have timely submitted its audit report for the 1998 fiscal year. The district will continue its practice of submitting its reports timely for subsequent audits.

98-3 Criteria

State law prohibits political subdivisions from loaning property (funds) or its credit.

a) Finding

The district participated in a cellular phone plan that provided discounted cellular phone services to district employees and their families. Although each phone was itemized separately, they were all billed to the district. The district would issue a check for the entire amount of the invoice and would then bill each participant for their portion of the charges. The employee was responsible for the payment of their bill and any of their family members.

b) Finding

Employees made temporary loans from the petty cash fund.





AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH

SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 1998  
(continued)

c) Finding

Employees were allowed to order uniforms, stethoscopes, etc., as a group, through an account under the district's name. Sales taxes were not paid on these purchases.

Recommendation

The district should not advance funds or allow its credit to be used. Sales taxes must be paid on these purchases.

Management's Response

The district discontinued the group cellular plan. It no longer makes advances from its petty cash, nor does it extend credit or allow its credit to be used by others. Sales taxes will be paid on applicable purchases.

98-4 Irregularities

a) Finding

It was the bookkeeper's responsibility to prepare all bank deposits. Cash collected by the district for cellular phone reimbursements and patient charges were received and credited but some were never deposited.

b) Finding

The bookkeeper wrote checks for her cell phone bill made payable to the district but some of the checks were never deposited. A copy of the checks were in the district's files.

c) Finding

The procedure for payment of accounts is for the bookkeeper to prepare invoices and a "Payment Request Form" for approval of the administrator. All invoices approved for payment are returned to the bookkeeper to prepare checks for signature.

The bookkeeper charged unauthorized items to the district that appear to have been for her personal use. The district paid for these items through their normal procedure.

AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH

SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 1998  
(continued)

Finding

The district has a lack of segregation of duties. The bookkeeper maintains the accounting records and also prepares invoices for payment, prepares the checks, has check signing authority, handles deposits, etc.

Recommendation

Due to the small size of the district's staff it is impossible to segregate all duties that should be segregated. The district should attempt to segregate as staffing allows. e.g.

A list of some of the duties that would be normally segregated in a larger organization are as follows:

- Open the mail and prepare a list of cash receipts
- Prepare bank deposits
- Prepare bank reconciliation
- Prepare the cash receipts journal which posts to the general ledger
- Maintain the accounts receivable records and the general ledger
- Initiate and approve purchases for payment
- Prepare checks for signature
- Sign checks

Management Response

The district has already begun to segregate duties as recommended (e.g. the bookkeeper no longer has check signing authority). The district is in the process of reviewing all of its systems so that it may allocate tasks to achieve the maximum segregation of duties allowed by its staff size. This process should be completed in two to three months.

**SECTION III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Not applicable.

REPORTS BY MANAGEMENT

AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH

SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 1997

There were no prior year findings. A management letter was not issued in connection with the audit for the year ended December 31, 1997.

AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH

MANAGEMENT'S CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 1998

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE GENERAL-PURPOSE  
FINANCIAL STATEMENTS

98-1 Recommendation

All invoices should be verified before payment.

Management's Corrective Action Plan

It is the district's policy to verify all invoices before presentation for payment. The district has instructed its staff to be more diligent when reviewing vendor invoices for accuracy. The district is in the process of requesting refunds of the sales taxes paid.

98-2 Recommendation

No recommendation considered necessary because the only reason the six month deadline was not met was due to the irregularities noted in this audit report.

Management's Corrective Action Plan

The district has previously been in compliance with state law and if it were not for the irregularities it would have timely submitted its audit report for the 1998 fiscal year. The district will continue its practice of submitting its reports timely for subsequent audits.

98-3 Recommendation

The district should not advance funds or allow its credit to be used. Sales taxes must be paid on these purchases.

Management's Corrective Action Plan

The district discontinued the group cellular plan. It no longer makes advances from its petty cash, nor does it extend credit or allow its credit to be used by others. Sales taxes will be paid on applicable purchases.

AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH

MANAGEMENT'S CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 1998  
(continued)

98-4 Recommendation

Although some of the irregularities were discovered by the district's staff, I recommend the following:

- 1) More stringent restrictions on purchases from vendors.
- 2) More thorough review of statements and invoices should be conducted in the future.
- 3) As discussed in 98-5, the district should segregate duties as staffing allows.

Management's Corrective Action Plan

- 1) The district has tightened controls by limiting the authority to initiate purchases.
- 2) All staff members have been instructed to diligently follow the district's policy of thoroughly reviewing all invoices received for payment by the district.
- 3) See management response to 98-5 addressing segregation of duties.

98-5 Recommendation

Due to the small size of the district's staff it is impossible to segregate all duties that should be segregated. The district should attempt to segregate as staffing allows. e.g.

A list of some of the duties that would be normally segregated in a larger organization are as follows:

- Open the mail and prepare a list of cash receipts
- Prepare bank deposits
- Prepare bank reconciliation
- Prepare the cash receipts journal which posts to the general ledger
- Maintain the accounts receivable records and the general ledger
- Initiate and approve purchases for payment
- Prepare checks for signature
- Sign checks

AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH

MANAGEMENT'S CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 1998  
(continued)

Management's Corrective Action Plan

The district has already begun to segregate duties as recommended (e.g. the bookkeeper no longer has check signing authority). The district is in the process of reviewing all of its systems so that it may allocate tasks to achieve the maximum segregation of duties allowed by its staff size. This process should be completed in two to three months.

**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, 1998.

**SECTION III MANAGEMENT LETTER**

A management letter was not issued in connection with the audit for the year ended December 31, 1998.