

**JACKSON PARISH AMBULANCE SERVICE DISTRICT
A COMPONENT UNIT
OF THE JACKSON PARISH POLICE JURY**

**GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2003**

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

Release Date 8-11-04

Jackson Parish Ambulance Service District
A Component Unit of the Jackson Parish Police Jury
Jonesboro, Louisiana
Financial Report
December 31, 2003

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INDEPENDENT AUDITORS' REPORT

Mr. Herbert Simmons, Jr., Chairman
and Members of the Board of Commissioners
Jackson Parish Ambulance Service District
Jonesboro, Louisiana 71251

We have audited the accompanying general purpose financial statements of the Jackson Parish Ambulance Service District, a component unit of the Jackson Parish Police Jury, as of and for the year ended December 31, 2003, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the Jackson Parish Ambulance Service District's 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that 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.

As described more fully in Note 1, the financial statements of the Jackson Parish Ambulance Service District are intended to present fairly only the financial position and results of operations of the Jackson Parish Ambulance Service District. The financial statements are not intended to present fairly the financial position and results of operations of the Jackson Parish Police Jury, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Jackson Parish Ambulance Service District, as of December 31, 2003, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2004, on our consideration of the Jackson Parish Ambulance Service District of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The financial information listed as supporting schedules in the Table of Contents is presented for purposes of additional analysis and are not a required part of the financial statements of the Jackson Parish Ambulance Service District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

June 15, 2004

Natchitoches, Louisiana

Jackson Parish Ambulance Service District
All Fund Types and Account Group
Balance Sheet-Proprietary Fund-Enterprise Fund Type
December 31, 2003

Assets

Current Assets-

Cash	\$ 24,498
Receivables	<u>346,403</u>

Total Current Assets	<u>\$ 370,901</u>
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Fixed Assets-

Equipment	\$ 598,867
Accumulated Depreciation	<u>(449,738)</u>

Total Fixed Assets (net of accumulated depreciation)	<u>\$ 149,129</u>
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Total Assets	<u>\$ 520,030</u>
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Liabilities & Fund Equity

Current Liabilities-

Accounts Payable	\$ 11,545
Payroll Related Payables	1,614
Accrued Interest on Certificates of Indebtedness	3,823
Current Portion of Certificates of Indebtedness	<u>156,000</u>

Total Current Liabilities	<u>\$ 172,982</u>
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Noncurrent Liabilities-

Certificates of Indebtedness	<u>\$ 226,000</u>
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Total Noncurrent Liabilities	<u>\$ 226,000</u>
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Total Liabilities	<u>\$ 398,982</u>
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Fund Equity-

Contributed Capital	\$ 459,039
Retained Earnings-Unreserved	<u>(337,991)</u>

Total Fund Equity	<u>\$ 121,048</u>
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Total Liabilities & Fund Equity	<u>\$ 520,030</u>
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The accompanying notes are an integral part of this statement.

Jackson Parish Ambulance Service District
Governmental Funds
Statement of Revenues, Expenses and Changes in Retained Earnings-
Proprietary Fund-Enterprise Fund Type
For the Year Ended December 31, 2003

OPERATING REVENUES:	
Ambulance Service	<u>\$ 439,103</u>
 Total Operating Revenues	 <u>\$ 439,103</u>
OPERATING EXPENSES:	
Advertising	\$ 4,709
Auto Fuel, Oil, & Other Maintenance Fluids	12,629
Billing/Envelopes/Letterhead	15,236
Depreciation Expense	119,031
Dues, Subscriptions, & Licenses	250
Insurance & Bonding	16,126
Insurance - Workmen's Compensation	35,882
Laundry/Uniforms	1,232
Legal & Accounting	19,682
Office Supplies	2,056
Outside Services	6,879
Payroll Taxes	40,099
Rent - Radio Tower	1,375
Rent & Lease (other)	3,076
Repairs and Maintenance	15,003
Salaries & Wages	483,469
Supplies - Medical	16,795
Supplies - Non-medical	2,658
Taxes & Expenses	579
Tax Penalties	1,148
Telephone & Utilities	10,130
Travel/Education/Updates	<u>4,503</u>
 Total Operating Expenses	 <u>\$ 812,547</u>
 Operating Income (loss)	 <u>\$(373,444)</u>
Non-operating Revenues (expenses)	
Ad Valorem Taxes	\$ 286,369
State Revenue Sharing	2,552
Insurance Proceeds	166
Miscellaneous Revenue	10,649
Interest Expense	<u>(11,387)</u>
 Total Non-operating Revenues (expenses)	 <u>\$ 288,349</u>
 Net Income (loss)	 \$ (85,095)
 Fund Balances-Beginning of Year	 <u>(252,896)</u>
 Fund Balances-End of Year	 <u>\$(337,991)</u>

The accompanying notes are an integral part of this statement.

Jackson Parish Ambulance Service District
Statement of Cash Flows-Proprietary Fund-Enterprise Fund
For the Year Ended December 31, 2003

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Income (loss)	\$ (85,095)
Adjustments to Reconcile Net Income	
To Net Cash Provided by Operating Activities-	
Depreciation	119,031
(Increase) Decrease in Accounts Receivable	(44,383)
Increase (Decrease) in Accounts Payable	(9,066)
Increase (Decrease) in Payroll Taxes and Deductions Payable	<u>457</u>
Net Cash Provided by (used by) Operating Activities	\$ <u>(19,056)</u>
CASH FLOWS FROM CAPITAL ACTIVITIES:	
Purchase of Equipment	\$ <u>(66,771)</u>
Net Cash Provided by (used by) Capital Activities	\$ <u>(66,771)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Proceeds from Loans	\$105,000
Repayment of Loans	(48,000)
Interest Accrued on Notes Payable	<u>(1,601)</u>
Net Cash Provided by (used by) Financing Activities	\$ <u>55,399</u>
Net Increase (Decrease) in Unrestricted Cash	\$ (30,428)
Unrestricted Cash at Beginning of Year	<u>54,926</u>
Unrestricted Cash at End of Year	\$ <u>24,498</u>
Supplemental Disclosures of Cash Flows Information:	
Cash Paid During the Year for Interest	\$ <u>12,989</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Jackson Parish Ambulance Service District
Notes to Financial Statements
December 31, 2003

INTRODUCTION

As provided by Louisiana Revised Statute 33:9053, the Jackson Parish Ambulance Service District was created by an ordinance of the Jackson Parish Police Jury on May 4, 1998. The District is governed by a Board of Commissioners consisting of five members appointed by the Jackson Parish Police Jury. Commissioners are residents of the parish and serve terms of 3-6 years. The commissioners do not receive compensation.

The District was created for the purpose of owning and operating ambulances for the transportation of persons suffering from illness, disabilities, or injuries necessitating ambulance care.

1. Summary of Significant Accounting Policies:

A. Basis of Presentation-

The accompanying general purpose financial statements of the District 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-

As the governing authority of the parish, for reporting purposes, the Jackson Parish Police Jury is the financial reporting entity for Jackson Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the 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 Jackson 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 Police Jury 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 Police Jury.
2. Organizations for which the Jackson Parish Police Jury does not appoint a voting majority but are fiscally dependent on the Jackson Parish Police Jury.

Jackson Parish Ambulance Service District
Notes to Financial Statements
December 31, 2003

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Jackson Parish Police Jury approves the organization's governing body, and the ability of the Jackson Parish Police Jury to impose its will on the District, the District was determined to be a component unit of the Jackson Parish Police Jury, the financial reporting entity. The accompanying general purpose financial statements present information only on the funds maintained by the District and do not present information on the Jackson Parish Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Fund Accounting-

The District uses one fund 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.

The Jackson Parish Ambulance Service District, uses an enterprise fund type of the proprietary fund category to account for operations that are financed and operated in a manner similar to a private business enterprise where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

As a proprietary activity, the District applies all applicable pronouncements by the *Governmental Accounting Standards Board (GASB)*, as well as those pronouncements by the *Financial Accounting Standards Board (FASB)*, *Accounting Principles Board*, and the *Committee on Accounting Procedure* issued prior to November 30, 1989. The District also applied all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with, or contradict, GASB pronouncements, that are developed for business enterprises.

C. Basis of Accounting-

The accounting and financial treatment applied to a fund is determined by its measurement focus. Proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. The proprietary fund uses the accrual basis of accounting; revenues are recognized when earned, and expenses are recognized at the time the related liabilities are incurred.

Jackson Parish Ambulance Service District
Notes to Financial Statements
December 31, 2003

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. Ad valorem taxes are generally collected in December of the current year and January and February of the ensuing year. Ambulance service revenues are recorded net of charges disallowed by Medicare, Medicaid, or private insurance.

E. Cash and Cash Equivalents and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. 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, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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. Jackson Parish Ambulance Service District has no investments at December 31, 2003.

F. Compensated Absences

The District has established an accrued time off program, which combines vacation and holidays to meet employees' need for rest and relaxation as well as time off for unexpected events. Employees may accumulate from 20 to 30 days of accrued time off each year, depending on their length of service with the District. The cost of leave privileges, computed in accordance with the GASB Codification Section C60, is immaterial to the financial statements and is not accrued; the cost of leave expense is recognized as a current-year expense when leave is actually taken.

G. Fixed Assets

The fixed assets of the Jackson Parish Ambulance Service District enterprise fund are included on the Balance Sheet of the fund, net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by the enterprise fund operation is charged as an expense against operations. Depreciation has been computed using the straight-line method over the estimated useful lives of the assets, which is 5 to 10 years for ambulances and equipment.

Jackson Parish Ambulance Service District
Notes to Financial Statements
December 31, 2003

2. Levied Taxes:

The following is a summary of authorized and levied taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expires</u>
District Taxes:			
Maintenance and Operation Tax	1.88	1.86	2008
Maintenance and Operation Tax	<u>2.72</u>	<u>2.69</u>	2008
Total	<u>4.60</u>	<u>4.55</u>	

3. Cash and Cash Equivalents:

At December 31, 2003, the District has cash and cash equivalents (book balance) totaling \$24,498, as follows:

Demand Deposits, Unrestricted	<u>\$24,498</u>
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These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposits 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, 2003, the District has \$25,250 in deposits (collected bank balances). These deposits are secured from risk by \$25,250 of federal deposit insurance.

4. Accounts Receivable:

At year-end, the District has \$346,403 in receivables as follows:

Intergovernmental:	
Ad Valorem Taxes	\$271,130
State Revenue Sharing	1,276
Accounts:	
Medicare	57,114
Private Insurance	7,806
Medicaid	4,853
Patient Self-Pays	2,224
Miscellaneous	<u>2,000</u>
Total Accounts Receivable	<u>\$346,403</u>

Jackson Parish Ambulance Service District
Notes to Financial Statements
December 31, 2003

5. Changes in Fixed Assets:

The following is a summary of changes in equipment:

	<u>Equipment</u>	<u>Accumulated Depreciation</u>
Balance, January 1, 2003	\$532,096	\$(330,707)
Additions	66,771	(119,031)
Deletions	<u>0</u>	<u>0</u>
Balance, December 31, 2003	<u>\$598,867</u>	<u>\$(449,738)</u>

6. Long-Term Obligations:

On August 1, 2002, the District issued Certificates of Indebtedness, Series 2002 in the amount of \$325,000 for the purpose of acquiring ambulances and equipment, paying capital expenses and paying the cost of issuances of the certificates. Jonesboro State Bank purchased \$280,000 of the certificates, which bear interest at 4.65% per annum. The remaining \$45,000 of certificates were purchased by the State of Louisiana and bear no interest. All principal and interest requirements are funded by the annual ad valorem tax levied on taxable property within the parish. The loan agreement provides for eleven semi-annual installments. The first installment on the interest-bearing debt is to be paid on March 1, 2003 and the final payment is due on March 1, 2008. Principal on the non-interest bearing debt is to be repaid at \$15,000 per year beginning March 1, 2005, with the final payment due March 1, 2007. The following is a summary of the general long-term obligation transactions relating to these certificates as of December 31, 2003.

Certificates of Indebtedness at January 1, 2003	\$325,000
Additions	0
Payments	<u>(48,000)</u>
Certificates of Indebtedness at December 31, 2003	<u>\$277,000</u>

The debt service requirements to maturity including \$27,947 of interest are as follows:

Fiscal Year Ending <u>December 31</u>	Requirement \$280,000 Interest-Bearing <u>Certificates</u>	Requirement \$45,000 Non-Interest-Bearing <u>Certificates</u>	Total Requirement Certificates of Indebtedness <u>Series 2002</u>
2004	\$ 60,602	\$ 0	\$60,602
2005	46,510	15,000	61,510
2006	45,673	15,000	60,673
2007	45,766	15,000	60,766
Thereafter	<u>61,396</u>	<u>0</u>	<u>61,396</u>
Total	<u>\$259,947</u>	<u>\$45,000</u>	<u>\$304,947</u>

Jackson Parish Ambulance Service District
Notes to Financial Statements
December 31, 2003

7. Pension Plan:

The District contributes to the Social Security System for its employees. The District does not participate in any other pension or retirement plans.

8. Litigation and Claims:

The District is known to be a defendant in one lawsuit. Although the outcome of this lawsuit is not presently determinable, a material adverse effect on the financial condition of the District is not expected as a result of a resolution of this matter.

The District is currently under investigation by the Louisiana Department of Labor for possible overtime law violations. Any resulting potential claim on district resources is currently not determinable and no resulting liability has been recorded.

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

Mr. Herbert Simmons, Jr., Chairman
and Members of the Board of Commissioners
Jackson Parish Ambulance Service District
Jonesboro, Louisiana 71251

We have audited the general purpose financial statements of the Jackson Parish Ambulance Service District, a component unit of the Jackson Parish Police Jury, as of and for the year ended December 31, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Jackson Parish Ambulance Service District'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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Jackson Parish Ambulance Service District'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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the management of the Jackson Parish Ambulance Service District, the Legislative Auditor, and interested state and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Johnson, Thomas & Cunningham
Johnson, Thomas & Cunningham, CPA's

June 15, 2004
Natchitoches, Louisiana

Jackson Parish Ambulance Service District
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2003

Internal Control-

2002-01 *Condition*-The District Attorney failed to maintain a complete log of transports provided by the District thus comparison of billed services against actual transports provided cannot be determined.

Current Status-This condition was corrected in 2003.

2002-02 *Condition*-The cash receipts book for the current audit period could not be located during the audit.

Current Status-This condition was corrected in 2003.

2002-03 *Condition*-The District has a computerized time-clock system. Changes to and enforcement of existing procedures, as well as addition of new procedures in the internal controls over payroll, are needed.

Current Status-This condition was corrected in 2003.