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ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
FINANCIAL REPORT  
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 9-8-04

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**BROUSSARD, POCHE, LEWIS & BREAUX, L.L.P.**  
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**INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying general purpose financial statements of Allen Parish Ambulance Service District No. 1 as of December 31, 2003 and 2002, and for the years then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audits.

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We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements. 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 audits provide 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 Allen Parish Ambulance Service District No. 1 as of December 31, 2003 and 2002, and the results of its operations and cash flows for the years then ended in conformity with generally accepted accounting principles in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2004, on our consideration of Allen Parish Ambulance Service District No. 1'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.

*Retired:*

Sidney L. Broussard, CPA 1980  
Leon K. Poché, CPA 1984  
James H. Breaux, CPA 1987  
Erma R. Walton, CPA 1988  
George A. Lewis, CPA\* 1992  
Geraldine J. Wimberley, CPA\* 1995  
Rodney L. Savoy, CPA\* 1996  
Larry G. Broussard, CPA\* 1996  
Lawrence A. Cramer, CPA\* 1999  
Michael P. Crochet, CPA\* 1999  
Ralph Friend, CPA 2002

Crowley, Louisiana  
April 12, 2004

*Broussard, Poché, Lewis & Breaux, L.L.P.*

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

BALANCE SHEETS  
December 31, 2003 and 2002

	2003	2002
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 39,601	\$ 78,711
Certificates of deposit	195,000	175,000
Patients accounts receivable, net of estimated uncollectibles of \$108,528 and \$200,657 for 2003 and 2002, respectively	110,560	103,266
Ad valorem tax receivable, net of estimated uncollectibles of \$5,622 and \$9,197 for 2003 and 2002, respectively	366,663	338,771
Inventory	19,664	3,638
Prepaid insurance	19,704	10,906
Other receivables	146	342
<b>Total current assets</b>	<b>\$ 751,338</b>	<b>\$ 710,634</b>
<b>RESTRICTED ASSETS</b>		
Cash and cash equivalents	2,799	2,799
<b>FIXED ASSETS</b>		
Property, plant and equipment, at cost, less accumulated depreciation of \$147,625 and \$147,895 for 2003 and 2002, respectively	239,790	147,894
<b>Total assets</b>	<b>\$ 993,927</b>	<b>\$ 861,327</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 20,681	\$ 5,837
Accrued liabilities	56,977	47,776
Retainage payable	12,056	-
Capital lease payable	19,067	18,197
<b>Total current liabilities</b>	<b>\$ 108,781</b>	<b>\$ 71,810</b>
<b>LONG-TERM LIABILITIES</b>		
Capital lease payable	40,910	59,977
<b>Total liabilities</b>	<b>\$ 149,691</b>	<b>\$ 131,787</b>
<b>FUND BALANCE</b>		
Restricted	\$ 2,799	\$ 2,799
Unrestricted	841,437	726,741
<b>Total fund balance</b>	<b>\$ 844,236</b>	<b>\$ 729,540</b>
<b>Total liabilities and fund balance</b>	<b>\$ 993,927</b>	<b>\$ 861,327</b>

See Notes to Financial Statements.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

STATEMENTS OF OPERATIONS  
Years Ended December 31, 2003 and 2002

	2003	2002
Revenues:		
Net patient service revenue	\$ 669,489	\$ 649,520
Ad valorem taxes	378,019	363,459
Other Income	3,750	1,539
	<hr/>	<hr/>
Total revenues	\$ 1,051,258	\$ 1,014,518
	<hr/>	<hr/>
Expenses:		
Salaries	\$ 500,010	\$ 461,497
Advertising	2,750	2,954
Board members' per diems	2,600	2,850
Repairs and maintenance	13,360	10,423
Contract labor	1,185	1,196
Depreciation expense	38,870	34,385
Employee benefits	34,563	15,393
Fuel expense	10,154	9,886
Insurance expense	78,471	39,951
Interest expense	3,518	4,779
Medical director	3,000	3,000
Other expenses	8,195	4,888
Payroll taxes	13,381	16,953
Postage and delivery	3,082	2,755
Professional expenses	6,230	10,691
Provision for bad debts	157,695	240,049
Retirement expense	31,698	23,477
Supplies	22,798	27,819
Telephone expense	10,956	7,689
Utilities	8,306	6,171
	<hr/>	<hr/>
Total expenses	\$ 950,822	\$ 926,806
	<hr/>	<hr/>
Operating income	\$ 100,436	\$ 87,712
	<hr/>	<hr/>
Non-operating revenues:		
Interest income	\$ 8,760	\$ 8,087
Gain on sale of fixed assets	500	-
Donations	5,000	-
	<hr/>	<hr/>
Total non-operating revenues	\$ 14,260	\$ 8,087
	<hr/>	<hr/>
Excess of revenues over expenses	\$ 114,696	\$ 95,799
	<hr/> <hr/>	<hr/> <hr/>

See Notes to Financial Statements.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

STATEMENTS OF CHANGES IN FUND BALANCE  
 Years Ended December 31, 2003 and 2002

	Restricted	Unrestricted
	<u>                    </u>	<u>                    </u>
Fund balance, beginning, as previously stated, 2002	\$ -	\$ 628,995
Prior period adjustments	95,514	(90,768)
	<u>                    </u>	<u>                    </u>
Fund balance, beginning, as restated	\$ 95,514	\$ 538,227
Excess of revenues over expenses	-	95,799
Amounts released from restrictions	(92,715)	92,715
	<u>                    </u>	<u>                    </u>
Fund balance, ending 2002	\$ 2,799	\$ 726,741
Excess of revenues over expenses	-	114,696
	<u>                    </u>	<u>                    </u>
Fund balance, ending 2003	<u>\$ 2,799</u>	<u>\$ 841,437</u>

See Notes to Financial Statements.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2003 and 2002

	2003	2002
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating income	\$ 100,436	\$ 87,712
Interest expense considered capital financing activity	3,518	4,779
Ad valorem taxes considered financing activity	(378,019)	(363,459)
Adjustment to reconcile operating income to net cash used in operating activities:		
Depreciation	38,870	34,385
Provision for bad debts	157,695	240,049
(Increase) decrease in assets:		
Patient accounts receivable	(164,989)	(213,815)
Property tax receivable	(27,892)	7,993
Prepaid expenses	(8,798)	(1,294)
Inventories	(16,026)	(3,638)
Other receivables	196	163
Increase (decrease) in liabilities:		
Accounts payable	14,844	(4,717)
Accrued liabilities	9,200	29,363
Net cash used in operating activities	<u>\$ (270,965)</u>	<u>\$ (182,479)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Ad valorem taxes	<u>\$ 378,019</u>	<u>\$ 363,459</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Payments for the purchase of property and equipment	\$ (113,709)	\$ (104,238)
Principal payments under capital lease obligations	(18,197)	(17,582)
Proceeds from the sale of property and equipment	500	-
Interest expense	(3,518)	(4,779)
Net cash used by capital and financing activities	<u>\$ (134,924)</u>	<u>\$ (126,599)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest income	\$ 8,760	\$ 8,087
Redemption of certificates of deposit	50,000	-
Purchase of certificates of deposit	(70,000)	(125,000)
Net cash used by investing activities	<u>\$ (11,240)</u>	<u>\$ (116,913)</u>
Net decrease in cash and cash equivalents	\$ (39,110)	\$ (62,532)
Cash and cash equivalents, beginning	81,510	144,042
Cash and cash equivalents, ending	<u><u>\$ 42,400</u></u>	<u><u>\$ 81,510</u></u>

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

STATEMENTS OF CASH FLOWS (continued)  
 Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
REONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEETS:		
Cash and cash equivalents	\$ 39,601	\$ 78,711
Cash and cash equivalents in restricted assets	2,799	2,799
Total cash and cash equivalents	<u>\$ 42,400</u>	<u>\$ 81,510</u>
SUPPLEMENTAL SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Donation of land	<u>\$ 5,000</u>	<u>\$ -</u>
Retainage on Oberlin building under construction	<u>\$ 12,056</u>	<u>\$ -</u>

See Notes to Financial Statements.



ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

Note 1. Description of Organization and Summary of Significant Accounting Policies

The following is a summary of the Ambulance Service District's significant accounting policies:

Organization:

Allen Parish Ambulance Service District No. 1 (the "Ambulance District") was established by the Allen Parish Police Jury, by virtue of the authority of R.S. 1261, et, seq. The purpose of the Ambulance District is to own and operate ambulances for the transportation of persons suffering from illnesses or disabilities which necessitate ambulance care. The Ambulance District is governed by a board of commissioners composed of five qualified voters of the District, and are appointed by the Allen Parish Police Jury.

For reporting purposes, the Ambulance District is not considered a component unit of the Allen Parish Police Jury due to the fact that they do not meet the established criteria as provided by GASB statement No. 14 – *The Financial Reporting Entity*. These criteria include financial accountability by the Police Jury or the ability to impose their will on the Ambulance District by significantly influencing the programs, projects, activities or level of services performed or provided by the Ambulance District, and the existence of a financial benefit or burden.

The accompanying general purpose financial statements of the Ambulance District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Ambulance District are described below:

Method of Accounting:

The Ambulance District utilizes the proprietary fund method of accounting whereby revenues and expenses are recognized on the accrual method. The Ambulance District's accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:514 and to the guide set forth in the *Louisiana Governmental Audit Guide*, and the *Audit and Accounting Guide – Health Care Organizations*, published by the American Institute of Certified Public Accountants, and standards established by the GASB.

Accounting Standards:

Pursuant to the Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Ambulance District has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

Net patient revenue:

Net patient revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

Inventories:

Inventories are valued at the latest invoice price, which approximates the lower of cost (first-in, first-out method) or market.

Property, plant, and equipment:

Property, plant, and equipment is stated at cost. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation expense in the general purpose financial statements. Donated property is recorded at its estimated fair value, at the date of receipt. Depreciation is computed using the straight-line method over the estimated useful lives of each class of depreciable assets.

Ambulances	5 years
Building improvements	10 years
Equipment	5 – 10 years

Use of estimates:

The preparation of the general purpose 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 general purpose financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Trade receivables and allowance for uncollectible accounts:

Trade receivables are carried at the original billed amount less an estimate made for uncollectible accounts based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for uncollectible accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Trade receivables are written-off when deemed uncollectible. Recoveries of trade receivables previously written-off are recorded when received.

Cash and cash equivalents:

For purposes of the statement of cash flows, the Ambulance District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Income taxes:

The Ambulance District is a political subdivision and exempt from taxes.

Advertising:

The Ambulance District expenses advertising costs as incurred. Advertising expense for the years ended December 31, 2003 and 2002, totaled \$2,750 and \$2,954, respectively.

Risk Management:

The Ambulance Service District is exposed to various risks of loss from tort; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health. Commercial insurance coverage is purchased for claims arising from such matters.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

Reclassifications:

To be considered with current year classifications, some items from the previous year have been reclassified with no effect on operating losses.

Note 2. Net Patient Service Revenues

The Ambulance District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

- Medicare** – Covered ambulance services are paid based on a fee schedule.
- Medicaid** – Covered ambulance services are paid based on a fee schedule.

During the years ended December 31, 2003 and 2002, approximately 54% and 47%, of the Ambulance District's gross patient services were furnished to Medicare and Medicaid beneficiaries.

The Ambulance District also has entered into payment arrangements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Ambulance District under these agreements includes prospectively determined rates per ambulance trip and prospectively determined rates. The Ambulance District also discounts the base rate charge to parish residents excluding residents of Oakdale.

Note 3. Bank Deposits

Under State laws, the Ambulance District may deposit funds within a fiscal agent bank organized under laws of the State of Louisiana, the laws of any other State in the Union, or the laws of the United States. The Ambulance District may invest in certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana. At December 31, 2003, the Service District has cash and interest bearing deposits (book balances) totaling \$237,400. These deposits are stated at cost, which approximates market. Under state laws, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities 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 bank. These securities are held in the name of the pledging fiscal bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2003, the Ambulance District has \$222,062 in deposits (bank balances). These deposits are secured from risk by \$147,062 of Federal Deposit Insurance Corporation (FDIC) coverage and \$498,340, of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Ambulance District that the fiscal agent has failed to pay deposited funds upon demand.

Note 4. Restricted Assets

The \$2,799 of cash and cash equivalents reported as restricted assets are set aside to be applied to the final payment of the Ambulance District's capital lease obligation.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

Note 5. Property, Plant, and Equipment

A summary of property, plant, and equipment is as follows:

	<u>2003</u>	<u>2002</u>
Ambulance equipment	\$ 23,407	\$ 22,057
Equipment	4,263	4,263
Office equipment	19,857	16,005
Building improvements	19,834	19,834
Land	5,000	-
Ambulances	<u>194,490</u>	<u>233,630</u>
Total property, plant and equipment	\$ 266,851	\$ 295,789
Less: accumulated depreciation	<u>(147,625)</u>	<u>(147,895)</u>
Subtotal	\$ 119,226	\$ 147,894
Construction in process	<u>120,564</u>	-
Net property, plant and equipment	<u>\$ 239,790</u>	<u>\$ 147,894</u>

Depreciation expense for the years ended December 31, 2003 and 2002 amounted to \$38,870 and \$34,385, respectively. Accumulated amortization for equipment under capital lease obligations was \$34,096 and \$15,498 at December 31, 2003 and 2002 respectively.

Construction in process at December 31, 2003 consisted of construction of a new ambulance facility in Oberlin, Louisiana. On January 3, 2003, the Law Enforcement District of Allen Parish donated land to the Ambulance District with a fair value of \$5,000 for the construction of the new ambulance facility in Oberlin, Louisiana.

Note 6. Ad Valorem Taxes

The Ambulance District's property tax is levied by the parish on the taxable real property in the district in late October of each year. Bills are sent out in November of each year at which time the Ambulance District records the tax revenue, and become a lien in the following March. The collection period for the Ambulance District's property taxes is from December (at which time they become delinquent) to the succeeding May.

Pursuant to Act No. 1140 of the 2001 Regular Legislative Session, protested ad valorem tax receipts are no longer segregated and held pending the outcome of the protest lawsuit. Instead, these payments are remitted to the Ambulance District. If the taxpayer successfully wins the protest lawsuit, the Ambulance District is liable to pay the taxpayer the protested tax amount plus interest. At December 31, 2003 and 2002, the amount of protested ad valorem taxes collected, pending the outcome of protest lawsuits is \$7,111 and \$4,710, respectively.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

Note 7. Concentrations of Credit Risk

The Ambulance District grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at December 31, 2003 and 2002, was as follows:

	<u>2003</u>		<u>2002</u>	
Medicare	26	%	32	%
Medicaid	16	%	6	%
Other third-party payors/patients	<u>58</u>	%	<u>62</u>	%
	<u>100</u>	%	<u>100</u>	%

Note 8. Compensated Absences

Ambulance employees earn 7 to 13 days of vacation (depending on years of service) and office employees earn 10 vacation days per year. These vacation days must be used by the end of the employee's annual hire date. Only employees with at least one year of service are eligible for vacation days. Accrued compensated absences at December 31, 2003 and 2002, was \$24,490 and \$19,084, respectively.

Note 9. Capital Lease

The asset acquired through the capital lease is as follows:

Ambulance	\$ 92,990
Less: accumulated depreciation	<u>34,096</u>
Net cost of leased equipment at December 31, 2003	<u>\$ 58,894</u>

A summary of the capital lease obligation as of December 31, 2003, follows:

Capital lease obligation, with an interest rate of 4.7%	\$ 59,977
Less: current portion of capital lease obligations	<u>19,067</u>
Capital lease obligations, excluding current portion	<u>\$ 40,910</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2003:

Years Ended  
December 31,

2004	\$ 21,933
2005	21,933
2006	<u>21,932</u>
Subtotals	\$ 65,798
Less: amounts representing interest	<u>5,821</u>
Present value of minimum lease payments	<u>\$ 59,977</u>



ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

Note 10. Retirement

*Plan Description.* Substantially all employees of the Allen Parish Ambulance Service District No. 1 are members of the Parochial Employees' Retirement System of Louisiana (the "System"), a cost-sharing, multiple-employer public employee retirement system (PERS), controlled and 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. Employees of the Ambulance District are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from Ambulance District 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% of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to 1% 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 as previously stated and do not withdraw their employee contributions 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 Parochial Employees' Retirement System issues an annual publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619 or by calling (504)928-1361.

*Funding Policy.* Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 7.75% of annual covered payroll. Contributions to the System include one-fourth of one percent of the amount of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plans A and B, based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Ambulance 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 Ambulance District's contributions to the System under Plan A for the years ended December 31, 2003, 2002 and 2001 were \$31,698, \$23,477, and \$14,427, respectively, and equal to the required contribution for each year.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

Note 11. Prior Period Adjustments

In the general purpose financial statements for the year ending December 31, 2002, prior period adjustments were made to the Ambulance District's fund balance. These adjustments are detailed below:

	<u>Unrestricted</u>	<u>Resricted</u>
Fund balance beginning, as previously stated	\$ 628,995	\$ -
Prior period adjustments:		
To move to restricted	\$ (95,514)	\$ 95,514
To adjust accounts receivable	(18,850)	-
To convert the Ambulance District to a proprietary fund	<u>23,596</u>	<u>-</u>
Total prior period adjustments	<u>\$ (90,768)</u>	<u>\$ 95,514</u>
Fund balance beginning, as restated	<u>\$ 538,227</u>	<u>\$ 95,514</u>



## BROUSSARD, POCHE, LEWIS & BREAUX, L.L.P.

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L. Charles Abshire, CPA\*  
Kenneth R. Dugas, CPA\*  
P. John Blanchet III, CPA\*  
Stephen L. Lambousy, CPA\*  
Craig C. Babineaux, CPA\*  
Peter C. Borrello, CPA\*  
George J. Trappey III, CPA\*  
Gregory B. Milton, CPA\*  
S. Scott Soileau, CPA\*  
Patrick D. McCarthy, CPA\*  
Martha B. Wyatt, CPA\*  
Troy J. Breaux, CPA\*  
Fayette T. Dupré, CPA\*  
Mary A. Castille, CPA\*  
Joey L. Breaux, CPA\*  
Terrel P. Dressel, CPA\*

*Retired:*

Sidney L. Broussard, CPA 1980  
Leon K. Poché, CPA 1984  
James H. Breaux, CPA 1987  
Erma R. Walton, CPA 1988  
George A. Lewis, CPA\* 1992  
Geraldine J. Wimberley, CPA\* 1995  
Rodney L. Savoy, CPA\* 1996  
Larry G. Broussard, CPA\* 1996  
Lawrence A. Cramer, CPA\* 1999  
Michael P. Crochet, CPA\* 1999  
Ralph Friend, CPA 2002

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\*A Professional Accounting Corporation

### INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

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

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of Allen Parish Ambulance Service District No. 1 taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Allen Parish Ambulance Service District No. 1. This supplementary 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 respective general purpose financial statements taken as a whole.

*Broussard, Poché, Lewis & Breaux, L.L.P.*

Crowley, Louisiana  
April 12, 2004



ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

SCHEDULES OF NET PATIENT SERVICE REVENUES  
 Years Ended December 31, 2003 and 2002

	2003	2002
	<u>                    </u>	<u>                    </u>
Gross patient service revenue	\$ 884,154	\$ 999,505
Coushatta tribe contract revenue	30,000	28,864
	<u>                    </u>	<u>                    </u>
Total gross patient service revenues	\$ 914,154	\$ 1,028,369
Less:		
Medicare and Medicaid contractual adjustments	(206,109)	(361,482)
Coushatta tribe contract discounts	(15,946)	(7,163)
Insurance and other discounts	(22,610)	(10,204)
	<u>                    </u>	<u>                    </u>
Net patient service revenues	<u>\$ 669,489</u>	<u>\$ 649,520</u>

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

SCHEDULES OF BOARD FEES  
Years Ended December 31, 2003 and 2002

Board Members:

	<u>2003</u>	<u>2002</u>
Elsie Frank	\$ 550	\$ 600
Lowell Keys	600	700
Randy Doucet	400	550
Jackie Hollands	100	-
Susan Doumite	450	500
Yvonne Hyatt	500	500
	<u>\$ 2,600</u>	<u>\$ 2,850</u>

The schedule of compensation paid to the Board of Commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature. The Ambulance Service District's Board Members receive \$50 for each day of attendance at meetings of the commission.



## **BROUSSARD, POCHÉ, LEWIS & BREAU, L.L.P.**

C E R T I F I E D P U B L I C A C C O U N T A N T S

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phone: (337) 783-0650  
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(337) 364-4554

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

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

We have audited the general purpose financial statements of the Allen Parish Ambulance Service District No. 1 as of and for the year ended December 31, 2003, and have issued our report thereon dated April 12, 2004. 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 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 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 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 a certain matter 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 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 condition is described in the accompanying schedule of findings and questioned costs as item 2003-1.

To the Board of Commissioners  
Allen Parish Ambulance Service District No. 1

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 do not consider the reportable condition described above to be a material weakness.

This report is intended solely for the information and use of management, others within the Ambulance District, federal award agencies, pass-through entities and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Broussard, Poche, Lewis & Breyer, L.L.P.*

Crowley, Louisiana  
April 12, 2004

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended December 31, 2003

We have audited the general purpose financial statements of Allen Parish Ambulance Service District No. 1 as of and for the year ended December 31, 2003, and have issued our report thereon dated April 12, 2004. 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. Our audit of the general purpose financial statements as of December 31, 2003, resulted in an unqualified opinion.

**Section I. Summary of Auditor's Reports**

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

Internal Control

Material Weaknesses  Yes  No Reportable Conditions  Yes  No

Compliance

Compliance Material to Financial Statements  Yes  No

b. Federal Awards

The Ambulance District does not have any Federal awards.

**Section II. Financial Statement Findings**

2003-1 Segregation of duties

Finding: The Ambulance District does not have adequate segregation of duties. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize the Ambulance District may not be large enough to permit such procedures, it is important that you be aware of this condition.

Recommendation: Keeping in mind the limited number of employees to which duties can be assigned; the Ambulance District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible. Board members should also review all financial information.

Response: Due to small size of the administrative staff, complete segregation of duties is not possible. However, the Ambulance District will continue to monitor the situation and board members will review all financial information.

**Section III. Internal Control and Compliance Material to the Federal Awards**

This year's report does not include any federal awards.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended December 31, 2003

**Section I. Internal Control and Compliance Material to the Financial Statements**

2002-1    Completion of run tickets and matching of charges in patient accounting system to run tickets

**Finding:** During the course of our audit, we noted that information needed for billing purposes was missing from run reports (i.e., proper signatures, required Medicare and Medicaid forms, etc.). This information is necessary for payment by Medicare and Medicaid. We also noted instances where items used on charge tickets did not match charges on the Ambulance District's patient accounting software.

**Recommendation:** We recommend that the Ambulance District establish policies which require run reports to be properly completed before turned into office personnel. A station supervisor should review the run report for any corrections. If corrections are noted, the station supervisor should have the ambulance personnel who performed the call correct the ticket. The corrected run report should then be turned into office personnel. We also recommend that all charges on the run ticket be entered into the Ambulance District's patient accounting software, which in turn is billed to the proper insurance carrier.

**Current Status:** RESOLVED. The Ambulance District has implemented policies which require all run tickets to be properly completed before they are turned into office personnel. These policies include an orientation process for District personnel on proper completion of run reports needed for billing purposes.

2002-2    W-2 Reporting for board member per diem

**Finding:** The Ambulance District did not report per diem amounts paid to board members on a W-2 for year-end reporting. The Internal Revenue Code Section 31.3401(c)-1 states that officers, whether elected or appointed are included in the definition of an employee. By this definition, these per diems paid to board members are subject to payroll withholdings.

**Recommendation:** The Ambulance District should begin subjecting the per diem amounts paid to board members to payroll withholding and report these amounts on a W-2.

**Current Status:** RESOLVED. The Ambulance District has started subjecting the per diem amounts paid to board members to payroll withholding and has begun reporting these amounts on a W-2.

2002-3    Segregation of duties

**Finding:** The Ambulance District does not have adequate segregation of duties. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize the Ambulance District may not be large enough to permit such procedures, it is important that you be aware of this condition.

**Recommendation:** Keeping in mind the limited number of employees to which duties can be assigned; the Ambulance District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible. Board members should also review all financial information.

**Current Status:** NOT RESOLVED. The Ambulance District has continued to try to monitor the problem with segregation of duties, but due to the small size of the administrative staff, complete segregation of duties is not possible. This finding is also included in the audit report for the year ended December 31, 2003, and described in 2003-1.

**Section II. Internal Control and Compliance Material to the Federal Awards**

Not applicable.

**Section III. Management Letter**

Not applicable.

# ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

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215 North Ninth Street

Kinder, Louisiana 70648

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## MANAGEMENT'S CORRECTIVE ACTION PLAN

Year Ended December 31, 2003

### Section I. Internal Control and Compliance Material to the Financial Statements

#### 2003-1 Segregation of duties:

**Finding:** The Ambulance District does not have adequate segregation of duties. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize the Ambulance District may not be large enough to permit such procedures, it is important that you be aware of this condition.

**Recommendation:** Keeping in mind the limited number of employees to which duties can be assigned; the Ambulance District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible. Board members should also review all financial information.

**Response:** Due to small size of the administrative staff, complete segregation of duties is not possible. However, the Ambulance District will continue to monitor the situation and board members will review all financial information.

**Responsible party:** The Ambulance District Board of Commissioners

### Section II. Internal Control and Compliance Material to Federal Awards

There were no matters reported relating to reportable conditions, material weaknesses, or instances of noncompliance, including questioned costs, related to federal awards Year Ended December 31, 2003.

### Section III. Management Letter

There were no matters reported in a separate management letter Year Ended December 31, 2003.