

RECEIVED
LEGISLATIVE AUDITOR

04 JUN 30 AM 11:32

**Bossier Parish Emergency Medical Service District
Benton, Louisiana**

Financial Statements With Auditor's Report

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 8-25-04

Bossier Parish Emergency Medical Service District
Benton, Louisiana

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 – 2
Required Supplementary Information Management's Discussion and Analysis	3 – 8
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Assets	9
Statement of Activities	10
Fund Financial Statements	
Balance Sheet – Governmental Funds	11
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Notes to the Financial Statements	14 – 23
Required Supplementary Information	
Budgetary Comparison Schedule	24
Notes to Required Supplementary Information	25
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	26 – 27
Schedules For Louisiana Legislative Auditor	
Summary Schedule of Prior Year Audit Findings	28
Corrective Action Plan For Current Year Audit Findings	28

COOK & MOREHART

Certified Public Accountants

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TRAVIS H. MOREHART, CPA
A. EDWARD BALL, CPA
VICKIE D. NOBLE, CPA

TELEPHONE (318) 222-5415

FAX (318) 222-5441

RAYEBURN G. COOK (RET.)

C. BRYAN COYLE, CPA
ALICE E. S. GREEN, CPA

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

Bossier Parish Emergency Medical Service District
Benton, Louisiana

We have audited the accompanying basic financial statements of the Bossier Parish Emergency Medical Service District, a component unit of the Bossier Parish Policy Jury, as of and for the year ended December 31, 2003, as listed in the table of contents. These basic financial statements are the responsibility of the Bossier Parish Emergency Medical Service District's management. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Bossier Parish Emergency Medical Service District as of December 31, 2003, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the basic financial statements, Bossier Parish Emergency Medical Service District has implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments* as of January 1, 2003.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 1, 2004, on our consideration of Bossier Parish Emergency Medical Service District'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.

The management's discussion and analysis and budgetary comparison information on pages 3 – 8 and on pages 24 – 25, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Cook & Morehart
Certified Public Accountants
June 1, 2004

BOSSIER PARISH EMERGENCY MEDICAL SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Bossier Parish Emergency Medical Services District's financial performance provides an overview of the Bossier Parish Emergency Medical Services District's financial activities for the fiscal year ended December 31, 2003. Please read it in conjunction with the District's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

The Bossier Parish Emergency Medical Services District's net assets increased by \$220,427 or 10%.

The Bossier Parish Emergency Medical Services District's total general and program revenues were \$2,130,149 in 2003 compared to \$1,941,271 in 2002.

During the year ended December 31, 2003, the Bossier Parish Emergency Medical Services District had total expenses, excluding depreciation, of \$1,779,291.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 9 and 10) provide information about the activities of the Bossier Parish Emergency Medical Services District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 11. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Bossier Parish Emergency Medical Services District's operations in more detail than the government-wide statements by providing information about the Bossier Parish Emergency Medical Services District's most significant funds.

The Bossier Parish Emergency Medical Services District was determined to be a component unit of the Bossier Parish Police Jury. The Commission is financially accountable for the district because it appoints or ratifies a voting majority of the board and has the ability to impose its will on them. The accompanying financial statements present information only on the funds maintained by the Bossier Parish Emergency Medical Services District.

Reporting the Bossier Parish Emergency Medical Services District as a Whole

Our analysis of the Bossier Parish Emergency Medical Services District as a whole begins on page 9. One of the most important questions asked about the Bossier Parish Emergency Medical Services District's finances is "Is the Bossier Parish Emergency Medical Services District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the funds maintained by the Bossier Parish Emergency Medical Services District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Bossier Parish Emergency Medical Services District's *net assets* and changes in them. You can think of the Bossier Parish Emergency Medical Services District's net assets – the difference between assets and liabilities – as one way to measure the Bossier Parish Emergency Medical Services District's financial health, or *financial position*. Over time, *increases* or *decreases* in the Bossier Parish Emergency Medical Services District's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax base, to assess the overall health of the District.

In the Statement of Net Assets and the Statement of Activities, we record the funds maintained by the Bossier Parish Emergency Medical Services District as governmental activities:

Governmental activities – all of the expenses paid from the funds maintained by the Bossier Parish Emergency Medical Services District are reported here which consists primarily of personal services, materials and supplies, travel, repairs and maintenance and other program services. Ambulance fees, assessment–user fee, and sales taxes finance most of these activities.

Reporting the District's Most Significant Funds

Our analysis of the major funds maintained by the Bossier Parish Emergency Medical Services District begins on page 11. The fund financial statements begin on page 11 and provide detailed information about the most significant funds maintained by the Bossier Parish Emergency Medical Services District – not the Bossier Parish Emergency Medical Services District as a whole. The Bossier Parish Emergency Medical Services District's *governmental funds* use the following accounting approaches:

Governmental funds – All of the Bossier Parish Emergency Medical Services District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending.

These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Bossier Parish Emergency Medical Services District's general government operations and the expenses paid from those funds. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain Bossier Parish Emergency Medical Services District expenses. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* in a reconciliation at the bottom of the fund financial statements.

THE BOSSIER PARISH EMERGENCY MEDICAL SERVICES DISTRICT AS A WHOLE

The Bossier Parish Emergency Medical Services District's total net assets changed from a year ago, increasing from \$2,196,503 to \$2,416,930. The December 31, 2003, year was the first period that GASB Statement 34 was applied. The Bossier Parish Emergency Medical Services District was not required to restate the prior periods for purposes of providing comparative data. However, our analysis below will focus on key elements of the total governmental funds for the December 31, 2003 year. In future years, when prior year information is available, a comparative analysis of the funds maintained by the Bossier Parish Emergency Medical Services District will be presented.

**Table 1
Net Assets**

	Governmental Activities <u>2003</u>
Current and other assets	\$ 1,802,722
Capital assets	<u>734,825</u>
Total assets	<u>2,537,547</u>
Current liabilities	85,319
Long-term liabilities	<u>35,298</u>
Total liabilities	<u>120,617</u>
Net assets:	
Investments in capital assets, net of related debt	734,825
Unrestricted	<u>1,682,105</u>
Total net assets	<u>\$ 2,416,930</u>

Net assets of the Bossier Parish Emergency Medical Services District's governmental activities increased by 220,427 or 10%. The District has no restrictions on its net assets.

Table 2
Change in Net Assets

	Governmental Activities <u>2003</u>
Revenues	
Program revenues	
Charges for services –	
Ambulance fees	\$ 722,742
General revenues	
Assessment user fee	611,320
Sales taxes	772,479
Miscellaneous revenues	10,795
Interest income	<u>13,083</u>
Total revenues	2,130,419
Expenses	
Public safety – emergency medical services	<u>1,909,992</u>
Increases in net assets	<u>\$ 220,427</u>

Total revenues increased \$189,148 (10%) from total revenues in the year ended December 31, 2002 of \$1,941,271 to total revenues of \$2,130,419 in the year ended December 31, 2003.

A large part of the increase was due to an increase in the number of households being assessed in the district.

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 11) reported a *combined* fund balance of \$1,568,142, which is higher than last year's fund balance of \$1,355,154. The primary reasons for the excess are an increase in the number of households being assessed in the district and increase in ambulance fees collected through billings.

General Fund Budgetary Highlights

The District adopted a budget for its General Fund for the year ended December 31, 2003. There was one amendment to the budget during the year. The District's budgetary comparison is presented as required supplementary information and shown on page 24. Highlights for the year are as follows:

- Revenues received were in excess of budgeted amounts due to population growth in Bossier Parish.

- Expenditures were consistent with the prior year with the exception of vehicle purchases for EMS transport and response.

The District's General Fund fund balance of \$1,568,142 reported on page 11 differs from the General Fund's *budgetary* fund balance of \$837,232 reported in the budgetary comparison schedule on page 24. This is primarily due to the District budgeting on the cash basis of accounting.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of December 31, 2003, the Bossier Parish Emergency Medical Services District had invested \$734,825 in capital assets. (see table 3 below)

Table 3
Capital Assets At Year End
(Net of Depreciation)

	Governmental Activities <u>2003</u>
Buildings	\$ 144,515
Medical equipment	136,799
Training equipment	9,069
Communications equipment	11,374
Vehicles	<u>433,068</u>
Total	<u>\$ 734,825</u>

This year's major additions included:

Medical equipment	\$ 14,475
Trucks (2)	<u>59,720</u>
Total	<u>\$ 74,195</u>

More detailed information about the capital assets are presented in Note 3 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Bossier Parish Emergency Medical Services District's management considered many factors when setting a fiscal year December 31, 2004 budget. Amounts available for appropriation in the governmental funds are expected to increase due to continued population growth in Bossier Parish. In addition, 2004 cash basis revenues are expected to increase due to delayed billing in late 2003.

Expenditures for 2004 are expected to increase from the prior year, due to new vehicle purchases and increased personnel costs. In addition, increases in general liability, worker's compensation, and health insurance will further contribute to increased expenditures.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the Bossier Parish Emergency Medical Services District and to show the Bossier Parish Emergency Medical Services District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director at P.O. Box 1002, Benton, Louisiana, 71006.

Bossier Parish Emergency Medical Service District
 Benton, Louisiana
 Statement of Net Assets
 December 31, 2003

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 869,074
Accounts receivable:	
Assessment - user fee	612,935
Ambulance fee	178,931
Sales tax	140,013
Accrued interest	1,769
Capital assets (net)	<u>734,825</u>
Total assets	<u>2,537,547</u>
LIABILITIES	
Accounts payable	27,752
Accrued expenses	57,567
Long-term liabilities:	
Due within one year -	
Compensated absences	<u>35,298</u>
Total liabilities	<u>120,617</u>
NET ASSETS	
Investment in capital assets	734,825
Unrestricted	<u>1,682,105</u>
Total net assets	<u><u>\$ 2,416,930</u></u>

See accompanying notes to the basic financial statements.

Bossier Parish Emergency Medical Service District
 Benton, Louisiana
 Statement of Activities
 For the Year Ended December 31, 2003

	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
<u>Functions / Programs:</u>		<u>Charges for Services</u>	<u>Governmental Activities</u>
Governmental Activities			
Public safety - emergency medical services	1,909,992	722,742	(1,187,250)
Total governmental activities	<u>1,909,992</u>	<u>722,742</u>	<u>(1,187,250)</u>
General revenues:			
Assessment - user fee			611,320
Sales taxes			772,479
Bossier Parish Police Jury appropriation			2,547
Interest income			13,083
Miscellaneous			8,248
Total general revenues			<u>1,407,677</u>
Change in net assets			220,427
Net assets - beginning			2,196,503
Net assets - ending			<u>\$ 2,416,930</u>

The accompanying notes are an integral part of this statement.

Bossier Parish Emergency Medical Service District
Benton, Louisiana
Balance Sheet
Governmental Funds
December 31, 2003

	<u>General Funds</u>
Assets	
Cash	\$ 869,074
Account receivable	
Assessment - user fee	612,935
Ambulance fee	178,931
Sales tax	140,013
Accrued interest	<u>1,769</u>
Total assets	<u><u>\$ 1,802,722</u></u>
Liabilities	
Accounts payable	\$ 27,752
Accrued expenses	57,567
Deferred revenue	<u>149,261</u>
Total liabilities	<u><u>234,580</u></u>
Fund balances	
Unreserved	<u>1,568,142</u>
Total fund balances	<u><u>1,568,142</u></u>

Amounts reported for governmental activities in the statement of activities are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	734,825
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(35,298)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	<u>149,261</u>
Net assets of governmental activities	<u><u>\$ 2,416,930</u></u>

See accompanying notes to the basic financial statements.

Bossier Parish Emergency Medical Service District
Benton, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended Decemer 31, 2003

	<u>Total Governmental Funds</u>
Revenues	
Assessment - user fee	\$ 608,405
Sales tax	772,479
Charges for services - ambulance fees	673,571
Bossier Parish Police Jury - appropriation	2,547
Interest income	13,083
Other income	8,248
	<hr/>
Total revenues	2,078,333
	<hr/>
Expenditures	
Current - public safety:	
Personal service and related benefits	1,466,827
Operating services	306,322
Capital outlay	92,196
	<hr/>
Total expenditures	1,865,345
	<hr/>
Excess of revenues over (under) expenditures	212,988
	<hr/>
Fund balances at beginning of year, as restated	1,355,154
	<hr/>
Fund balances at end of year	<u>\$ 1,568,142</u>

See accompanying notes to the basic financial statements.

Bossier Parish Emergency Medical Service District
 Benton, Louisiana
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in
 Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended December 31, 2003

Net change in fund balances - total governmental funds \$ 212,988

Amounts reported for governmental activities in the statement of activities
 are different because:

Governmental funds report capital outlays as expenditures. However,
 in the statement of activities, the cost of those assets is allocated over
 their estimated useful lives and reported as depreciation expense.
 This is the amount by which depreciation (\$130,701) exceeded capital outlays
 (\$92,196) in the current period. (38,505)

A loss on disposal of capital assets is recorded in the statement of
 activities, but is not recognized in the fund statements. (8,206)

Some expenses reported in the statement of activities do not require the use
 of current financial resources and therefore are not reported as expenditures
 in the governmental funds. (35,298)

Revenues in the statement of activities that do not provide current financial
 resources are not reported as revenues in the funds. 149,261

With the implementation of GASB Statement 34, certain revenues and expenses
 were recognized on the full-accrual basis for the first time this year.
 This is the net effect of prior-year receivables on the adjustment to arrive at
 beginning net assets. (59,813)

Change in net assets of governmental activities \$ 220,427

See accompanying notes to the basic financial statements.

Bossier Parish Emergency Medical Service District
Benton, Louisiana
Notes to Financial Statements
December 31, 2003

INTRODUCTION

The Bossier Parish Emergency Medical Service District (the District) was created by the Bossier Parish Policy Jury by Ordinance No. 3266 on August 10, 1993, as provided under the Louisiana Revised Statute 33:9053.1. The District is comprised of all the territory located within the Parish of Bossier excluding the municipality of Bossier City and that portion of the Parish located within the municipality of Shreveport. The District is governed by a Board of Commissioners, who are appointed by the Bossier Parish Police Jury. The Board of Commissioners received no compensation during 2003. The District constitutes a political subdivision of the State of Louisiana and is a component unit of the Bossier Parish Police Jury. The purpose of the District is to provide ambulance service for the transportation of persons which necessitate ambulance care and for providing related services.

(1) Summary of Significant Accounting Policies

The Bossier Parish Emergency Medical Service District's financial statements are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Bossier Parish Emergency Medical Service District are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain significant changes in the Statement include the following:

For the first time the financial statements include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Bossier Parish Emergency Medical Service District's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the Bossier Parish Emergency Medical Service District's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The Bossier Parish Emergency Medical Service District has elected to implement the general provisions of the Statement in the current year.

A. Reporting Entity

The district is a component unit of the Bossier Parish Policy Jury, the financial reporting entity. The Policy Jury is financially accountable for the district because it appoints or ratifies a voting majority of the board and has the ability to impose its will on them.

(Continued)

Bossier Parish Emergency Medical Service District
Benton, Louisiana
Notes to Financial Statements
December 31, 2003
(Continued)

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

B. Basic Financial Statements – Government-Wide Statements

The Bossier Parish Emergency Medical Service District's basic financial statements include both government-wide (reporting the funds maintained by the Bossier Parish Emergency Medical Service District as a whole) and fund financial statements (reporting the Bossier Parish Emergency Medical Service District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Bossier Parish Emergency Medical Service District's general fund is classified as governmental activities. The Bossier Parish Emergency Medical Service District does not have any business-type activities.

In the government-wide Statement of Net Assets, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables. The Bossier Parish Emergency Medical Service District's net assets are reported in two parts – invested in capital assets (net of related debt), and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the Bossier Parish Emergency Medical Service District's functions. The functions are supported by program revenues and general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by any related program revenues, which must be directly associated with the function. Program revenues of the District consist of ambulance fees billed to insurance companies and individuals. The net costs (by function) are normally covered by general revenues.

This government-wide focus is more on the sustainability of the Bossier Parish Emergency Medical Service District as an entity and the change in the Bossier Parish Emergency Medical Service District's net assets resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Bossier Parish Emergency Medical Service District are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

(Continued)

Bossier Parish Emergency Medical Service District
Benton, Louisiana
Notes to Financial Statements
December 31, 2003
(Continued)

The following fund types are used by the Bossier Parish Emergency Medical Service District:

Governmental Funds – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Bossier Parish Emergency Medical Service District:

- a. General funds are the general operating funds of the Bossier Parish Emergency Medical Service District. They are used to account for all financial resources except those required to be accounted for in another fund.

The emphasis in fund financial statements is on the major funds in the governmental category. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The district's general fund was determined to be a major fund.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

The governmental funds in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Revenues of the Bossier Parish Emergency Medical Service District consist principally of sales taxes, service charges on property, ambulance fees collected from billings, other intergovernmental revenues, donations, and interest income. Service charges on property are recorded in the year the charges are assessed. Sales taxes are recognized in the period in which the underlying exchange has occurred. Ambulance fees are recorded when billed, net of any amounts determined to be uncollectible. Interest income is recorded when earned. Donations and other intergovernmental revenues are recorded when received in cash because they are generally not measurable until actually received.

(Continued)

Bossier Parish Emergency Medical Service District
Benton, Louisiana
Notes to Financial Statements
December 31, 2003
(Continued)

2. **Modified Accrual:**

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this rule is that principal and interest on general obligation long-term debt, if any, is recognized when due. Depreciation is not recognized in the governmental fund financial statements.

E. **Budgets**

The district uses the following budget practices:

A budget for the ensuing year is prepared prior to December 31 of each year and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The proposed budget is prepared on the cash basis of accounting. The budget is established and controlled by the board of commissioners at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners. There was one budget amendment during the year ended December 31, 2003, which is reflected in the budgetary comparison schedule.

F. **Cash, Cash Equivalents, and Investments**

Cash includes amounts in petty cash, 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, or money market accounts with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are carried at cost, which approximates market.

(Continued)

Bossier Parish Emergency Medical Service District
Benton, Louisiana
Notes to Financial Statements
December 31, 2003
(Continued)

G. Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	25 – 40 years
Ambulances	5 – 7 years
Equipment	5 – 10 years

H. Long-term Debt

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt consists of compensated absences payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. Payment of compensated absences is reported as an expenditure as payments come due each period.

I. Compensated Absences

Employees of the District earn from five to ten, 24 hour shifts of vacation leave each year, depending on their lengths of service, and five, 24 hour shifts of sick leave. Upon separation of employment, an employee will be paid for accrued, unused vacation leave. Accumulated sick leave is forfeited upon separation of employment.

J. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

(Continued)

Bossier Parish Emergency Medical Service District
Benton, Louisiana
Notes to Financial Statements
December 31, 2003
(Continued)

K. Sales Tax

During 1999, a special election was held in which a $\frac{1}{4}\%$ sales tax was passed in the Sales Tax District No. 1 of Bossier Parish, State of Louisiana. The sales tax is to be used for constructing, improving, acquiring, operating and maintaining facilities and equipment, ambulance service and otherwise paying the cost of ambulance service for the residents of Bossier Parish.

L. Assessment – User Fee

A primary revenue source is the user fee assessed by the District. The District is authorized to levy a user fee not to exceed \$36.00 per year to assess persons owning each residential or commercial structure located wholly or partly within the boundaries of said District.

M. Deferred Revenue

Deferred revenues arise when assets are recognized before the revenue recognition criteria have been satisfied. On governmental fund financial statements, receivables that were not collected within the available period are recorded as deferred revenue.

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

(2) Cash and Cash Equivalents

At December 31, 2003, the District has cash and cash equivalents (book balances) totaling \$869,074 in interest bearing demand deposits.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a custodial bank that is mutually acceptable to both parties. At December 31, 2003, the District had \$909,484 in deposits (collected bank balances). These deposits are secured from risk by \$207,471 of federal deposit insurance and \$702,013 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

(Continued)

Bossier Parish Emergency Medical Service District
 Benton, Louisiana
 Notes to Financial Statements
 December 31, 2003
 (Continued)

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

(3) Capital Assets

Capital asset activity for the year ended December 31, 2003, was as follows:

	<u>Balance at</u> <u>Jan. 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>Dec. 31, 2003</u>
<u>Governmental Activities:</u>				
Capital assets, being depreciated:				
Buildings	\$ 177,057	\$ 1,750	\$ -	\$ 178,807
Medical equipment	177,567	14,744	-	192,311
Training equipment	11,056	1,700	-	12,756
Communications equipment	1,677	11,274	-	12,951
Vehicles	<u>725,615</u>	<u>62,728</u>	<u>(18,021)</u>	<u>770,322</u>
Total capital assets, being depreciated at historical cost	<u>1,092,972</u>	<u>92,196</u>	<u>(18,021)</u>	<u>1,167,147</u>
Less accumulated depreciation:				
Buildings	(27,717)	(6,575)	-	(34,292)
Medical equipment	(39,109)	(16,403)	-	(55,512)
Training equipment	(2,667)	(1,020)	-	(3,687)
Communications equipment	(158)	(1,419)	-	(1,577)
Vehicles	<u>(241,785)</u>	<u>(105,284)</u>	<u>9,815</u>	<u>(337,254)</u>
Total accumulated depreciation	<u>(311,436)</u>	<u>(130,701)</u>	<u>9,815</u>	<u>(432,322)</u>
Governmental activities capital assets, net	<u>\$ 781,536</u>	<u>\$ (38,505)</u>	<u>\$ (8,206)</u>	<u>\$ 734,825</u>

Depreciation expense for the year ended December 31, 2003, was \$130,701. No prior accumulated depreciation was calculated on capital assets disposed of as of January 1, 2003, for purposes of GASB 34 conversion.

(Continued)

Bossier Parish Emergency Medical Service District
Benton, Louisiana
Notes to Financial Statements
December 31, 2003
(Continued)

(4) Pension Plan

Substantially all employees of the Bossier Parish Emergency Medical Service District are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from District funds are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final-average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee 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 System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District's contributions to the System under Plan A for the year ending December 31, 2003, 2002 and 2001 were \$83,843, \$84,992, and \$76,053, respectively, equal to the required contributions for each year.

(Continued)

Bossier Parish Emergency Medical Service District
 Benton, Louisiana
 Notes to Financial Statements
 December 31, 2003
 (Continued)

(5) Risk Management

The District purchases commercial insurance to provide workers compensation coverage and general liability and property insurance. There were no significant reductions in insurance coverage from the prior year.

(6) Long-term Debt

At December 31, 2003, employees of the District have accumulated and vested \$35,298 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Employees who do not use their vacation leave by their anniversary date forfeit the remaining unused leave balance as of that date. This total amount is recorded as a long-term liability in the General fund in the government-wide statements.

Activity for the year ended December 31, 2003, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Compensated absences	\$ 37,362	\$ _____	\$ 2,064	\$ 35,298	\$ 35,298

(7) Change in Accounting Principles and Restatement of Fund Equity

A. Change in Accounting Principle

For 2003, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions"; GASB Statement No. 34, "Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments"; GASB Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues"; GASB Statement No. 37, "Basic Financial Statements and Management's Discussion Analysis for State and Local Governments: Omnibus."; GASB Statement No. 38, "Certain Financial Statement Note Disclosures"; and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.

For 2003, the District has increased the threshold amount for capitalizing fixed assets to \$1,000.

(Continued)

Bossier Parish Emergency Medical Service District
Benton, Louisiana
Notes to Financial Statements
December 31, 2003
(Continued)

B. Restatement of Fund Equity

The restatement due to the implementation of the above statements and interpretation had the following effects on fund equity of the major fund of the District as previously reported.

Fund balance, December 31, 2002	\$ 1,343,866
GASB Interpretation No. 6	
Adjustment—	
Compensation absences payable	37,362
GASB Statement 33/36	
Adjustment—	
Assessment – user fee	(97,175)
Sales taxes	71,101
Fund balance, December 31, 2002, restated	<u>1,355,154</u>
GASB 34	
Adjustment to Net Assets—	
Debt	(37,362)
Capital assets, net	781,536
Assessment – user fee	<u>97,175</u>
Government Activities	
Net Assets, December 31, 2002	<u>\$ 2,196,503</u>

Bossier Parish Emergency Medical Service District
 Benton, Louisiana
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Assessment - user fee	\$ 550,000	593,087	\$ 621,258	\$ 28,171
Sales tax	748,000	720,000	766,959	46,959
Charges for services - ambulance fees	630,200	675,000	666,761	(8,239)
Bossier Parish Police Jury - appropriation	2,150	2,547	2,547	
Interest income	8,500	8,500	13,357	4,857
Other income			8,248	8,248
Total revenues	1,938,850	1,999,134	2,079,130	79,996
Expenditures				
Current - public safety:				
Personal service and related benefits	1,490,330	1,505,380	1,460,973	44,407
Operating services	296,520	303,491	290,232	13,259
Capital outlay	152,000	190,263	182,100	8,163
Total expenditures	1,938,850	1,999,134	1,933,305	65,829
Excess of revenues over (under) expenditures			145,825	145,825
Fund balances at beginning of year			691,407	691,407
Fund balances at end of year	\$	\$	\$ 837,232	\$ 837,232

See accompanying note to the required supplementary schedule.

Bossier Parish Emergency Medical Service District
Benton, Louisiana
Notes to Required Supplementary Information
December 31, 2003

The District's budget is adopted on a cash basis for all funds. There was one amendment to the 2003 budget. The budget comparison schedule included in the accompanying financial statements includes the original and amended budget. The schedule below reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the budget basis with GAAP basis:

	<u>General Fund</u>
Excess of revenues and other sources over expenditures and other uses (budget basis)	\$ 145,825
Adjustments:	
Revenue accruals – net	(797)
Expenditure accruals – net	<u>67,960</u>
Excess of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$ 212,988</u>

COOK & MOREHART

Certified Public Accountants

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TRAVIS H. MOREHART, CPA
A. EDWARD BALL, CPA
VICKIE D. NOBLE, CPA

TELEPHONE (318) 222-5415

FAX (318) 222-5441

RAYEBURN G. COOK (RET.)

C. BRYAN COYLE, CPA
ALICE E. S. GREEN, CPA

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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
Bossier Parish Emergency Medical Service District

We have audited the basic financial statements of Bossier Parish Emergency Medical Service District as of and for the year ended December 31, 2003, and have issued our report thereon dated June 1, 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 Bossier Parish Emergency Medical Service District's basic 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 Bossier Parish Emergency Medical Service District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic 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 basic 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 management and others within the organization 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.

A handwritten signature in black ink that reads "Cook & Morehart". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Cook & Morehart
Certified Public Accountants
June 1, 2004

Bossier Parish Emergency Medical Service District
Benton, Louisiana
Summary Schedule of Audit Findings
December 31, 2003

Summary Schedule of Prior Audit Findings

There were no findings or management letter comments for the prior year audit for the year ended December 31, 2002.

Corrective Action Plan for Current Year Audit Findings

There were no management letter comments or findings for the current year audit for the year ended December 31, 2003.