

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Oak Grove, Louisiana**

**Annual Financial Report
As of and for the Year Ended December 31, 2004**

Under provisions of state law this report is a public document. A copy of the report has been submitted to the city 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.

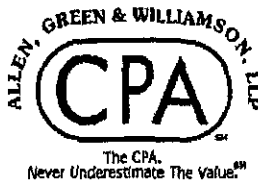
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**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Oak Grove, Louisiana**

**Annual Financial Report
As of and for the Year Ended December 31, 2004**

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Independent Auditors' Report

Board Members

West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Oak Grove, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund and the *aggregate remaining fund information of the West Carroll Parish Ambulance Service District of the Parish of West Carroll (the District)*, a component unit of the West Carroll Parish Police Jury, as of and for the year ended December 31, 2004 which collectively comprise the Ambulance District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund and the *aggregate remaining fund information of the District* as of December 31, 2004, and the respective 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 9, the District has implemented a new financial reporting model as required by the provisions of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis*, for States and Local Governments as of December 31, 2004.

In accordance with Government Auditing Standards, we have also issued our report dated March 24, 2005, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financing reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis is not a required part of the *basic financial statements* but is supplemental information required by the Governmental Accounting Standards Board. 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.

The accompanying supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
March 24, 2005

West Carroll Parish Ambulance Service District

REQUIRED SUPPLEMENTAL INFORMATION:

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

West Carroll Parish Ambulance Service District

Our discussion and analysis of the West Carroll Ambulance Service District's financial performance provides an overview of the Ambulance Service District's financial activities for the fiscal year ended December 31, 2004.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. Considering the financial resources necessary to prepare this information for the prior year, and that the GASB Statement No. 34 permits the omission of the comparative information in the first year of adoption of the new reporting model, the Ambulance Service District has elected to exclude the information in this report. Subsequent reports will include the comparative information.

FINANCIAL HIGHLIGHTS Our financial statements provide these insights into the results of this year's operations:

The assets of the Ambulance Service District exceeded its liabilities at the close of the most recent fiscal year by \$1,850,749 (net assets). Of this amount, \$1,354,064 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, the unrestricted net assets of the Ambulance Service District was \$1,354,064, or 2% of total operating expenses for the fiscal year.

The Ambulance Service District revenue received from claims for the year ended December 31, 2004 was \$343,742, this is a decrease of \$150,746 from the revenue received for claims of \$494,488 in 2003. This was mainly due to a decrease in the number of ambulance runs and implementation of a new computer program that forced a numerous amount of claims to be rolled over into 2005. These normally would have been paid in November and December of 2004. Many other factors effect this process such as how many patients have insurance, the number of patient refusals, dead on arrivals, litigation, denials and the untimely claims process in general.

The Ambulance Service District total expenses for the year ended December 31, 2004 was \$856,131, this is a decrease of \$158,748 from the expenses of \$1,014,879 in 2003. This decrease of expenses was mainly due to our budget plan in 2003 included the purchase of three new emergency vehicles (ambulances). A total of \$245,527 in 2003 was spent on these purchases. In 2004 our budget plan did not include any major fixed asset expenditures and was therefore decreased.

USING THIS ANNUAL REPORT

The Ambulance Service District's annual report consists of a series of financial statements that show information for the Ambulance Service District as a whole, and its funds. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Ambulance Service District as a whole and present a longer-term view of the Ambulance Service District's finances. For our governmental activities, the fund financial statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the Ambulance Service District's overall financial health. Fund financial statements also report the Ambulance Service District's operations in more detail than the governmental-wide financial statements by providing information about the Ambulance Service District's most significant funds - the General Fund.

The following chart reflects the information included in this annual report.

West Carroll Parish Ambulance Service District

Financial Section

Required Supplemental Information

Management's Discussion & Analysis (MD&A)

Basic Financial Statements

**Government-wide
Financial Statements**



**Fund
Financial Statements**

Notes to the Basic Financial Statements

Supplemental Information

Schedule of Compensation Paid Board Members

Other Reports Required by Government Auditing Standards

Our auditor has provided assurance in the independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information, the Supplemental Information and Other Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Reporting the Ambulance Service District as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the Ambulance Service District as a whole begins with the government-wide financial statements. One of the most important questions asked about the Ambulance Service District's finances is, "Is the Ambulance Service 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, which appear first in the Ambulance Service District's financial statements, report information about the Ambulance Service District as a whole and its activities in a way that helps answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All 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 Ambulance Service District's *net assets* – the difference between assets and liabilities, as reported in the Statement of Net Assets – as one way to measure the Ambulance Service District's financial health, or *financial position*. Over time, *increases or decreases* in the Ambulance Service District's net assets – as reported in the Statement of Activities – are one indicator of whether its *financial health* is improving or deteriorating. The relationship between revenues

West Carroll Parish Ambulance Service District

and expenses is the Ambulance Service District's *operating results*. However, the Ambulance Service District's goal is to provide services to our citizens, not to generate profits as commercial entities do. One must consider other non-financial factors, such as the quality of service.

In the Statement of Net Assets and the Statement of Activities, the Ambulance Service District activities are shown as:

Governmental Activities - Most of the Ambulance Service District's basic services are reported here, including salaries and contract labor, employee benefits, professional fees, operations and maintenance, repairs and upkeep, and administrative expenses. Sales tax revenue and claims finance most of these activities.

Reporting the Ambulance Service District's Most Significant Funds

Fund Financial Statements

The District reports all of its activity in one governmental fund which uses the following approach:

Governmental funds Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They 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 District's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. 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 the reconciliations (Statements D and F).

THE AMBULANCE SERVICE DISTRICT AS A WHOLE

Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the District's governmental activities.

West Carroll Parish Ambulance Service District

West Carroll Parish Ambulance District
Management's Discussion and Analysis (MD&A)
For the Year Ended December 31, 2004

Table 1
Net Assets
December 31, 2004

Current and other assets	\$ 1,362,698
Restricted assets	0
Capital assets, net	<u>496,685</u>
Total assets	<u>1,859,383</u>
Current and other liabilities	<u>8,634</u>
Total Liabilities	<u>8,634</u>
Net assets	
Invested in capital assets, net of related debt	496,685
Unrestricted	<u>1,354,064</u>
Total net assets	<u>\$ 1,850,749</u>

Net assets of the District's governmental activities for December 31, 2004 were 1,850,749. Unrestricted net assets that are the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements was \$1,354,064.

West Carroll Parish Ambulance Service District

West Carroll Parish Ambulance District
Management's Discussion and Analysis (MD&A)
For the Year Ended December 31, 2004

Table 2
Changes in Net Assets
For the Year Ended December 31, 2004

Revenues	
Charges for services	\$ 343,742
Sales tax revenue	422,192
Grants	12,215
Interest revenue	14,472
Donations	<u>55</u>
Total Revenues	<u>792,676</u>
Expenses:	
Public safety - ambulance service:	
Salaries and contract labor	495,344
Employee benefits	116,623
Professional fees	6,800
Operations and maintenance	52,252
Repairs and upkeep	27,322
Administrative expense	45,722
Depreciation expense	<u>112,068</u>
Total Functions/Program Expenses	<u>856,131</u>
Increase (decrease) in net assets before transfers	<u>(63,455)</u>
Net assets - beginning	<u>1,914,204</u>
Net assets - ending	<u>\$ 1,850,749</u>

Governmental Activities

The cost of all governmental activities this year was \$856,131. However, as shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through District taxes was \$422,192 because some of the cost was paid by those who directly benefited from the programs or by other governments and organizations that subsidized certain programs with grants and contributions.

THE AMBULANCE SERVICE DISTRICT'S FUNDS

As the Ambulance Service District completed the year, its governmental funds reported a fund balance of \$1,354,064.

West Carroll Parish Ambulance Service District

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgeted revenues exceeded actual revenues by \$130,324. This unfavorable variance was due to previous years averages used in forming the 2004 budget plan based on claims reimbursement. Many variables effect the claims reimbursement process.

Budgeted expenditures exceeded actual expenditures by \$147,090. This favorable variance was due to curving the actual expenditures in our budget plan to match our revenues for 2004. We monitor our budget plan closely and try to make necessary adjustments throughout the fiscal year.

CAPITAL ASSET

Capital Assets

At December 31, 2004, the Ambulance Service District had invested in the following capital assets:

Capital Assets, net
December 31, 2004

Land	\$ 6,500
Buildings	190,179
Appliances	487
Vehicles	204,258
Furniture and fixtures	1,719
Equipment	<u>93,542</u>
Total Capital Assets, net	<u>\$ 496,685</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS Our elected and appointed officials and citizens consider many factors when setting the District's budget and tax rates. One of the most important factors affecting the budget is our claims and sales tax collections. Approximately, 97% of total revenues is claims and sales tax. We have budgeted more change in claims and sales tax revenues for the year ending December 31, 2005.

West Carroll Parish Ambulance Service District

**GOVERNMENT-WIDE FINANCIAL
STATEMENTS**

**WEST CARROLL PARISH AMBULANCE SERVICE DISTRICT
OF THE PARISH OF WEST CARROLL
Oak Grove, Louisiana**

**STATEMENT OF NET ASSETS
December 31, 2004**

	Statement A
ASSETS	
Cash	\$ 505,635
Investments	709,886
Receivables	147,039
Deposits	138
Capital assets, net of accumulated depreciation	
Land, building and equipment	<u>496,685</u>
TOTAL ASSETS	<u>1,859,383</u>
LIABILITIES	
Accounts, salaries and other payables	<u>8,634</u>
TOTAL LIABILITIES	<u>8,634</u>
NET ASSETS	
Invested in capital assets, net of related debts	496,685
Restricted for debt service	
Unrestricted	<u>1,354,064</u>
TOTAL NET ASSETS	<u>\$ 1,850,749</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**WEST CARROLL PARISH AMBULANCE SERVICE DISTRICT
OF THE PARISH OF WEST CARROLL
Oak Grove, Louisiana**

**STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2004**

	Statement B
EXPENSES	
Public safety - ambulance service:	
Salaries and contract labor	\$ 495,344
Employee benefits	116,623
Professional fees	6,800
Operations and maintenance	52,252
Repairs and upkeep	27,322
Administrative expense	45,722
Depreciation	<u>112,068</u>
 TOTAL PROGRAM EXPENSES	 <u>856,131</u>
 PROGRAM REVENUES:	
Charges for services	<u>343,742</u>
 NET PROGRAM EXPENSE	 <u>(512,389)</u>
 GENERAL REVENUES:	
Sales tax revenue	422,192
Grants	12,215
Interest revenue	14,472
Donations	<u>55</u>
 TOTAL GENERAL REVENUES	 <u>448,934</u>
 INCREASE (DECREASE) IN NET ASSETS	 <u>(63,455)</u>
 NET ASSETS - BEGINNING OF YEAR	 <u>1,914,204</u>
 NET ASSETS - END OF YEAR	 <u>\$ 1,850,749</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

West Carroll Parish Ambulance Service District

FUND FINANCAL STATEMENTS

WEST CARROLL PARISH AMBULANCE SERVICE DISTRICT
OF THE PARISH OF WEST CARROLL
Oak Grove, Louisiana

GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2004

	Statement C
ASSETS	
Cash	\$ 505,635
Investments	709,886
Receivables	147,039
Deposits	<u>138</u>
TOTAL ASSETS	<u>1,362,698</u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts, salaries and other payables	<u>8,634</u>
TOTAL LIABILITIES	<u>8,634</u>
Fund balances:	
Undesignated and unrestricted	<u>1,354,064</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,362,698</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**WEST CARROLL PARISH AMBULANCE SERVICE DISTRICT
OF THE PARISH OF WEST CARROLL
Oak Grove, Louisiana**

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
December 31, 2004**

Statement D

Total fund balances - governmental funds	\$	1,354,064
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The cost of capital assets (land, buildings, furniture and equipment and infrastructure) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Assets includes those capital assets among the assets of the District as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Costs of capital assets		910,531
Depreciation expense to date		<u>(413,846)</u>
		<u>496,685</u>
Net Assets	\$	<u>1,850,749</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**WEST CARROLL PARISH AMBULANCE SERVICE DISTRICT
OF THE PARISH OF WEST CARROLL
Oak Grove, Louisiana**

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2004**

Statement E

REVENUES	
Local sources:	
Sales tax revenue	\$ 422,192
Grants	12,215
Claims	343,742
Interest revenue	14,472
Donations	55
Other	<u>0</u>
TOTAL REVENUES	<u>792,676</u>
EXPENDITURES	
Current:	
Salaries and contract labor	495,344
Employee benefits	116,623
Professional fees	6,800
Operations and maintenance	52,252
Repairs and upkeep	27,322
Administrative expense	45,722
Capital outlay	<u>13,423</u>
TOTAL EXPENDITURES	<u>757,486</u>
Net Change in Fund Balances	35,190
FUND BALANCES - BEGINNING OF YEAR	<u>1,318,874</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,354,064</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**WEST CARROLL PARISH AMBULANCE SERVICE DISTRICT
OF THE PARISH OF WEST CARROLL
Oak Grove, Louisiana**

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended December 31, 2004**

Statement F

Total net change in fund balances - governmental funds \$ 35,190

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period:

Capital outlays	\$ 13,423	
Depreciation	(112,068)	<u>(98,645)</u>

Change in net assets of governmental activities. \$ (63,455)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**WEST CARROLL PARISH AMBULANCE SERVICE DISTRICT
OF THE PARISH OF WEST CARROLL
Oak Grove, Louisiana**

**GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended December 31, 2004**

Statement G

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
Resources (inflows)				
Local sources:				
Sales tax revenue	\$ 396,000	\$ 396,000	\$ 422,192	\$ 26,192
Grants	0	0	12,215	12,215
Claims	512,000	512,000	343,742	(168,258)
Interest revenue	15,000	15,000	14,472	(528)
Donations	0	0	55	55
	<u>923,000</u>	<u>923,000</u>	<u>792,676</u>	<u>(130,324)</u>
 Amounts available for appropriations				
 Charges to appropriations (outflows)				
General government:				
Salaries and contract labor	492,000	492,000	495,344	(3,344)
Employee benefits	140,220	140,220	116,623	23,597
Professional fees	10,800	10,800	6,800	4,000
Operations and maintenance	75,660	75,660	52,252	23,408
Repairs and upkeep	35,100	35,100	27,322	7,778
Administrative expense	52,140	52,140	45,722	6,418
Capital outlay	102,000	102,000	13,423	88,577
	<u>907,920</u>	<u>907,920</u>	<u>757,486</u>	<u>150,434</u>
BUDGETARY FUND BALANCES, BEGINNING	1,318,874	1,318,874	1,318,874	0
BUDGETARY FUND BALANCES, ENDING	<u>\$ 1,333,954</u>	<u>\$ 1,333,954</u>	<u>\$ 1,354,064</u>	<u>\$ 20,110</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Notes to the Financial Statements**

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**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Notes to the Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the West Carroll Parish Ambulance Service District of the Parish of West Carroll, Oak Grove, Louisiana (the District), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY The District was established by the West Carroll Parish Police Jury in 1996 under the provisions of LSA-R.S. 33:9056 to run and operate ambulances and a rescue unit for the care and transportation of persons suffering from illness or disabilities which necessitate ambulance care or extrication.

As the governing authority of the parish, for reporting purposes, the West Carroll Parish Police Jury is the financial reporting entity for West Carroll Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the West Carroll Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints members to the District's Board and the District is financially accountable to the police jury, the District was determined to be a component unit of the West Carroll Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. FUNDS AND ACCOUNT GROUPS The accounts of the District are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the District are classified into the governmental category. In turn, this category is divided into separate fund types. The fund and account group classifications and a description of each existing fund type follow:

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

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Notes to the Financial Statements**

General fund -- the primary operating fund of the District. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS) The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. The Statement of Net Assets and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program revenues Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the District's general revenues. Charges for services are primarily derived from claims.

Allocation of indirect expenses The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function.

Fund Financial Statements (FFS)

Governmental Funds The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the *modified accrual basis of accounting*. Under the *modified accrual basis of accounting* revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Sales taxes are recognized when the underlying exchange transaction occurs and the resources are available.

Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Notes to the Financial Statements**

Expenditures

Salaries are recorded as paid.

D. BUDGETS The District follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State statute requires budgets be adopted for the general fund.

Each year, prior to the beginning of the fiscal year, the executive director submits to the Board a proposed annual budget for the general fund. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budget includes proposed expenditures and the means of financing them.

The Board adopted a budget for the general fund.

All appropriations (unexpended budget balances) lapse at year end.

Encumbrances are not recognized within the accounting records for budgetary control purposes.

All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget, that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budget when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The Board approves budgets at the function level and management does not have the authority to make any transfers without Board approval.

Formal budget integration (within the accounting records) is employed as a management control device. The budget is established and controlled by the Board at the functional level of expenditure and budget amendments are adopted by the Board as necessary. Budget amounts included in the accompanying financial statements include the original adopted budget.

E. INVESTMENTS Investments are limited by LSA-R.S. 33:2955 and the District's investment policy. 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 in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure as per GASB Statement No. 31.

F. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Notes to the Financial Statements**

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

G. CAPITAL ASSETS Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed over their estimated useful lives (including salvage value). Donated fixed assets are recorded at their estimated fair value at the date of donation. The capitalization threshold is \$250. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings	40 years
Appliances	5 years
Vehicles	5 years
Furniture and fixtures	5 years
Equipment	5-10 years

H. COMPENSATED ABSENCES All employees are entitled to two weeks (168 hours for operational employees and 80 hours for office staff employees) of vacation at the beginning of each fiscal year. Vacation time does not carry over from one year to the next.

All employees are entitled to two weeks (168 hours for operational employees and 80 hours for office staff employees) of sick leave at the beginning of each fiscal year. Sick leave does not carry over from one year to the next.

The District's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- A. The employees' right to receive compensation are attributable to services already rendered.
- B. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

I. SALES TAXES The Police Jury passed a one-half cent parish-wide sales and use tax in a special election held September 21, 1996. In accordance with the proposition approved by the voters of the parish, the "sales and use tax is

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Notes to the Financial Statements**

for providing ambulance service to the public, including acquiring, improving, maintaining and operating facilities and equipment required in connection therewith and paying related personnel costs."

J. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Excess of Expenditures Over Appropriations in Individual Funds The following individual accounts had actual expenditures over budgeted expenditures for the year ended December 31, 2004:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General government			
Salaries and contract labor	\$ 492,000	\$ 495,344	\$ 3,344

NOTE 3 - DEPOSITS At December 31, 2004, the District has cash and cash equivalents (book balances) as follows:

Interest-bearing demand deposits	\$ 386,362
Time deposits	829,159
Total	<u>\$ 1,215,521</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At year-end, the District's carrying amount of deposits was \$1,215,521 and the bank balance was \$1,230,997. Of the bank balance, \$400,000 was covered by federal depository insurance (GASB Category 1). The remaining balance, \$830,997, was collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 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 District that the fiscal agent has failed to pay deposited funds upon demand.

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Notes to the Financial Statements**

NOTE 4 - RECEIVABLES The receivables at December 31, 2004, are as follows:

<u>Class of Receivable</u>	<u>General</u>
Sales and use tax	\$ 72,269
Interest Receivable	1,064
Claims	73,706
Total	<u>\$ 147,039</u>

The District expects to collect these receivables in full; therefore, no allowance for doubtful accounts was established.

NOTE 5 - FIXED ASSETS The changes in general fixed assets are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Land	\$ 6,500	\$ 0	\$ 0	\$ 6,500
Buildings	228,237	0	0	228,237
Appliances	7,052	0	0	7,052
Vehicles	606,355	0	131,785	474,570
Furniture and fixtures	6,023	1,650	1,700	5,973
Equipment	181,054	11,773	4,628	188,199
Total	<u>1,035,221</u>	<u>13,423</u>	<u>138,113</u>	<u>910,531</u>
Less accumulated depreciation:				
Buildings	32,352	5,706	0	38,058
Appliances	6,342	223	0	6,565
Vehicles	315,493	86,604	131,785	270,312
Furniture and fixtures	5,644	310	1,700	4,254
Equipment	75,792	19,225	360	94,657
Total	<u>435,623</u>	<u>112,068</u>	<u>133,845</u>	<u>413,846</u>
Capital Assets, Net	<u>\$ 599,598</u>	<u>\$ (98,645)</u>	<u>\$ 4,268</u>	<u>\$ 496,685</u>

NOTE 6 - ACCOUNTS, SALARIES AND OTHER PAYABLES The payables at December 31, 2004, are as follows:

	<u>General</u>
Payroll liabilities	\$ 3,227
Accounts	5,407
	<u>\$ 8,634</u>

NOTE 7 - LITIGATION AND CLAIMS At December 31, 2004, the District was not involved in any litigation.

NOTE 8 - RISK MANAGEMENT The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance to manage these risks.

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Notes to the Financial Statements**

NOTE 9 - NEW FINANCIAL REPORTING MODEL The Governmental Accounting Standards Board (GASB) issued Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments in June 1999. The Statement, commonly referred to as the new reporting model, retained much of the reporting under the present reporting model, with modifications, and added new information. The most significant addition is the Management's Discussion and Analysis (which follows this independent auditors' report). The most apparent modification to the format of the old reporting model that is being carried forward will be the display of major funds in the Fund Financial Statements, rather than the traditional fund-type display.

**West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Compensation Paid Board Members
December 31, 2003**

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

The following board members received no compensation for the year ended December 31, 2004.

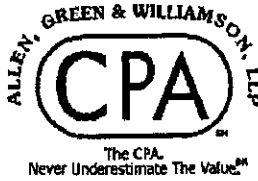
Gary Bennett, Chairman

Mark Bowman, Vice Chairman

Mike Hall

Fred Copes

John Costello



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Margie Williamson, CPA

Ernest L. Allen, CPA
(Retired)
1963 - 2000

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Board Members

West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Oak Grove, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the West Carroll Parish Ambulance Service District, a component unit of the West Carroll Police Jury, as of and for the year ended December 31, 2004, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 24, 2005. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion 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 that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the 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 operations that we consider to be material weaknesses.

Compliance and Other Matters

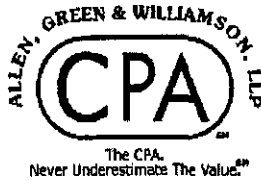
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect 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 or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
March 24, 2005



ALLEN, GREEN & WILLIAMSON, LLP

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West Carroll Parish Ambulance Service District
of the Parish of West Carroll
Oak Grove, Louisiana

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ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
March 24, 2005