

Millstadt Ambulance Service
Millstadt, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended April 30, 1991

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May 22, 1991

Board of Directors
Millstadt Ambulance Service
Millstadt, Illinois

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying general purpose financial statements of the Millstadt Ambulance Service as of and for the year ended April 30, 1991, as listed in the table of contents. These financial statements are the responsibility of the Service's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Millstadt Ambulance Service as of April 30, 1991, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Allison Knapp & Siekmann Ltd

Millstadt Ambulance Service
Millstadt, Illinois

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS

April 30, 1991
(With Comparative Totals for April 30, 1990)

ASSETS	General Fund	General fixed assets group of accounts	Totals (Memorandum Only)	
			1991	1990
ASSETS				
Cash and cash equivalents				
Demand deposits	\$ 6,887	\$ -	\$ 6,887	\$ 9,204
Money Market Account	18,592	-	18,592	22,982
Certificates of deposit	32,424	-	32,424	20,411
	<u>57,903</u>	<u>-</u>	<u>57,903</u>	<u>52,597</u>
Accounts receivable - patient fees	9,279	-	9,279	11,675
Unexpired insurance	4,584	-	4,584	3,617
Accrued interest receivable	710	-	710	585
Property taxes receivable				
Distributable from service entities				
Current levy	53,000	-	53,000	53,000
Prior levy	-	-	-	1,366
Property, plant and equipment	<u>-</u>	<u>198,568</u>	<u>198,568</u>	<u>199,165</u>
TOTAL ASSETS	<u>\$125,476</u>	<u>\$198,568</u>	<u>\$324,044</u>	<u>\$322,005</u>
LIABILITIES AND EQUITY				
LIABILITIES				
Accounts payable	\$ 2,782	\$ -	\$ 2,782	\$ 2,963
Deferred revenue - property tax	53,000	-	53,000	54,366
Accrued wages	400	-	400	400
Payroll taxes payable	149	-	149	124
	<u>56,331</u>	<u>-</u>	<u>56,331</u>	<u>57,853</u>
Total liabilities				
EQUITY				
Fund balance	69,145	-	69,145	64,987
Investment in general fixed assets	<u>-</u>	<u>198,568</u>	<u>198,568</u>	<u>199,165</u>
Total equity	<u>69,145</u>	<u>198,568</u>	<u>267,713</u>	<u>264,152</u>
TOTAL LIABILITIES AND EQUITY	<u>\$125,476</u>	<u>\$198,568</u>	<u>\$324,044</u>	<u>\$322,005</u>

The accompanying notes are an integral part of this financial statement.

Millstadt Ambulance Service
Millstadt, Illinois

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GENERAL FUND

Year Ended April 30, 1991
(With Comparative Totals for Year Ended April 30, 1990)

	<u>1991</u>	<u>1990</u>
REVENUES		
Patient fees	\$32,110	\$33,500
Property taxes	50,534	54,929
Interest earned	3,381	2,092
Miscellaneous	<u>740</u>	<u>387</u>
Total revenues	<u>86,765</u>	<u>90,908</u>
EXPENDITURES		
General government	20,853	16,280
Health and welfare	58,331	50,970
Capital outlay	<u>3,423</u>	<u>3,090</u>
Total expenditures	<u>82,607</u>	<u>70,340</u>
Excess of revenues over expenditures	4,158	20,568
Fund balance, beginning of year	<u>64,987</u>	<u>44,419</u>
FUND BALANCE, END OF YEAR	<u>\$69,145</u>	<u>\$64,987</u>

The accompanying notes are an integral part of this financial statement.

Millstadt Ambulance Service
Millstadt, Illinois

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND

Year Ended April 30, 1991

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Patient fees	\$ 25,000	\$32,110
Property taxes	53,000	50,534
Interest earned	2,000	3,381
Miscellaneous	-	740
Total revenues	<u>80,000</u>	<u>86,765</u>
EXPENDITURES		
General government	21,346	20,853
Health and welfare	55,740	58,331
Capital outlay	<u>39,000</u>	<u>3,423</u>
Total expenditures	<u>116,086</u>	<u>82,607</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$(36,086)</u>	4,158
Fund balance, beginning of year		<u>64,987</u>
FUND BALANCE, END OF YEAR		<u>\$69,145</u>

The accompanying notes are an integral part of this financial statement.

Millstadt Ambulance Service
Millstadt, Illinois

NOTES TO FINANCIAL STATEMENTS

April 30, 1991

Note 1: Summary of Significant Accounting Policies

The financial statements of the Millstadt Ambulance Service have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

The Service was organized by an intergovernmental cooperation agreement between the Village of Millstadt and the Millstadt Rural Fire Protection District. According to the agreement, the Service will operate independently of the organizing entities. The Service will receive funding from these entities by a property tax levied on the real property within their respective areas (see Note 3).

B. Fund Accounting

The Service utilizes fund accounting principles similar to municipalities. The Service consists of:

General Fund - The General Fund accounts for financial resources in use for operations.

C. Property, Plant and Equipment

The accounting and reporting treatment applied to property, plant and equipment associated with a fund are determined by its measurement focus. All governmental fund types are accounted for on a spending "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Property, plant and equipment used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on such property, plant and equipment.

All property, plant and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated property, plant and equipment are valued at their estimated fair value on the date donated.

(continued on next page)

NOTES TO FINANCIAL STATEMENTS
(continued)
April 30, 1991

Note 1: Summary of Significant Accounting Policies (continued)

C. Property, Plant and Equipment (continued)

The General Fixed Assets Group of Accounts is not a fund. It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. Budgets and Budgetary Accounting

The Service follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to May 1, the Service issues a tentative operating budget prepared for the year commencing the following May 1. The operating budget includes proposed expenditures and means of financing them.
2. The Board of Director approves the budget.
3. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.
4. The budgeted amounts shown in these financial statements are the final authorized amounts.

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposit accounts as well as short-term investments with a maturity date within 1 year of the date acquired by the Service. Cash equivalents are stated at cost plus compounded interest where applicable.

(continued on next page)

NOTES TO FINANCIAL STATEMENTS
(continued)
April 30, 1991

Note 1: Summary of Significant Accounting Policies (continued)

G. Accounts Receivable - Patient Fees

The Service uses the direct write-off method of providing for uncollectible accounts. Generally accepted accounting principles require a provision for doubtful accounts to value accounts receivable. The direct write-off method does not result in a material misstatement of the accounts receivable balance. The total accounts receivable written off during the year ended April 30, 1991 was \$8,648.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond April 30, 1991 are recorded as prepaid items.

I. Accumulated Compensated Absences

The Service employs one part-time employee who is ineligible for vacation and sick pay. Therefore, no accrual for compensated absences is presented.

J. Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, result of operations, and changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

K. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Note 2: Deposits and Investments

The Millstadt Ambulance Service's cash and cash equivalent accounts have been categorized by the level of risk using the criteria set forth in GASB Statement 3, as described below:

Cash

At April 30, 1991, the carrying amount of the Service's deposits totaled \$57,903. The bank balances of these deposits totaled \$57,963 and have been categorized as follows:

(continued on next page)

NOTES TO FINANCIAL STATEMENTS
(continued)
April 30, 1991

Note 2: Deposits and Investments (continued)

	<u>Bank balances</u>
Category 1 Deposits which are insured or collateralized with securities held by the Service or its agent in the Service's name.	\$57,963
Category 2 Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the Service's name.	-
Category 3 Deposits which are uninsured or uncollateralized or for which the collateral is held by the pledging financial institution's trust department or agent but not in the Service's name.	-
Total deposits	<u>\$57,963</u>

Note 3: General Fixed Assets and Changes in Fixed Assets

General fixed assets are recorded at cost, for valuation purposes only, with no provision for depreciation. The investment in fixed assets represents the Service's basis in the equity of general fixed assets.

Changes in General Fixed Assets

	Balance 4/30/90	Additions	Deletions	Balance 4/30/91
Building	\$ 77,565	\$ -	\$ -	\$ 77,565
Building improvements	23,026	-	-	23,026
Ambulances and equipment	98,574	3,423	4,020	97,977
	<u>\$199,165</u>	<u>\$3,423</u>	<u>\$4,020</u>	<u>\$198,568</u>

Note 4: Property Taxes

The accompanying financial statements present an estimate of the current tax levies requested by the Village of Millstadt and the Millstadt Rural Fire Protection District based on prior assessed valuations and certain adjustments. They are recorded as deferred revenue by the Service until the taxing bodies actually remit the collections. The taxing entities are a conduit for the levy and collection of the tax, which is transferred to the Service.

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NOTES TO FINANCIAL STATEMENTS
(continued)
April 30, 1991

Note 4: Property Taxes (continued)

As of April 30, 1991, the property tax receivable balances consist of the following:

	Village of Millstadt	Millstadt Rural Fire Protection District	Total
1990 Levy - estimated	<u>\$21,200</u>	<u>\$31,800</u>	<u>\$53,000</u>
TOTALS	<u>\$21,200</u>	<u>\$31,800</u>	<u>\$53,000</u>

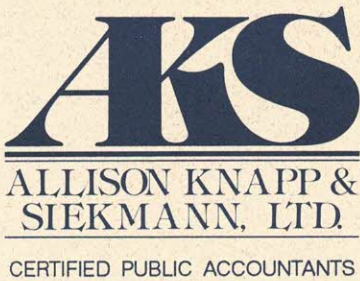
Note 5: Long-Term Debt

The Service has no outstanding long-term debt.

Note 6: Donated Property

During the fiscal year ended April 30, 1989, the Service purchased the building used to house the Service's operations from the Union Fire Company for one dollar. For valuation purposes, the building has been recorded at \$77,565 which includes the property's insured value plus legal and surveying fees.

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May 22, 1991

Board of Directors
Millstadt Ambulance Service
Millstadt, Illinois

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

Our report on our audit of the basic financial statements of the Millstadt Ambulance Service for the year ended April 30, 1991, appears on page 1. This audit was made for the purpose of forming an opinion on such financial statements taken as a whole. The additional schedules and tables, listed in the table of contents, are 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 audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements for the year ended April 30, 1991, taken as a whole.

We also have previously audited, in accordance with generally accepted auditing standards, the Comparative Schedule of Expenditures by Function - General Fund for April 30, 1990, and the Schedule of Fixed Assets since April 30, 1980, and we expressed unqualified opinions on those financial statements. In our opinion, the information referred to above is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

Allison Knapp & Siekmann Ltd

Millstadt Ambulance Service
Millstadt, Illinois

COMPARATIVE SCHEDULE OF EXPENDITURES BY FUNCTION
GENERAL FUND

Years Ended April 30, 1991 and 1990

	<u>1991</u>	<u>1990</u>
EXPENDITURES		
General Government		
Salaries	\$ 4,800	\$ 4,750
FICA tax expense	368	358
Unemployment insurance	108	203
Office supplies	749	885
Accounting and legal fees	1,731	1,100
Insurance	10,063	8,483
Miscellaneous	<u>3,034</u>	<u>501</u>
Total general government	<u>20,853</u>	<u>16,280</u>
Health and Welfare		
Medical supplies	2,896	1,917
Repairs	4,832	2,496
Motor fuel	1,317	1,221
Telephone	1,861	2,025
Education and training	542	1,450
Utilities	1,267	1,176
Dispatch fees	7,521	7,407
Bad debts	8,648	7,483
Personnel - contractual	20,860	20,549
Radio maintenance	3,021	2,465
Meetings and dinners	1,002	1,941
Maintenance manager	840	840
Outside ambulance service	-	-
Temporary personnel	-	-
Uniforms	<u>3,724</u>	<u>-</u>
Total health and welfare	<u>58,331</u>	<u>50,970</u>
Capital Outlay		
Purchase of property, plant and equipment	<u>3,423</u>	<u>3,090</u>
TOTAL EXPENDITURES	<u><u>\$82,607</u></u>	<u><u>\$70,340</u></u>

Millstadt Ambulance Service
Millstadt, Illinois

SCHEDULE OF EXPENDITURES- BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND

Year Ended April 30, 1991

	<u>Budget</u>	<u>Actual</u>
EXPENDITURES		
General Government		
Salaries	\$ 5,000	\$ 4,800
FICA tax expense	600	368
Unemployment tax expense	-	108
Office supplies	1,200	749
Accounting and legal fees	1,200	1,731
Insurance	11,000	10,063
Miscellaneous	<u>2,346</u>	<u>3,034</u>
Total general government	<u>21,346</u>	<u>20,853</u>
Health and Welfare		
Medical supplies	2,500	2,896
Repairs	6,000	4,832
Motor fuel	1,500	1,317
Telephone	2,200	1,861
Education and training	3,000	542
Uniforms	2,000	3,724
Utilities	1,500	1,267
Dispatcher fees	8,000	7,521
Bad debts	-	8,648
Personnel - contractual	25,000	20,860
Radio maintenance	3,000	3,021
Publication	200	-
Meetings and dinners	-	1,002
Maintenance manager	<u>840</u>	<u>840</u>
Total health and welfare	<u>55,740</u>	<u>58,331</u>
Capital Outlay		
Purchase of property, plant and equipment	5,000	3,423
Ambulance reserve	<u>34,000</u>	<u>-</u>
Total capital outlay	<u>39,000</u>	<u>3,423</u>
TOTAL EXPENDITURES	<u>\$116,086</u>	<u>\$82,607</u>

TABLE 1

Millstadt Ambulance Service
Millstadt, Illinois

SCHEDULE OF GENERAL FIXED ASSETS

Inception through April 30, 1991

EQUIPMENT - FISCAL YEAR 1980

6 - Pagers	\$ 1,794	
6 - Pagers	1,794	
1 - Base radio and encoder	2,322	
Various under \$500	<u>1,299</u>	\$ 7,209

IMPROVEMENTS

464

Total fiscal year 1980

\$ 7,673

EQUIPMENT - FISCAL YEAR 1981

20 - G.E. pagers	5,980	
Various under \$500	<u>1,449</u>	

Total fiscal year 1981

7,429

EQUIPMENT - FISCAL YEAR 1982

8 - Pagers	2,260	
1 - G.E. controller and encoder	1,257	
1 - 1981 Ford ambulance (include trade-in)	28,754	
Various under \$500	<u>794</u>	

Total fiscal year 1982

33,065

EQUIPMENT - FISCAL YEAR 1983

Refrigerator, electric range and microwave oven	1,302	
Pagers	1,466	
Various under \$500	<u>747</u>	3,515

IMPROVEMENTS

Roof	4,530	
Vacuum cleaner	499	
Oak cabinets and drawer	1,012	
Furnace	887	
Ceiling	2,243	
Carpeting	883	

New doors, windows, wall coverings, insulation
and lights

8,004 18,058

Total fiscal year 1983

21,573

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SCHEDULE OF GENERAL FIXED ASSETS
(continued)
Inception through April 30, 1991

EQUIPMENT - FISCAL YEAR 1984			
Copy machine	1,376		
Generator	968		
Typewriter	828		
Conference table and chairs	<u>989</u>		
Total fiscal year 1984			4,161
IMPROVEMENTS - FISCAL YEAR 1986			
Sign	<u>595</u>		
Total fiscal year 1986			595
EQUIPMENT - FISCAL YEAR 1987			
2 Encoders	500		
Various under \$500	<u>527</u>		
Total fiscal year 1987			1,027
EQUIPMENT - FISCAL YEAR 1988			
1 - 1987 Modular ambulance, 1986 Ford chassis (include trade-in)	33,750		
1 - Stokes basket	245		
Various under \$500	<u>784</u>	34,779	
IMPROVEMENTS - FISCAL YEAR 1988			
Fire alarm		<u>1,452</u>	
Total fiscal year 1988			36,231
BUILDING - FISCAL YEAR 1989			
		77,565	
EQUIPMENT - FISCAL YEAR 1989			
1 - Adult resuscitator	204		
Various under \$500	<u>75</u>	279	
IMPROVEMENTS - FISCAL YEAR 1989			
Parking lot		<u>2,457</u>	
Total fiscal year 1989			80,301
EQUIPMENT - FISCAL YEAR 1990			
1 - Copier	1,595		
1 - Washing machine	515		
1 - Thermo door	930		
Various under \$500	<u>50</u>		
Total fiscal year 1990			3,090

(continued on next page)

SCHEDULE OF GENERAL FIXED ASSETS
(continued)
Inception through April 30, 1991

EQUIPMENT - FISCAL YEAR 1991

2 - G.E. mobile radios	2,854
1 - Wheelchair ramp	459
Various under \$500	<u>110</u>

Total fiscal year 1991

3,423

TOTAL GENERAL FIXED ASSETS

\$198,568

GOVERNMENT REVENUES BY SOURCE

	April 30, 1991	April 30, 1990	April 30, 1989	April 30, 1988
Patient fees	<u>\$32,110</u>	<u>\$33,500</u>	<u>\$30,584</u>	<u>\$32,210</u>
Property taxes	50,534	54,929	40,519	26,065
Donations and contributions	-	-	1,000	305
Recovery of bad debts	-	-	351	429
Interest earned	3,381	2,092	1,209	1,586
Miscellaneous	740	387	94	-
Reimbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTALS	<u>\$86,765</u>	<u>\$90,908</u>	<u>\$73,757</u>	<u>\$60,595</u>

Millstadt Ambulance Service
Millstadt, Illinois

GOVERNMENT REVENUES BY SOURCE

For the Last Ten Years

April 30, 1987	April 30, 1986	April 30, 1985	April 30, 1984	April 30, 1983	April 30, 1982
<u>\$32,438</u>	<u>\$29,967</u>	<u>\$23,275</u>	<u>\$19,470</u>	<u>\$21,465</u>	<u>\$19,527</u>
15,646	23,593	35,408	41,042	50,334	46,321
772	10	1,321	1,610	145	848
355	517	-	148	280	886
4,510	6,181	5,964	3,567	2,470	2,945
-	-	-	-	123	389
-	-	-	115	-	1,549
<u>\$53,721</u>	<u>\$60,268</u>	<u>\$65,968</u>	<u>\$65,952</u>	<u>\$74,817</u>	<u>\$72,465</u>

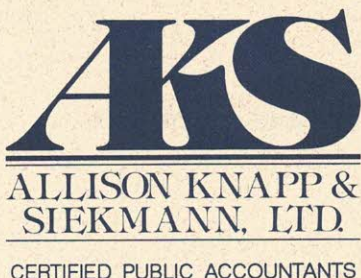
TABLE 3

Millstadt Ambulance Service
Millstadt, Illinois

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

For the Last Ten Years

<u>Fiscal Year Ending April 30,</u>	<u>General Government</u>	<u>Health and Welfare</u>	<u>Capital Outlay</u>	<u>Total</u>
1991	\$20,853	\$58,331	\$ 3,423	\$82,607
1990	16,280	50,970	3,090	70,340
1989	14,852	45,513	3,502	63,867
1988	21,707	42,678	35,447	99,832
1987	19,341	43,062	1,027	63,430
1986	17,525	48,298	595	66,418
1985	13,787	36,612	-	50,399
1984	13,994	22,192	4,161	40,347
1983	22,075	18,243	21,574	61,892
1982	12,243	14,733	27,779	54,755



May 22, 1991

Board of Directors
Millstadt Ambulance Service
Millstadt, Illinois

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL
STATEMENT AUDIT CONDUCTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

We have audited the general purpose financial statements of the Millstadt Ambulance Service for the year ended April 30, 1991, and have issued our report thereon dated May 22, 1991.

We have conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of the Millstadt Ambulance Service for the year ended April 30, 1991, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of the Millstadt Ambulance Service is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

- Cash and Investments
- Receivables
- Property and Equipment
- Payables and Accrued Liabilities
- Fund Balance

For all of the control categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

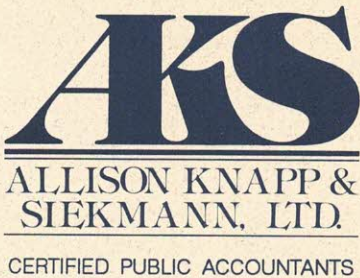
The Service employs one employee who is responsible for all accounting functions. Because corrective action would be cost prohibitive, the Service has agreed to report the above as a reportable condition.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Board of Directors. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

allison kupp + Seibmann 2nd



May 23, 1991

Board of Directors
Millstadt Ambulance Service
Millstadt, Illinois

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
LAWS AND REGULATIONS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS ISSUED BY THE GAO

We have audited the general purpose financial statements of the Millstadt Ambulance Service as of and for the year ended April 30, 1991, and have issued our report thereon dated May 23, 1991.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Millstadt Ambulance Service is the responsibility of the Service's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Service's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests indicate that, with respect to the items tested, the Millstadt Ambulance Service complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Service had not complied, in all material respects, with those provisions.

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Allison Knapp & Siekmann Ltd

