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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 \_\_\_\_\_

Bobby G. Lester, CPA  
John S. Wells, CPA  
Robert G. Miller, CPA  
Paul A. Delaney, CPA

Paul G. Mathews, CPA  
Melanie I. Sarver, CPA

**LESTER, MILLER & WELLS**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS  
3600 BAYOU RAPIDES ROAD  
ALEXANDRIA, LOUISIANA 71303

Telephone (318) 487-1450  
Facsimile (318) 445-1184

Members  
American Institute of CPA's  
Society of Louisiana CPA's

Mailing Address:  
P.O. Box 8758  
Alexandria, LA 71306-1758

INDEPENDENT AUDITORS' REPORT

The Board of Commissioners  
Hospital Service District No. 1  
of Evangeline Parish  
Ville Platte, Louisiana

We have audited the accompanying general purpose financial statements of the Hospital Service District No. 1 of Evangeline Parish, a component unit of Evangeline Parish Police Jury, as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Hospital Service District No. 1 of Evangeline Parish as of December 31, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated May 11, 2000 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

*Lester, Miller & Wells*

Certified Public Accountants

May 11, 2000

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF EVANGELINE, STATE OF LOUISIANA  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 DECEMBER 31, 1999

	Governmental Fund Types		Account Groups		Totals (Memorandum Only)
	Capital Project	Debt Service	General Fixed Assets	General Long-Term Debt	1999
<b>ASSETS</b>					
Cash and cash equivalents	\$ 56	\$ 468,694	\$ -0-	\$ -0-	\$ 468,750
Investments	-0-	423,493	-0-	-0-	423,493
Property, plant and equipment	-0-	-0-	8,337,985	-0-	8,337,985
Amount available in debt service fund	-0-	-0-	-0-	892,187	892,187
Amount to be provided for retirement of general long-term debt	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>7,364,041</u>	<u>7,364,041</u>
<b>Total assets</b>	<b><u>\$ 56</u></b>	<b><u>\$ 892,187</u></b>	<b><u>\$ 8,337,985</u></b>	<b><u>\$ 8,256,228</u></b>	<b><u>\$17,486,456</u></b>
<b>LIABILITIES, OTHER CREDITS &amp; FUND BALANCES</b>					
<b>Liabilities:</b>					
General obligation bonds	\$ -0-	\$ -0-	\$ -0-	\$ 6,585,000	\$ 6,585,000
Revenue bonds	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,671,228</u>	<u>1,671,228</u>
<b>Total liabilities</b>	<b><u>-0-</u></b>	<b><u>-0-</u></b>	<b><u>-0-</u></b>	<b><u>8,256,228</u></b>	<b><u>8,256,228</u></b>
<b>Fund equity:</b>					
Investments in general fixed assets	-0-	-0-	8,337,985	-0-	8,337,985
Fund balance - reserved					
Reserved for capital expenditures	56	-0-	-0-	-0-	56
Reserved for debt service	<u>-0-</u>	<u>892,187</u>	<u>-0-</u>	<u>-0-</u>	<u>892,187</u>
<b>Total fund equity</b>	<b><u>56</u></b>	<b><u>892,187</u></b>	<b><u>8,337,985</u></b>	<b><u>-0-</u></b>	<b><u>9,230,228</u></b>
<b>Total liabilities and fund equity</b>	<b><u>\$ 56</u></b>	<b><u>\$ 892,187</u></b>	<b><u>\$ 8,337,985</u></b>	<b><u>\$ 8,256,228</u></b>	<b><u>\$17,486,456</u></b>

See accompanying notes to financial statements.

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF EVANGELINE, STATE OF LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND EQUITIES - GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Governmental Fund Types</u>		<u>Totals</u> <u>(Memorandum Only)</u>
	Capital Project	Debt Service	1999
Revenues:			
Lease rental revenue	\$ 1,964	\$ 777,856	\$ 779,820
Interest	<u>2</u>	<u>27,712</u>	<u>27,714</u>
Total revenues	<u>1,966</u>	<u>805,568</u>	<u>807,534</u>
Expenditures:			
General government			
Administrative fees	1,458	2,110	3,568
Professional fees	450	-0-	450
Advertising	56	-0-	56
Debt service			
Principal	-0-	312,140	316,972
Interest	<u>-0-</u>	<u>472,613</u>	<u>467,781</u>
Total expenditures	<u>1,964</u>	<u>786,863</u>	<u>788,827</u>
Excess of revenues over expenditures	2	18,705	18,707
Fund equities, beginning of year as previously reported	(35,525)	873,482	873,957
Prior period adjustment - See Note 8	<u>35,579</u>	<u>-0-</u>	<u>35,579</u>
Fund equities, ending	<u>\$ 56</u>	<u>\$ 892,187</u>	<u>\$ 892,243</u>

See accompanying notes to financial statements.

HOSPITAL SERVICE DISTRICT NO. 1  
OF THE PARISH OF EVANGELINE, STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 1 - ORGANIZATION AND OPERATIONS

Legal Organization

The Hospital Service District No. 1 of Evangeline Parish (the District) was created by an ordinance of the Evangeline Parish Police Jury on May 10, 1995. The District is comprised of and embraces the territory contained within the Police Jury Voting Districts 1, 5, 7, 8 and 9 of the Parish of Evangeline, State of Louisiana, as constituted as of the date of the ordinance.

The District is a political subdivision of the Evangeline Parish Police Jury whose jurors are elected officials. The District's commissioners are appointed by the Evangeline Parish Police Jury. As the governing authority of the Parish, for reporting purposes, the Evangeline Parish Police Jury is the financial reporting entity for the District. Accordingly, the District was determined to be a component unit of the Evangeline Parish Policy Jury based on Statement No. 14 of the National Committee on Governmental Accounting. The accompanying financial statements present information only on the funds maintained by the governmental services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

Nature of Business

The District leases all general fixed assets to Ville Platte Medical Center, Inc., a non-profit organization. The lease term is for twenty years which coincides with the payment of the general obligation and revenue bonds. Due to the nature and significance of its relationship with the District, Ville Platte Medical Center, Inc., is considered to be a component unit of the District. The financial statements of Ville Platte Medical Center, Inc., are not included in this report.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

Governmental Funds --



HOSPITAL SERVICE DISTRICT NO. 1  
OF THE PARISH OF EVANGELINE, STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital project fund

The capital project fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Debt service fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Basis of Accounting

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

General Fixed-Assets and Long-Term Obligations

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the individual fund. No depreciation has been provided on general fixed assets.

All purchased fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated.

Long-term obligations expected to be financed from governmental funds are accounted for in the general long-term debt account group, not in the individual fund.

The two account groups are not funds. They are concerned only with the measurement of financial position and do not involve measurement of results of operations.

Budgets

Budgets were not adopted for the Capital Project and Debt Service Fund.

Cash and Investments

Cash and cash equivalents consist primarily of deposits in checking and money market accounts and certificates of deposit with original maturities of 90 days or less.

HOSPITAL SERVICE DISTRICT NO. 1  
OF THE PARISH OF EVANGELINE, STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments (Continued)

The investment balance of the Evangeline Parish Hospital Service District consists of a money market fund purchased through FNBC that invests exclusively in obligations issued and backed by the U. S. Treasury. These uninsured, unregistered short-term securities include Treasury bills, notes and bonds. The market value for this investment is the same as its carrying amount at December 31, 1999.

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, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3 - LEASE AGREEMENT

The District entered into a lease agreement with Ville Platte Medical Center, Inc. on August 30, 1996, in which the District leased the real property, together with the buildings, and improvements (the hospital) to Ville Platte Medical Center, Inc. continuing through August 2015.

During the term of the lease, Ville Platte Medical Center, Inc. agreed to pay the following amounts derived from the operation of the hospital in the following priority:

- A. On a monthly basis, in advance or before the 20<sup>th</sup> day of each month of each year, the amounts necessary to allow the District to make the payments required by the \$1,900,000 Hospital Revenue Bonds, and any applicable paying agent fees and expenses incurred under said bond resolution.
- B. On a monthly basis, in advance or before the 20<sup>th</sup> day of each month of each year, the amounts necessary to allow the District to make the payments required by the \$7,055,000 General Obligation Bonds and any applicable paying agent fees and expenses incurred under said bond resolution.
- C. On a monthly basis, any actual and necessary expenses incurred by the District directly from its efforts to operate the Hospital Service District No. 1 of Evangeline Parish. This shall become due thirty days after written notice is given to Ville Platte Medical Center, Inc.

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF EVANGELINE, STATE OF LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 4 - CASH AND CASH EQUIVALENTS

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 1999, the District has cash (bank balances) totaling \$468,750 which are secured by Federal Deposit Insurance and securities pledged by financial institutions.

The cash balances and purpose of each account at December 31, 1999 are as follows:

Capital Fund -	
Acquisition and improvement account	\$ <u>      56</u>
Debt Service Fund -	
Revenue bond reserve account	\$ 51,709
Depreciation & contingency account	27,120
Sinking account	<u>389,865</u>
	<u>\$468,694</u>

The acquisition and improvement account is used to pay for expenditures related to the acquisition and improvement of the Ville Platte Medical Center, including the acquisition of equipment and furnishing therefor.

The general obligation reserve account was established by an initial deposit of \$420,500 from the proceeds of the bonds. This account is pledged solely to paying principal and/or interest on the bonds when there are insufficient monies on deposit in the sinking account.

The revenue bond reserve account is pledged solely to paying principal and/or interest on the bonds when there are insufficient monies on deposit in the sinking account. A sum of \$1,243 must be deposited monthly until \$149,112 has been accumulated therein.

The depreciation & contingency account will be used to pay for the acquisition and improvement of buildings and equipment necessary to properly operate the hospital. An amount of \$629 per month shall be deposited into this account. Money in this account shall also be used to pay the principal and interest on any bond for payment of which there is not sufficient money in the sinking or reserve account, but if so used, such money shall be replaced as soon as possible, thereafter out of the earnings of the hospital.

The sinking account is used to pay promptly and fully the principal and interest on the bonds when due. A sum equal to one-twelfth of the total amount of principal and interest falling due on the general obligation and revenue bonds in the ensuing twelve months together should be transferred on or before the 20<sup>th</sup> day of each month.



HOSPITAL SERVICE DISTRICT NO. 1  
OF THE PARISH OF EVANGELINE, STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 5 - CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in the general fixed assets account group:

	Balance <u>12/31/98</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/99</u>
Land	\$ 479,042	\$ -0-	\$ -0-	\$ 479,042
Buildings and improvements	3,341,026	-0-	-0-	3,341,026
Major moveable equipment	<u>4,517,917</u>	<u>-0-</u>	<u>-0-</u>	<u>4,517,917</u>
Total	<u>\$ 8,337,985</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 8,337,985</u>

NOTE 6 - CHANGES IN LONG-TERM DEBT

The following changes occurred in the general long-term debt account group:

	Balance <u>12/31/98</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/99</u>
General obligation bonds	\$ 6,825,000	\$ -0-	\$ 240,000	\$ 6,585,000
Revenue bonds	<u>1,743,368</u>	<u>-0-</u>	<u>72,140</u>	<u>1,671,228</u>
Total	<u>\$ 8,568,368</u>	<u>\$ -0-</u>	<u>\$ 312,140</u>	<u>\$ 8,256,228</u>

Bonds payable at December 31, 1999, are comprised of the following individual issues:

\$7,055,000 General Obligation Bonds, Series 1995, due in annual installments of \$230,000 to \$615,000 through February 1, 2015; interest at 5.0 percent to 8.0 percent; payable from lease rental payments from Ville Platte Medical Center, Inc. \$ 6,585,000

\$1,900,000 Hospital Revenue Bonds dated August 1, 1996, due in monthly installments of \$12,426 through August 29, 2015; interest at 4.50 percent; payable from lease rental payments from Ville Platte Medical Center, Inc. 1,671,228

Total \$ 8,256,228

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF EVANGELINE, STATE OF LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 6 - CHANGES IN LONG-TERM DEBT (Continued)

The annual requirements to amortize the general obligation and hospital revenue bonds outstanding as of December 31, 1999, including interest payments of \$3,967,171, are as follows:

<u>Year</u>	<u>Amount</u>
2000	\$ 779,952
2001	773,952
2002	771,552
2003	762,752
2004-2008	3,792,310
2009-2013	3,840,110
2014-2015	<u>1,502,771</u>
Total	<u>\$12,223,399</u>

NOTE 7 - COMPENSATION OF BOARD OF COMMISSIONERS

The Board of Commissioners of the District receive no compensation and are only reimbursed for their expenses incurred relating to the District's business, which must have appropriate supporting documentation.

The Board of Commissioners consists of the following individuals:

- Cecil Colligan - Chairman
- Elaine Vidrine - Vice Chairman
- Gaynelle Coates - Commissioner
- Henry Dupre, M.D. - Commissioner
- Curley Dossman - Commissioner

NOTE 8 - PRIOR PERIOD ADJUSTMENT

Retained earnings at the beginning of 1999 has been adjusted to correct an amount due from Columbia HCA made in a prior year. The error had no effect on revenues or expenditures for 1999.

Bobby G. Lester, CPA  
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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
Hospital Service District No. 1  
of Evangeline Parish  
Ville Platte, Louisiana

We have audited the general purpose financial statements of the Hospital Service District No. 1 of Evangeline Parish for the year ended December 31, 1999, and have issued our report thereon dated May 11, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Hospital Service District No. 1 of Evangeline Parish's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Hospital Service District No. 1 of Evangeline Parish's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal controls 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 amount that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Board of Commissioners  
Hospital Service District No. 1  
of Evangeline Parish  
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This report is intended for the information of the Board of Commissioners, management, and the office of the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Lester, Miller & Wells*

Certified Public Accountants  
May 11, 2000