



**HOSPITAL SERVICE DISTRICT NO. 1C
OF THE PARISH OF RICHLAND
STATE OF LOUISIANA
Mongans, Louisiana**

**Component Unit Financial Statements
For the Year Ending December 31, 2003**

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Under provisions of state law, this report is a public statement. Copies of the report have 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 3-31-04

HOSPITAL SERVICE DISTRICT NO. 10
OF THE PARISH OF IBERLAND
STATE OF LOUISIANA

Component Unit Financial Statements
As of and for the Year Ended December 31, 2003
With Supplemental Information Schedule

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KAREN M. HOLLIS, CPA

To the Board of Commissioners
Hospital Service District No. 1C
Morgan, Louisiana

I have compiled the accompanying component unit financial statements of the Hospital Service District No. 1C of the Parish of Richland, State of Louisiana, a component unit of the Richland Parish Police Jury, as of and for the year ended December 31, 2003, which collectively comprise the District's basic financial statements and the accompanying supplementary information contained in Schedule I which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has not presented the management's discussion and analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

Karen M. Hollis

March 17, 2004
Rayville, Louisiana

2025 Release
Under
FOIA 2025

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STATEMENT A

HOSPITAL SERVICE DISTRICT NO. 10
OF THE PARISH OF RICHLAND
STATE OF LOUISIANA

Monroeville, Louisiana

Statement of Net Assets

December 31, 2003

	<u>2003</u>
ASSETS	
Cash and cash equivalents	\$85,521
Capital assets (net)	<u>18,214</u>
TOTAL ASSETS	<u>\$103,735</u>
LIABILITIES	
Accounts, salaries, and other payables	0
Leases Payable	0
Other liabilities	0
Leases payable	0
Bonds payable	0
TOTAL LIABILITIES	<u>0</u>
NET ASSETS	
Invested in capital assets, net of related debt	18,214
Restricted for:	
Capital projects	0
Debt service	0
Other purposes	0
Unrestricted	<u>85,521</u>
TOTAL NET ASSETS	<u>\$103,735</u>

See the accountant's report.

The accompanying notes are an integral part of this statement.

**HOSPITAL SERVICE DISTRICT NO. 1C
OF THE PARISH OF RICHLAND
STATE OF LOUISIANA**

Statement of Revenues, Expenses and Changes in Net Assets

For the Year Ended December 31, 2003

	2003
Revenues:	
Rentals	\$8,000
Other services	0
Total Operating Revenues	8,000
Operating Expenses	
Insurance	1,355
Repairs	2,214
Other operating	700
Depreciation	1,138
Total Operating Expenses	5,407
Operating Income	2,593
Nonoperating Revenues (Expenses)	
Interest earnings	1,937
Total Nonoperating Revenues (Expenses)	1,937
Change in Net Assets	6,530
Total Net Assets-Beginning	70,218
Total Net Assets-Ending	\$83,745

See the accountant's report.

The accompanying notes are an integral part of this statement.

**HOSPITAL SERVICE DISTRICT NO. 1C
OF THE PARISH OF RICHLAND
STATE OF LOUISIANA**

Statement of Cash Flows

For the Year Ended December 31, 2003

	2003
Cash Flows From Operating Activities	
Receipts from customers and users	\$8,000
Payments to suppliers	<u>(4,272)</u>
Net Cash Provided by Operating Activities	<u>3,728</u>
Cash Flows From Non-Capital Financing Activities	
Net Cash Provided (used) by Noncapital Financing Activities	<u>0</u>
Cash Flows From Capital and Related Financing Activities	
Proceeds from capital debt	0
Capital contributions	0
Purchases of capital assets	(18,752)
Payments on capital lease	(100)
Net Cash Provided (used) by Capital and Related Financing Activities	<u>(18,852)</u>
Cash Flows From Investing Activities	
Interest and dividends received	1,807
Net Cash Provided (used) by Investing Activities	<u>1,807</u>
Net Increase in Cash and Cash Equivalents	(13,196)
Cash and Cash Equivalents, Beginning of Year	77,737
Cash and Cash Equivalents, End of Year	<u>\$64,541</u>
Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities	
Operating income	\$3,580
Depreciation expense	1,138
Increase (decrease) in accounts receivable	0
Increase (decrease) in accounts payable	0
Total Adjustments	<u>1,138</u>
Net Cash Provided by Operating Activities	<u>\$4,718</u>

See the accountant's report.

The accompanying notes are an integral part of this statement.

**HOSPITAL SERVICE DISTRICT NO. 10
OF THE PARISH OF RICHLAND,
STATE OF LOUISIANA
Mangham, Louisiana**

Notes to the Financial Statements
As of and for the Year Ended December 31, 2003

INTRODUCTION

Hospital Service District No. 10 (the Hospital or the District) was created by an ordinance of the Richland Parish Police Jury on October 27, 1968, for the purpose of providing outpatient care and to promote the general health of the community. The Hospital is comprised of and embraces the territory contained within Wards 5 through 7 of the Parish of Richland, State of Louisiana, as constituted as of the date of the ordinance. A board of commissioners consisting of five members governs the Hospital. The commissioners are appointed by the Richland Parish Police Jury and receive no compensation for their services. The Hospital has no employees.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Hospital Service District No. 10 is considered a component unit of the Richland Parish Police Jury. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the Hospital Service District No. 10. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The District adopted the provisions of Statement 34 of the Governmental Accounting Standards Board—*Basic Financial Statements—Management's Discussion and Analysis—for State and Local Governments*. Statement 34 established standards for external reporting for all state and local governmental entities, which includes a statement of net assets, a statement of revenues, expenses and changes in net assets and a statement of cash flows. It requires the classification of fund net assets into three components – invested in capital assets, net of related debt, restricted and unrestricted. These classifications are defined as follows:

Invested in capital assets, net of related debt—This component of net assets consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by any outstanding balances of any bonds,

**HOSPITAL SERVICE DISTRICT NO. 10
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA,
Mangrove, Louisiana
Notes to the Financial Statements (Continued)**

mortgages, notes or other borrowings that are attributable to the unspent related debt proceeds at year end. The portion of debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

Restricted-This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, assetowners, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets-This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

The adoption of Statement No. 34 had no effect on the basic financial statements except for the classification of net assets in accordance with the Statement.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Private-sector standards of accounting and financial reporting issued prior to December 31, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish spending revenues and expenses from nonspending items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The District receives rental income from the physician that has full use of the District's assets. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Deposits and Investments

**HOSPITAL SERVICE DISTRICT NO. 10
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA**
Monghien, Louisiana
Notes to the Financial Statements (Continued)

The entity's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Hospital Service District's investment policy allow the entity to invest in collateralized certificates of deposits, government back securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

D. Receivables and Payables

The District has no receivables or payables at December 31, 2003.

E. Restricted Assets

The District has no restricted assets at this time.

F. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the Statement of Net Assets. Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Hospital Service District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Land Improvements	20 years
Furniture and fixtures	20 years
Equipment	5 years

G. Long-Term Obligations

The District has no long-term obligations as of December 31, 2003.

H. Estimates

**HOSPITAL SERVICE DISTRICT NO. 1C
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA**
Mangham, Louisiana
Notes to the Financial Statements (Continued)

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 statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from these estimates.

1. SIGNIFICANT CONCENTRATION OF ECONOMIC DEPENDENCE

The District has an economic dependence on one physician that rents the Clinic space from the District.

2. CASH AND CASH EQUIVALENTS

At December 31, 2003 the Hospital Service District No. 1C has cash and cash equivalents (book balances) totaling \$85,533 as follows:

Demand deposits	\$12,550
Time deposits	52,983
Total	<u>\$65,533</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 December 31, 2003 the Hospital Service District No. 1C has \$85,533 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance.

3. RECEIVABLES

The District has no receivables as of December 31, 2003.

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2003, for the District is as follows:

**HOSPITAL SERVICE DISTRICT NO. 1C
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA**
Bossier, Louisiana
Notes to the Financial Statements (Continued)

Capital assets being depreciated:	
Improvements other than buildings	\$14,162
Machines and equipment	11,112
Total capital assets being depreciated	<u>25,274</u>
Less accumulated depreciation for:	
Improvements other than buildings	708
Machines and equipment	8,242
Total accumulated depreciation	<u>8,950</u>
Total assets being depreciated, net	<u>\$16,324</u>

Depreciation expense of \$1,138 for the year ended December 31, 2003 was charged to the following:

Improvements other than buildings	\$708
Machines and equipment	430
Total	<u>\$1,138</u>

6. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The District has no payables as of December 31, 2003.

6. AFFILIATED ORGANIZATION

Affiliated organizations include Richland Parish Hospital Service District No. 1, Richland Parish Hospital Service District No. 1B and 1A, and the Richland Parish Police Jury. The Organizations are related because they are all political subdivisions of the Richland Parish Police Jury who appoints their commissioners.

During the fiscal year ended December 31, 2003, the District had no transactions or ending balances with its affiliated organizations as listed above.

7. INSURANCE

The District is required by the operating agreement to carry \$1,000,000 of general liability insurance. The Hospital Service District No. 1B will carry the building and contents insurance and any physicians leasing the building must carry their own professional liability insurance.

8. LITIGATION AND CLAIMS

The District is not aware of any lawsuits or possible threats of any lawsuits at December 31, 2003.

HOSPITAL SERVICE DISTRICT NO. 1C
OF THE PARISH OF RICHLAND
STATE OF LOUISIANA

Schedule of Compensation Paid Board Members
For the Year Ended December 31, 2003

Board Member	TERM		Amount
	BEGINNING	ENDING	
Johnny L. Holt	10/20/02	10/20/03	NONE
Robert N. Harrell	10/20/02	10/20/03	NONE
Danny Kater (Chairman)	10/20/02	10/20/04	NONE
Zona McKay, Chairman	10/20/02	10/20/04	NONE
Rennie Magoun	04/01/02	10/20/03	NONE

See the accountant's report.

The accompanying notes are an integral part of this statement.