

**BIENVILLE PARISH HOSPITAL
SERVICE DISTRICT NO. 1
Arcadia, Louisiana**

**General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Twenty Months Ended
December 31, 1997**

Under provisions of state law, this report is a public document. A copy of the report has been furnished to the auditor, clerk and other public officials. The report is available for inspection in the office of the auditor and copies may be obtained from the office of the parish clerk. *1*

Release Date: 7/12/98



BIENVILLE PARISH HOSPITAL SERVICE DISTRICT NO. 2
Arcadia, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Twenty Months Ended
December 31, 1997

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Independent Auditor's Report

**BIENVILLE PARISH HOSPITAL
SERVICE DISTRICT NO. 2
BOARD OF DIRECTORS**

Arcadia, Louisiana

**GENERAL ACCOUNTING
DIVISION OF DISTRICTS
PUBLIC ACCOUNTANTS**

**OFFICE OF ACCOUNTING
GENERAL PURPOSE
ACCOUNTANTS**

**PLANNED GIVING TO
HOSPITALS
ACCOUNTING, ADDRESS
IN PLANNING, SERVICES**

I have audited the general purpose financial statements of the Bienville Parish Hospital Service District No. 2, a component unit of the Bienville Parish Police Jury, as of December 31, 1987, and for the twenty months then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Bienville Parish Hospital Service District No. 2's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I 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 general purpose financial statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Bienville Parish Hospital Service District No. 2 as of December 31, 1987, and the results of its operations for the twenty months then ended in conformity with generally accepted accounting principles.

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LOUISIANA, 70119
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BOARD OF DIRECTORS
BIENVILLE PARISH HOSPITAL
SERVICE DISTRICT NO. 2
Arcadia, Louisiana
Independent Auditor's Report,
December 31, 1997

In accordance with Government Auditing Standards, I have also issued a report dated June 2, 1998 on my consideration of the Bienville Parish Hospital Service District No. 2's internal control structure and a report dated June 2, 1998 on the district's compliance with laws, regulations, and contracts.



West Monroe, Louisiana
June 2, 1998

GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)

BIENVILLE PARISH HOSPITAL SERVICE DISTRICT NO. 2
Arcadia, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Balance Sheet, December 31, 1997

	GOVERNMENTAL FUND TYPE - GENERAL FUND	FUNDARY FUND- DEFERRED COMPENSATION PLAN ASPECT FUND	ACCOUNT GROUP - GENERAL FUND SHARES	TOTAL (MINORANTUM ONLY)
ASSETS				
Cash and cash equivalents	\$668,401			\$668,401
Receivables	13,951			13,951
Other assets	2,269			2,269
Land, buildings, and equipment			\$3,237,246	3,237,246
Deposits with Public Employees Benefits Services Corporation		\$326		\$326
TOTAL ASSETS	\$684,621	\$326	\$3,237,246	\$4,122,693
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$12,705			\$12,705
Deferred revenue	1,000			1,000
Due to plan participants		\$326		\$326
Total Liabilities	13,705	\$326	NONE	14,531
Fund Equity:				
Investment in general fixed assets			\$3,237,246	3,237,246
Fund balance - unreserved - undesignated	\$70,916			\$70,916
Total Fund Equity	\$70,916	NONE	3,237,246	4,108,362
TOTAL LIABILITIES AND FUND EQUITY	\$884,621	\$326	\$3,237,246	\$4,122,693

The accompanying notes are an integral part of this statement.

BIENVILLE PARISH HOSPITAL SERVICE DISTRICT NO. 2
Arnaud, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget
(GAAP Basis) and Actual
For the Year Ended December 31, 1997

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes:			
Ad valorem	\$2,500	\$2,413	(88)
Sales tax	6,800	6,736	(64)
Use of money and property:			
Rent	230,000	227,138	(2,872)
Interest	23,000	26,615	3,615
Other	1,500	1,046	(454)
Total revenues	<u>263,800</u>	<u>263,958</u>	<u>158</u>
EXPENDITURES			
Current			
Personnel services and related benefits	6,087	8,727	(2,640)
Operating services	77,530	79,102	(1,572)
Debt service	600	600	-
Total expenditures	<u>84,217</u>	<u>87,829</u>	<u>(3,612)</u>
EXCESS OF REVENUES OVER EXPENDITURES	179,583	176,129	(3,454)
OTHER FINANCING SOURCE			
Sale of assets	-	230	230
EXCESS OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	179,583	176,359	(3,224)
FUND BALANCE AT BEGINNING OF YEAR	<u>NONE</u>	<u>694,539</u>	<u>694,539</u>
FUND BALANCE AT END OF YEAR	<u>\$179,583</u>	<u>\$800,916</u>	<u>\$621,333</u>

The accompanying notes are an integral part of this statement.

Statement C

BIENVILLE PARISH HOSPITAL SERVICE DISTRICT NO. 2
Acadia, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenue, Expenditures, and
 Changes in Fund Balance - Budget
 (GAAP Basis) and Actual
 For the Eight Months Ended December 31, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes:			
Ad valorem		\$302	\$302
Sales tax		1,945	1,945
Intergovernmental - state funds - gas revenue sharing (net)		5,647	5,647
Use of money and property:			
Rent	\$157,888	157,888	
Interest earnings	8,000	12,978	4,978
Other		1,062	1,062
Total revenues	<u>165,888</u>	<u>179,733</u>	<u>13,844</u>
EXPENDITURES			
Current			
Personal services and related benefits		6,138	(6,138)
Operating services	42,388	35,250	7,138
Debt service	48,000	3,917	44,083
Total expenditures	<u>90,388</u>	<u>45,305</u>	<u>45,083</u>
EXCESS OF REVENUES OVER EXPENDITURES	77,500	134,428	56,928
FUND BALANCE AT BEGINNING OF YEAR	NONE	399,037	399,037
FUND BALANCE AT END OF YEAR	\$77,500	\$533,465	\$455,965

The accompanying notes are an integral part of this statement.

BIENVILLE PARISH HOSPITAL SERVICE DISTRICT NO. 2
Ariola, Louisiana

Notes to the Financial Statements
As of and For the Twenty Months Ended December 31, 1993

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bienville Parish Hospital Service District No. 2 is controlled by a board of Commissioners who are appointed by the Bienville Parish Police Jury, and is exempt from income taxes. The District contracts with various other health care providers to serve the medical needs of the citizens of Bienville Parish. The District provides space for these providers in return for rent. The providers consist of an inpatient rehabilitation hospital, home health agency, rural health clinic, and physician clinic practices. The District also contracts with Metro Ambulance Service to provide ambulance services to citizens of the District.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Bienville Parish Police Jury is the financial reporting entity for Bienville 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 the 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 (GASB) Statement No. 14 establishes criteria for determining which component units should be considered part of the Bienville Parish Police Jury for financial reporting purposes. The basic criteria 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;

BIENVILLE PARISH HOSPITAL
SERVICE DISTRICT NO. 2
Acadia, Louisiana

Notes to the Financial Statements (Continued)

- 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 a voting majority of the District's governing body and has the ability to impose its will, the agency was determined to be a component unit of the Bienville 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. FUND ACCOUNTING

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term debt) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of

attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The district's current operations require only the use of governmental funds (General Fund). Rent payments are accounted for in this fund while general operating expenditures are paid from this fund.

C. GENERAL FIXED ASSETS AND LONG-TERM DEBT

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 General Fund. Approximately 100 per cent of fixed assets are valued at actual historical costs based on the actual costs of like items. No depreciation has been provided on general fixed assets. The account group is not a fund. It is concerned only with the measurement of financial position and does not involve measurement of results of operations. The district has no long-term debt as of December 31, 1997.

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are both 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 be used to pay liabilities of the current period. The district uses the following practices in recognizing and reporting revenues and expenditures:

Revenues:

BIENVILLE PARISH HOSPITAL
SERVICE DISTRICT NO. 2
Arvida, Louisiana
Notes to the Financial Statements (Continued)

Rent revenues is recorded in the year in which it is earned.

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recognized when received by the district.

Expenditures

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

E. BUDGET PRACTICES

The proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is then legally adopted by the district and amended during the year, as necessary. The budget is established and controlled by the district at the object level of expenditures. The district does not utilize encumbrance accounting. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes to the budget must be approved by the board of commissioners.

Federal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

F. 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.

As December 31, 1997, the district has cash and cash equivalents (bank balances) totaling \$868,400, as follows:

BIENVILLE PARISH HOSPITAL
SERVICE DISTRICT NO. 2
 Acacia, Louisiana
 Notes to the Financial Statements (Continued)

Demand deposits	\$83,733
Time deposits	<u>784,668</u>
Total	<u>\$868,401</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, as the remaining 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. Cash and cash equivalents (bank balances) at December 31, 1997, are secured as follows:

Bank balances	<u>\$851,795</u>
Federal deposit insurance	\$277,098
Pledged securities (uncollateralized)	<u>1,022,736</u>
Total	<u>\$1,151,629</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the district, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 38:1229 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 bank has failed to pay deposited funds upon demand. Further, LRS 38:1224 states that securities held by a third party shall be deemed to be held in the district's name.

**G. TOTAL COLUMN ON THE
 BALANCE SHEET**

The total column on the balance sheet is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis (overview). Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

BIENVILLE PARISH HOSPITAL
SERVICE DISTRICT NO. 2
Arnaud, Louisiana

Notes to the Financial Statements (Continued)

2. RECEIVABLES

The General Fund receivables of \$13,951 at December 31, 1997, are as follows:

Class of Receivables	
Due for utilities	\$13,801
Recovery	150
Total	<u>\$13,951</u>

3. CHANGES IN GENERAL FIXED ASSETS

There were no changes in general fixed assets for the twenty months ended December 31, 1997. General fixed assets are as follows:

Land	\$13,034
Buildings	2,623,763
Equipment	<u>286,430</u>
Total	<u>\$2,923,227</u>

4. DEFERRED COMPENSATION PLAN

The hospital district offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan, available to all employees, permits employees to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation, and all income attributable to these amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the hospital district (without being restricted to the provisions of benefits under the plan), subject only to the claims of the hospital district's general creditors. Participants' rights under the plan are equal to those of general creditors of the hospital district in an amount equal to the fair market value of the deferred account for each participant.

A summary of changes in the Deferred Compensation Plan Agency Fund deposits due others follows:

**BIENVILLE PARISH HOSPITAL
SERVICE DISTRICT NO. 2**

Acadia, Louisiana

Notes to the Financial Statements (Continued)

Balance at May 1, 1996	NONE
1996:	
Additions	\$263
Reductions	(2)
1997:	
Additions	982
Reductions	<u>(17)</u>
Balance at December 31, 1997	<u>\$816</u>

3. BAPTIST RETIREMENT CENTER AGREEMENT

Revenue bonds series 1997 totaling \$3,000,000 were issued September 1, 1997. Under an agreement entered into between the Bienville Parish Hospital Service District No. 2 and Baptist Retirement Center of Acadia, the bonds do not bear the full faith and credit of the hospital district. The retirement of the bonds, including interest charges, paying agent fees, and any other costs associated with servicing the debt, are the sole responsibility of the Baptist Retirement center of Acadia.

4. CHANGES IN LONG-TERM DEBT

Long term debt at April 30, 1996 consisted of general obligation bonds in the original amount of \$800,000 bearing interest at rates ranging from 6.75 to 6.9%. These bonds were issued for the purpose of constructing additions and improvements to the hospital facilities. Interest is paid semi-annually on March 1, and September 1 of each year through and including March 1, 1998. The board passed a resolution approving the defeasance of all of the remaining outstanding maturities. The Defeasance and Escrow Deposit Agreements allowed the district to provide funds to an escrow agent in the form of U.S. government securities for the full payment of principal and interest on these bonds. The escrow agent holds the securities and is responsible for retiring the bond principal and interest. This agreement releases the district of the liability. The agreement provides that upon the defeasance of the bonds, any excess funds remaining with the escrow agent are to be transferred to the district's general fund and used for the purposes for which the bonds were originally issued.

7. LITIGATION AND CLAIMS

At December 31, 1997, the Bienville Parish Hospital Service District No. 2 is not involved in any litigation nor is it aware of any unasserted claims.

**BIENVILLE PARISH HOSPITAL
SERVICE DISTRICT NO. 3
Arcadia, Louisiana
Notes to the Financial Statements (Continued)**

**8. RESTATEMENT OF FUND BALANCE AND
CHANGE IN REPORTING**

The Bienville Parish Hospital Service No. 3 has been previously reported as a proprietary fund type. Beginning May 1, 1996, the general fund of the hospital service district will be reported as a governmental fund type. A proprietary fund accounts for fixed assets within the fund, while general fixed assets of a governmental fund type are recognized in the General Fixed Asset Account Group. The April 30, 1996 fund balance of the General Fund has been restated for fixed assets previously reported in the fund that have been reclassified to the general fixed asset account group on Statement A. The following reconciles fund balance as previously reported to beginning fund balance as presented on Statement C:

Fund balance as previously reported	\$2,305,055
Fixed assets previously reported (net of accumulated depreciation)	<u>(1,748,022)</u>
Fund balance at May 1, 1996, restated	<u>\$557,033</u>

9. LEASES

The District contracts with various other health care providers to serve the medical needs of the citizens of Bienville Parish. The District provides space for these providers in return for rent. The following is a list of leases and their monthly lease payments:

Schumpert Clinic	\$1,000
Homer Hospital	2,126
Sandline Rehabilitation	15,000
Council on Aging	100

BIENVILLE PARISH HOSPITAL
SERVICE DISTRICT NO. 2
Arcadia, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
As of and for the Twenty Months Ended December 31, 1997

COMPENSATION PAID BOARD MEMBERS

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. Compensation of board members has been set at \$40.00 per meeting attended, not to exceed \$40.00 per month.

BIENVILLE PARISH HOSPITAL SERVICE DISTRICT NO. 3
Acadia, Louisiana

Schedule of Compensation Paid Board Members
For the Twelve Months Ended December 31, 1987

	<u>1986</u>	<u>1987</u>
Louisa Buder	\$320	\$360
Glen Follis	360	400
Gary Gant	280	440
Odin Green	360	280
Arthur Lathan	340	360
Dan Madden - Chairman	280	400
Shirley Payne	<u>340</u>	<u>400</u>
Total	<u>\$2,580</u>	<u>\$2,640</u>

**Independent Auditor's Reports Required
by Government Auditing Standards**

The following independent auditor's reports on compliance with laws, regulations and contracts and internal control are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



**Independent Auditor's Report on
Compliance With Laws, Regulations, and Contracts**

**BOARD OF DIRECTORS
BIENVILLE PARISH HOSPITAL
SERVICE DISTRICT NO. 3
Arnaud, Louisiana**

I have audited the general purpose financial statements of the Bienville Parish Hospital Service District No. 2, a component unit of the Bienville Parish Police Jury, as of December 31, 1997, and for the twenty months then ended, and have issued my report thereon dated June 2, 1998.

I conducted my audit in accordance with generally accepted auditing standards: Government Auditing Standards, issued by the Comptroller General of the United States; and the Louisiana Governmental Audit Guide, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards and the audit guide require that I 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, and contracts applicable to the Bienville Parish Hospital Service District No. 2, is the responsibility of the district's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of the Bienville Parish Hospital Service District No. 2's compliance with certain provisions of laws, regulations, and contracts. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Bienville Parish Hospital Service District No. 2. This is not intended to limit the distribution of this report, which is a matter of public record.

West Monroe, Louisiana
June 2, 1998

STATE AUDITOR
OFFICE OF THE STATE AUDITOR
STATE HOUSE
BAYOU LA PRAIRIE
LOUISIANA
OFFICE OF THE STATE AUDITOR
STATE HOUSE
BAYOU LA PRAIRIE
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OFFICE OF THE STATE AUDITOR
STATE HOUSE
BAYOU LA PRAIRIE
LOUISIANA



**Independent Auditor's Report
on Internal Control Structure**

**BOARD OF DIRECTORS
BIENVILLE PARISH HOSPITAL
SERVICE DISTRICT NO. 2
Arcadia, Louisiana**

I have audited the general purpose financial statements of the Bienville Parish Hospital Service District No. 2, a component unit of the Bienville Parish Police Jury, as of December 31, 1997, and for the twenty months then ended, and have issued my report thereon dated June 2, 1998.

I evaluated my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the Louisiana Governmental Audit Guide, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Bienville Parish Hospital Service District No. 2 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 general purpose 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.

In planning and performing my audit of the general purpose financial statements of the Bienville Parish Hospital Service District No. 2 for the twenty months ended December 31, 1997, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design

**VERNON R. ODOM
OFFICE OF CERTIFIED
PUBLIC ACCOUNTANTS**

**OFFICE OF CERTIFIED
PUBLIC ACCOUNTANTS**

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BOARD OF DIRECTORS
BIENVILLE PARISH HOSPITAL
SERVICE DISTRICT NO. 2

Acadia, Louisiana

Independent Auditor's Report
on Internal Control Structure,
December 31, 1998

of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and 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. I noted no matters involving the internal control structure and its operations that I consider to be material weaknesses as defined above.

This report is intended for the information of the Bienville Parish Hospital District No. 2. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana
June 2, 1998

BIENVILLE PARISH HOSPITAL
SERVICE DISTRICT NO. 2
Acadia, Louisiana

Schedule of Findings and Questioned Costs
For the Twenty Months Ended December 31, 1997

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Bienville Parish Hospital Service District No. 2.
2. No instances of noncompliance material to the financial statements of Bienville Parish Hospital Service District No. 2 were disclosed during the audit.
3. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Structure.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

BIENVILLE PARISH HOSPITAL
SERVICE DISTRICT NO. 2
Arcaha, Louisiana

Summary Schedule of Prior Audit Findings
For the Twenty Months Ended December 31, 1997

There were no audit findings reported in the audit for the year ended April 30, 1996.