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THE FIRST HOSPITAL SERVICE DISTRICT
OF THE PARISHES OF
ST. LANDRY AND ST. MARTIN

FINANCIAL REPORT

JUNE 30, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 ~~FEB 24 1999~~



BROUSSARD, POCHE', LEWIS & BREAUX, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

122 East 5th St.
P.O. Drawer 307
Crowley, Louisiana
70527-0307
phone: (318) 783-0650
fax: (318) 783-7238

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Commissioners
The First Hospital Service District of the
Parishes of St. Landry and St. Martin
State of Louisiana
Arnaudville, Louisiana

Lafayette, LA
(318) 988-4930

Opelousas, LA
(318) 942-5217

Abbeville, LA
(318) 898-1497

New Iberia, LA
(318) 364-4554

Church Point, LA
(318) 684-2855

Eunice, LA
(318) 457-0071

We have compiled the accompanying balance sheet of The First Hospital Service District of the Parishes of St. Landry and St. Martin as of June 30, 1998 and 1997 and the related statements of income and retained earnings, and cash flows for the years then ended, in accordance with standards established 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. We 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 elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Lawrence A. Cramer, CPA*
Eugene C. Gilder, CPA*
Donald W. Kelley, CPA*
Herbert Lemoine II, CPA*
Frank A. Stagno, CPA*
Scott J. Broussard, CPA*
J. Charles Abshire, CPA*
Kenneth R. Dugas, CPA*
P. John Blanchet III, CPA*
Stephen L. Lambousy, CPA*
Craig C. Balineaux, CPA*
Peter C. Boriello, CPA*
Michael P. Crochet, CPA*
George J. Trappay III, CPA*
Daniel E. Gilder, CPA*
Gregory B. Milton, CPA*
S. Scott Soileau, CPA*
Patrick D. McCarthy, CPA*

Retired:
Sidney I. Broussard, CPA 1980
Leon K. Poche, CPA 1984
James H. Breaux, CPA 1987
Erna R. Walton, CPA 1988
George A. Lewis, CPA* 1992
Geraldine J. Wimberly, CPA* 1995
Rodney L. Savoy, CPA* 1996
Larry G. Broussard, CPA* 1996

Crowley, Louisiana
December 23, 1998

Members of American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants

* A Professional Accounting Corporation.

FIRST HOSPITAL SERVICE DISTRICT
OF THE PARISHES OF ST. LANDRY AND ST. MARTIN

BALANCE SHEETS
June 30, 1998 and 1997
See Accountants' Compilation Report

ASSETS	<u>1998</u>	<u>1997</u>
CURRENT ASSETS		
Cash	\$ 49,249	\$ 56,675
Rent receivable	30,399	9,783
Prepaid expenses	<u>1,200</u>	<u>1,200</u>
Total current assets	<u>\$ 80,848</u>	<u>\$ 67,658</u>
OTHER ASSETS		
Debt retirement funds:		
Bond Sinking Fund:		
Savings	<u>\$ 278,377</u>	<u>\$ 230,781</u>
PROPERTY, PLANT AND EQUIPMENT, at cost, less		
allowance for depreciation of 1998 - \$1,183,397		
1997 - \$1,134,445	<u>\$ 669,089</u>	<u>\$ 718,041</u>
Total assets	<u>\$1,028,314</u>	<u>\$1,016,480</u>
 LIABILITIES AND FUND BALANCES		
LIABILITIES		
Trade accounts payable	\$ 394,160	\$ 446,328
Accrued expenses	1,912	134
Payable to cost reimbursement intermediaries	<u>231,899</u>	<u>231,899</u>
Total liabilities	<u>\$ 627,971</u>	<u>\$ 678,361</u>
 FUND BALANCES		
Designated - Bond Sinking Fund	\$ 278,377	\$ 230,781
Non-designated	<u>121,966</u>	<u>107,338</u>
Total fund balances	<u>\$ 400,343</u>	<u>\$ 338,119</u>
Total liabilities and fund balance	<u>\$1,028,314</u>	<u>\$1,016,480</u>

FIRST HOSPITAL SERVICE DISTRICT
OF THE PARISHES OF ST. LANDRY AND ST. MARTIN

STATEMENTS OF REVENUES AND EXPENSES
Years Ended June 30, 1998 and 1997
See Accountants' Compilation Report

	<u>1998</u>	<u>1997</u>
Lease income	\$ <u>58,099</u>	\$ <u>56,945</u>
Operating expenses:		
Depreciation	\$ 48,952	\$ 46,039
Administrative expenses	8,504	8,447
Repairs and maintenance	7,403	14,990
Office expenses	2,411	372
Insurance	9,179	9,388
Professional services	<u>1,775</u>	<u>2,118</u>
Total operating expenses	\$ <u>78,224</u>	\$ <u>81,354</u>
Operating loss	\$ <u>(20,125)</u>	\$ <u>(24,409)</u>
Other income (expenses):		
Ad valorem taxes	\$ 93,109	\$ 92,371
Interest income	6,692	7,232
Miscellaneous	-	70
Election expense	<u>(17,452)</u>	<u>-</u>
Total other income	\$ <u>82,349</u>	\$ <u>99,673</u>
Net income (loss)	<u>\$ 62,224</u>	<u>\$ 75,264</u>

FIRST HOSPITAL SERVICE DISTRICT
OF THE PARISHES OF ST. LANDRY AND ST. MARTIN

STATEMENTS OF FUND BALANCE (DEFICIT)
Years Ended June 30, 1998 and 1997
See Accountants' Compilation Report

	<u>Designated Fund Bond Sinking Fund</u>	<u>Nondesignated Fund</u>	<u>Total</u>
Balance (deficit), June 30, 1996	\$ 242,077	\$ 20,778	\$ 262,855
Allocation of net income	99,538	(24,274)	75,264
Transfers to nondesignated fund	<u>(110,834)</u>	<u>110,834</u>	<u>-</u>
Balance, June 30, 1997	\$ 230,781	\$ 107,338	\$ 338,119
Allocation of net income	99,764	(37,540)	62,224
Transfers to nondesignated fund	<u>(52,168)</u>	<u>52,168</u>	<u>-</u>
Balance, June 30, 1998	<u>\$ 278,377</u>	<u>\$ 121,966</u>	<u>\$ 400,343</u>

FIRST HOSPITAL SERVICE DISTRICT
OF THE PARISHES OF ST. LANDRY AND ST. MARTIN

STATEMENTS OF CASH FLOWS
Years Ended June 30, 1998 and 1997
See Accountants' Compilation Report

	<u>1998</u>	<u>1997</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 62,224	\$ 75,264
Adjustments:		
Transfers from Bond Sinking Funds	52,168	110,834
Depreciation	48,952	46,039
(Increase) decrease in other receivables	(20,616)	5,116
Increase in prepaid expenses	-	-
Increase (decrease) in accounts payable	(52,168)	-
Increase in accrued liabilities	<u>1,778</u>	<u>134</u>
Net cash provided by operating activities	<u>\$ 92,338</u>	<u>\$ 237,387</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Contributions to special funds	\$ (99,764)	\$ (99,538)
Capital outlay for roof replacement	<u>-</u>	<u>(110,834)</u>
Net cash used by interest activities	<u>\$ (99,764)</u>	<u>\$ (210,372)</u>
Net increase (decrease) in cash and cash equivalents	\$ (7,426)	\$ 27,015
Cash and cash equivalents:		
Beginning	<u>56,675</u>	<u>29,660</u>
Ending	<u>\$ 49,249</u>	<u>\$ 56,675</u>



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INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

Lafayette, LA
(318) 988-4930
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To the Board of Commissioners
The First Hospital Service District of the
Parishes of St. Landry and St. Martin
State of Louisiana
Arnaudville, Louisiana

We have performed the procedures included in the "Louisiana Government Audit Guide" and enumerated below, which were agreed to by the management of The First Hospital Service District of the Parishes of St. Landry and St. Martin and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about The First Hospital Service District of the Parishes of St. Landry and St. Martin's compliance with certain laws and regulations during the year ended June 30, 1998 included in the accompanying "Louisiana Attestation Questionnaire." This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures made during the year for materials and supplies exceeding \$15,000, or public works exceeding \$100,000.

Retired:
Sidney L. Broussard, CPA 1980
Leon K. Poche, CPA 1984
James H. Breaux, CPA 1987
Erna R. Walton, CPA 1988
George A. Lewis, CPA* 1992
Geraldine J. Wimberly, CPA* 1995
Rodney L. Savoy, CPA* 1996
Larry G. Broussard, CPA* 1996

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* A Professional Accounting Corporation.

**Code of Ethics for Public Officials
and Public Employees**

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

Due to the limited revenue and expenditures and the planned use of the excess revenue to pay the old debts, management did not adopt a budget.

6. Trace the budget adoption and amendments to the minute book.

Due to the limited revenue and expenditures and the planned use of the excess revenue to pay the old debts, management did not adopt a budget.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts of more than 5%.

Due to the limited revenue and expenditures and the planned use of the excess revenue to pay the old debts, management did not adopt a budget.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

- (a) Trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) Determine if payments were properly coded to the correct fund and general ledger account; and

All payments were coded to the proper account and fund.

- (c) Determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the accountant and the chairman of the Board of Commissioners.

9. There have been no payments to the members of the Board of Commissioners during the year ended June 30, 1998.

Meetings

10. Examine evidence indicating that agendas for meetings recorded in the minutes book was posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Management has asserted that such documents were properly posted; however, we could find no evidence supporting such assertion other than an unmarked copy of the notices and agendas.

Debt

11. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of banks, bonds, or like indebtedness.

We inspected all entries to the general ledger for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

We inspected all payroll transactions and minutes for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of The First Hospital Service District of the Parishes of St. Landry and St. Martin and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Bussard, Rich; Lewis & Brant, CPA

Crowley, Louisiana
December 23, 1998

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

12/31/98 (Date Transmitted)

The First Hospital Service District of the parishes of St. Landry + St. Martin

P.O. Box 110

Arnaudville, LA 70512

Broussard, Poche, Lewis + Breau (Auditors)

In connection with your compilation of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 12/23/98 (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes No

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes No

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes No

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

<u>Abel Hardy</u>	Secretary	<u>8-25-98</u>	Date
<u>Adolphe La Gange</u>	Treasurer	<u>8-25-98</u>	Date
<u>Lester Hardy</u>	President	<u>8-25-98</u>	Date

MANAGEMENTS' CORRECTIVE ACTION PLAN
For the Year Ended June 30, 1998

Section I: Internal Control and Compliance Material to the Financial Statement

N/A

Section II: Internal Control and Compliance Material to Federal Awards

N/A

Section III: Management Letter

Recommendation: Even though there is limited activity for revenue and expenditures, an annual budget should be prepared to comply with RSA-RS 39:34.

Response: An annual budget will be prepared in the future.

Responsible Party: Ms. Brenda Schneider

