

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF RICHLAND, STATE OF LOUISIANA  
 DEBT SERVICE FUND 53  
 FOR THE YEARS ENDED SEPTEMBER 30, 1998, 1997 AND 1996

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Release Date ~~DEC 9 1998~~

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**INDEPENDENT AUDITORS' REPORT**

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Board of Commissioners  
Hospital Service District No. 1  
Parish of Richland, State of Louisiana  
Rayville, Louisiana

We have audited the accompanying general purpose financial statements of Hospital Service District No. 1, Parish of Richland, (the Service District), a component unit of the Richland Parish Police Jury, as of and for the years ended September 30, 1998, 1997, and 1996, listed in the foregoing table of contents. These financial statements are the responsibility of the Service District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hospital Service District No. 1, Parish of Richland, as of and for the years ended September 30, 1998, 1997, and 1996 and the results of its operations for the years then ended, in conformity with generally accepted accounting principles applicable to governmental entities.

In accordance with Governmental Auditing Standards, we have also issued a report dated October 29, 1998, on our consideration of the Service District's internal control structure and on its compliance with laws and regulations.

*Easley, Lester & Wells*

Certified Public Accountants

October 29, 1998

HOSPITAL SERVICE DISTRICT NO. 1  
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA  
DEBT SERVICE FUND  
BALANCE SHEETS  
SEPTEMBER 30, 1998, 1997 AND 1996

| <u>ASSETS</u>                              | <u>1998</u>           | <u>1997</u>           | <u>1996</u>           |
|--|-----------------------|-----------------------|-----------------------|
| Cash on deposit with paying agent (Note 2) | \$ 11,257             | \$ 1,152              | \$ 4,676              |
| Certificate of deposit (Note 2)            | 217,771               | 199,989               | 182,255               |
| Taxes receivable (net of fees)             | 48                    | -0-                   | 4,433                 |
| Accrued interest receivable                | <u>1,772</u>          | <u>1,671</u>          | <u>1,523</u>          |
| <br>Total Assets                           | <br><u>\$ 230,848</u> | <br><u>\$ 202,812</u> | <br><u>\$ 192,887</u> |
| <br><u>LIABILITIES AND FUND BALANCE</u>    |                       |                       |                       |
| <br>Liabilities                            |                       |                       |                       |
| Matured bonds payable                      | \$ 10,000             | \$ -0-                | \$ -0-                |
| Matured interest coupons payable           | <u>848</u>            | <u>848</u>            | <u>4,260</u>          |
| <br>Total Liabilities                      | <br><u>10,848</u>     | <br><u>848</u>        | <br><u>4,260</u>      |
| <br>Fund balance                           | <br><u>220,000</u>    | <br><u>201,964</u>    | <br><u>188,627</u>    |
| <br>Total Liabilities and Fund Balance     | <br><u>\$ 230,848</u> | <br><u>\$ 202,812</u> | <br><u>\$ 192,887</u> |

See accompanying notes to financial statements.

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF RICHLAND, STATE OF LOUISIANA  
 DEBT SERVICE FUND  
 STATEMENTS OF REVENUES AND EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 FOR THE YEARS ENDED SEPTEMBER 30, 1998, 1997 AND 1996

|                                   | 1998              | 1997              | 1996              |
|-----------------------------------|-------------------|-------------------|-------------------|
| Revenues                          |                   |                   |                   |
| Ad valorem taxes (Note 4)         | \$ 263,993        | \$ 258,415        | \$ 233,876        |
| Interest income                   | <u>11,833</u>     | <u>10,434</u>     | <u>10,596</u>     |
| Total revenues                    | <u>275,826</u>    | <u>268,849</u>    | <u>244,472</u>    |
| Expenditures                      |                   |                   |                   |
| Bonds redeemed                    | 205,000           | 190,000           | 180,000           |
| Interest on bonds                 | 52,488            | 65,325            | 77,260            |
| Fiscal agent fees                 | <u>302</u>        | <u>187</u>        | <u>258</u>        |
| Total expenditures                | <u>257,790</u>    | <u>255,512</u>    | <u>257,518</u>    |
| Excess of revenues (expenditures) | 18,036            | 13,337            | (13,046)          |
| Fund balance, beginning of year   | <u>201,964</u>    | <u>188,627</u>    | <u>201,673</u>    |
| Fund balance, end of year         | \$ <u>220,000</u> | \$ <u>201,964</u> | \$ <u>188,627</u> |

See accompanying notes to financial statements.

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF RICHLAND, STATE OF LOUISIANA  
 DEBT SERVICE FUND  
 STATEMENTS OF GENERAL LONG-TERM DEBT  
 FOR THE YEARS ENDED SEPTEMBER 30, 1998, 1997 AND 1996

| <u>AMOUNT AVAILABLE AND TO BE<br/>PROVIDED FOR PAYMENT OF<br/>GENERAL LONG-TERM DEBT</u> | 1998              | 1997              | 1996                |
|--|-------------------|-------------------|---------------------|
| Serial Bonds   |                   |                   |                     |
| Amount available in Debt Service Fund  | \$ 230,000        | \$ 202,812        | \$ 192,887          |
| Amount to be provided from ad valorem taxes  | <u>485,000</u>    | <u>707,188</u>    | <u>907,113</u>      |
| Total  | <u>\$ 715,000</u> | <u>\$ 910,000</u> | <u>\$ 1,100,000</u> |
| <u>GENERAL LONG-TERM DEBT PAYABLE</u>  |                   |                   |                     |
| Serial Bonds Payable (Note 3)  | <u>\$ 715,000</u> | <u>\$ 910,000</u> | <u>\$ 1,100,000</u> |

See accompanying notes to financial statements.



HOSPITAL SERVICE DISTRICT NO. 1  
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA  
DEBT SERVICE FUND AND GENERAL LONG-TERM DEBT ACCOUNT GROUP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED SEPTEMBER 30, 1998, 1997 AND 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Legal Organization

Richland Parish Hospital Service District No. 1 (the District) was created by an ordinance of the Richland Parish Police Jury. The District is comprised of and embraces the territory contained within the Parish of Richland, State of Louisiana, as constituted as of the date of the ordinance.

The District is a political subdivision of the Richland Parish Police Jury whose jurors are elected officials. The District's commissioners are appointed by the Richland Parish Police Jury. As the governing authority of the Parish, for reporting purposes, the Richland Parish Police Jury is the financial reporting entity for the District. Accordingly, the District was determined to be a component unit of the Richland Parish Police 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.

Debt Service

The debt service fund was established to receive ad valorem taxes collected and to pay bonds and the interest thereon. Taxes received cannot be commingled with other funds and can be used only for the designated purpose.

General Long-Term Debt Account Group

The general long-term debt account group is a self-balancing group of accounts which includes unmatured public improvement bonds that are funded by ad valorem tax revenues.

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. Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within 60 days after year-end.

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.

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF RICHLAND, STATE OF LOUISIANA  
 DEBT SERVICE FUND AND GENERAL LONG-TERM DEBT ACCOUNT GROUP  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED SEPTEMBER 30, 1998, 1997 AND 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets

Expenditures of the debt service fund are controlled through debt service commitments. No legal budget is required for this fund.

Income Taxes

The entity is a political subdivision and exempt from taxation.

NOTE 2 - DEPOSITS

Deposits totaling \$229,028 at September 30, 1998, with the depository banks in checking accounts and certificates of deposit were secured at the balance sheet date by federal depository insurance coverage and by pledged securities.

NOTE 3 - SERIAL BONDS PAYABLE

Public Improvement Bonds dated August 1, 1969, mature serially beginning February 1, 1979, in annual amounts ranging from \$15,000 to \$250,000. Interest is payable semi-annually on February 1st and August 1st with rates varying from 5.8% to 6.5%.

At September 30, 1998, there were outstanding bonds in an amount of \$715,000, as detailed below:

| <u>Years</u> | <u>Bond Number</u> | <u>September 30, 1998</u><br><u>Principal</u> |
|--------------|--------------------|---|
| 1998         | 448 to 449         | \$ 10,000                                     |
| 1999         | 450 to 493         | 220,000                                       |
| 2000         | 494 to 540         | 235,000                                       |
| 2001         | 541 to 590         | <u>250,000</u>                                |
| Total        |                    | \$ <u>715,000</u>                             |

HOSPITAL SERVICE DISTRICT NO. 1  
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA  
DEBT SERVICE FUND AND GENERAL LONG-TERM DEBT ACCOUNT GROUP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED SEPTEMBER 30, 1998, 1997 AND 1996

NOTE 4 - AD VALOREM TAXES

The District levies real estate taxes on all real property on a calendar year basis, at a rate enacted by the Board of Commissioners as recommended by the local tax assessor. Property taxes are collected through the local sheriff and remitted, net of collection fees, to the District. The sheriff's office is responsible for collection, including establishing lien, levy and due dates of property taxes.

NOTE 5 - PER DIEM AND OTHER COMPENSATION PAID TO BOARD MEMBERS

|                       |      |
|-----------------------|------|
| Mr. W. L. Strong, Jr. | None |
| Mr. Oliver Holland    | None |
| Mr. Bentley Curry     | None |
| Mr. Moses Wilkins     | None |
| Mr. Zona McKay        | None |
| Dr. Paul Grandon      | None |
| Mr. Bruce McEacharn   | None |



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE  
FINANCIAL STATEMENTS CONDUCTED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
Hospital Service District No. 1  
Parish of Richland, State of Louisiana  
Rayville, Louisiana 71269

We have audited the general purpose financial statements of Richland Parish Hospital Service District No. 1 (the District) for the years ended September 30, 1998, 1997 and 1996, and have issued our report thereon dated October 29, 1998. We conducted our audits 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 District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 District'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 control 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 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. 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  
Parish of Richland, State of Louisiana  
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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.

*Easley, Lester & Wells*

Certified Public Accountants

October 29, 1998