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HOSPITAL SERVICE DISTRICT NO. 2
OF ST. LANDRY PARISH

FINANCIAL REPORT

JUNE 30, 1999

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Release Date JAN 12 2000

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Hospital Service District No. 2 of
St. Landry Parish
St. Landry Parish, Louisiana

We have audited the accompanying general purpose financial statements of Hospital Service District No. 2 of St. Landry Parish as of June 30, 1999, and for the year then ended. 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. 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 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 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 Hospital Service District No. 2 of St. Landry Parish as of June 30, 1999, and the results of its operations, and cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated November 3, 1999 on our consideration of the District's internal control structure and a report dated November 3, 1999, on its compliance with laws and regulations.

Broussard, Poche', Lewis & Breaux L.L.P.

Opelousas, Louisiana
November 3, 1999

HOSPITAL SERVICE DISTRICT NO. 2 OF ST. LANDRY PARISH

BALANCE SHEET

June 30, 1999

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$157,702
Accrued interest receivable	<u>3,270</u>

Total current assets	\$160,972
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FIXED ASSETS

Property, plant, and equipment, at cost, less accumulated depreciation of \$1,284,824	<u>103,622</u>
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\$264,594

FUND EQUITY

Retained earnings	<u>\$264,594</u>
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See Notes to Financial Statements.

HOSPITAL SERVICE DISTRICT NO. 2 OF ST. LANDRY PARISH

STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 1999

Operating revenue:	
Interest income	\$ 7,538
Lease income	<u>1,000</u>
Total operating revenue	\$ 8,538
Operating expenses:	
Depreciation	<u>8,485</u>
Net income	\$ 53
Retained earnings, beginning	<u>264,541</u>
Retained earnings, ending	<u>\$264,594</u>

See Notes to Financial Statements.

HOSPITAL SERVICE DISTRICT NO. 2 OF ST. LANDRY PARISH

STATEMENT OF CASH FLOWS
Year Ended June 30, 1999

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 53
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	8,485
Decrease in accrued interest receivable	<u>66</u>
Net cash provided by operating activities	\$ 8,604
Cash and cash equivalents, beginning	<u>149,098</u>
Cash and cash equivalents, ending	<u>\$157,702</u>

See Notes to Financial Statements.

HOSPITAL SERVICE DISTRICT NO. 2 OF ST. LANDRY PARISH

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies

The following is a summary of the Service District's significant accounting policies:

Organization:

Hospital Service District No. 2 of St. Landry Parish is a political subdivision of the State created by an ordinance adopted by the St. Landry Parish Police Jury.

Cash and cash equivalents:

For purposes of the statement of cash flows, the Hospital Service District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Property, plant, and equipment:

Property, plant, and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives as explained further in Note 2.

Note 2. Depreciation of Property and Equipment

A summary of depreciable assets and their estimated lives for depreciation purposes are as follows:

	<u>Method</u>	<u>Life (Years)</u>	<u>Cost</u>
Buildings and improvements	SL	10-40	\$1,273,578
Equipment	SL	15-40	55,541
Land	-	-	<u>59,327</u>
			\$1,388,446
Less accumulated depreciation			<u>1,284,824</u>
			<u>\$ 103,622</u>

The fixed assets of the District are all assets purchased prior to January 25, 1972. Any assets purchased after that date are the property of Opelousas General Hospital Trust Authority.

NOTES TO FINANCIAL STATEMENTS

Note 3. Leases

On January 25, 1972, Hospital Service District No. 2 of St. Landry Parish entered into a lease whereby the District agreed to lease to Opelousas General Hospital Trust Authority all the fixed assets of the District for a fifty year period at the cost of \$1,000 per year. The lease includes one additional fifty-year lease renewal option.

The total minimum rental commitment under the lease mentioned above at June 30, 1999 is as follows:

2000	\$ 1,000
2001	1,000
2002	1,000
2003	1,000
2004	1,000
Thereafter	<u>16,000</u>
	<u>\$ 21,000</u>



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Hospital Service District No. 2 of
St. Landry Parish
St. Landry Parish, Louisiana

We have audited the general purpose financial statements of Hospital Service District No. 2 of St. Landry Parish as of and for the year ended June 30, 1999, and have issued our report thereon dated November 3, 1999.

We have conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of Hospital Service District No. 2 of St. Landry Parish 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.

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To the Board of Commissioners
Hospital Service District No. 2
of St. Landry Parish

In planning and performing our audit of the general purpose financial statements of Hospital Service District No. 2 of St. Landry Parish for the year ended June 30, 1999, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our 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 or 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. We did not note any matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Commissioners, management, and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Broussard, Roche, Lewis; Broussard L.L.P.

Opelousas, Louisiana
November 3, 1999



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL
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St. Landry Parish, Louisiana

We have audited the general purpose financial statements of Hospital Service District No. 2 of St. Landry Parish, as of and for the year ended June 30, 1999, and have issued our report thereon dated November 3, 1999.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Hospital Service District No. 2 of St. Landry Parish, is the responsibility of the Service District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Service District's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests did not disclose any instances of noncompliance that are required to be reported under Government Auditing Standards.

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Broussard, Poché, Lewis - Breaux L.L.P.

Opelousas, Louisiana
November 3, 1999