

FINANCIAL STATEMENTS
HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF ASSUMPTION, STATE OF LOUISIANA
(ASSUMPTION GENERAL HOSPITAL)

JUNE 30, 2004

Under provisions of state law, this report is a public document. A copy of the report has 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 11-10-04

FINANCIAL STATEMENTS

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(ASSUMPTION GENERAL HOSPITAL)

JUNE 30, 2004

TABLE OF CONTENTS

	<u>STATEMENT</u>	<u>PAGE</u>
GENERAL PURPOSE FINANCIAL STATEMENTS		
Independent Accountants' Compilation Report		1
Balance Sheets	A	2
Statements of Revenue, Expenses, and Changes in Retained Earnings	B	3
Statements of Cash Flows	C	4
Notes to Financial Statements		5-7

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Chairman and Board of Commissioners
Hospital Service District No. 1
of the Parish of Assumption, State of Louisiana
Assumption General Hospital
Napoleonville, Louisiana

We have compiled the accompanying component unit financial statements of Hospital Service District No. 1 of the Parish of Assumption, State of Louisiana, (Hospital) a component unit of the Assumption Parish Police Jury, Louisiana, as of and for the year ended June 30, 2004, as listed in the table of contents, 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 of the Hospital. 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.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated September 23, 2004, on the results of our agreed-upon procedures.


LANGLINAIS & BROUSSARD
A Corporation of Certified Public Accountants

September 23, 2004

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Chairman and Board of Commissioners
Hospital Service District No. 1
of the Parish of Assumption, State of Louisiana
Assumption General Hospital
Napoleonville, 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 Hospital Service District No. 1 of the Parish of Assumption, State of Louisiana (Hospital) a component unit of the Assumption Parish Police Jury, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Hospital's compliance with certain laws and regulations during the year ended June 30, 2004, included in the 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 described below either for the purpose for which this report has been requested of for any other purpose.

PUBLIC BID LAW

Select all expenditures made during the year for material supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures were noted that met the requirements set forth under this procedure.

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

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.

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

The Hospital had no employees for the year under review.

Determine whether any of those employees included in the listing obtained from management in the previous agreed-upon procedure were also included on the listing obtained from management of the immediate family members of each board

Not Applicable

BUDGETING

Obtain a copy of the legally adopted budget and all amendments.

The Hospital was not required to prepare a budget for the year under examination.

Trace the budget adoption and amendments to the minute book.

Not applicable.

Compare revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by five percent (5.00%) or more or if actual expenditures exceeded budgeted amounts by five percent (5.00%) or more.

Not applicable.

ACCOUNTING AND REPORTING

Randomly select 6 disbursements made during the period under examination and:

- (1) trace payments to supporting documentation as to proper amount and payee;
- (2) determine if payments were properly coded to the correct fund and general ledger account; and
- (3) determine whether payments received approval from proper authorities.

All the disbursements examined were properly supported, coded, and authorized.

MEETINGS

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

Due to the fact that the Hospital is merely required to post the meeting agenda's and meeting notice at the meeting location, we were unable to test compliance. However, nothing came to our attention indicating that the Hospital did not comply with the open meetings law.

DEBT

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

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

ADVANCES AND BONUSES

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.

Not Applicable - No Employees

We were not engaged to, and did not, perform an audit, 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 Hospital 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.

LANGLINAIS & BROUSSARD
A Corporation of Certified Public Accountants

September 23, 2004

**HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF ASSUMPTION, STATE OF LOUISIANA**

STATEMENT 1

BALANCE SHEETS

JUNE 30,

	<u>2004</u>	<u>2003</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 73,686	\$ 151,824
Investments	580,989	514,370
Third-party Receivables	6,171	6,171
Other Receivables	1,307	1,307
Prepaid Rent	-	2,200
Total Current Assets	<u>662,153</u>	<u>675,872</u>
FIXED ASSETS		
Leased Property Under Capital Leases	<u>14,047</u>	<u>14,047</u>
TOTAL ASSETS	<u>\$ 676,200</u>	<u>\$ 689,919</u>
LIABILITIES AND FUND EQUITY		
LIABILITIES		
	<u>\$ -</u>	<u>\$ -</u>
FUND EQUITY		
Contributed Capital		
Hill-Burton Funds	640,000	640,000
Police Jury Contributions	6,408,787	6,408,787
Public Donations	20,024	20,024
Other Contributions	8,839	8,839
Capital Grants	<u>149,340</u>	<u>149,340</u>
Total Contributed Capital	7,226,990	7,226,990
Retained Deficit	<u>(6,550,790)</u>	<u>(6,537,071)</u>
TOTAL FUND EQUITY	676,200	689,919
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 676,200</u>	<u>\$ 689,919</u>

The accompanying notes are an integral part of these financial statements.

**HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF ASSUMPTION, STATE OF LOUISIANA**

STATEMENT 2

**STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS**

YEARS ENDED JUNE 30,

	2004	2003
NET PATIENT REVENUES	\$ 417	\$ 310
EXPENSES		
Labadieville Clinic	30,905	27,749
Administrative and Fiscal Administrative Office	1,287	1,416
TOTAL EXPENSES	32,192	29,165
INCOME (LOSS) FROM OPERATIONS	(31,775)	(28,855)
NONOPERATING INCOME (EXPENSES)		
Investment Income	18,056	10,223
TOTAL NONOPERATING INCOME (LOSS)	18,056	10,223
NET INCOME (LOSS)	(13,719)	(18,632)
BEGINNING RETAINED DEFICIT	(6,537,071)	(6,518,439)
ENDING RETAINED DEFICIT	\$ (6,550,790)	\$ (6,537,071)

The accompanying notes are an integral part of these financial statements.

**HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF ASSUMPTION, STATE OF LOUISIANA**

STATEMENT 3

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30,

	2004	2003
CASH FLOWS FROM OPERATIONS		
Income (Loss) From Operations	\$ (31,775)	\$ (28,855)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities		
Decrease in Prepaid Rent	2,200	-
Net Cash Flow From Operating Activities	(29,575)	(28,855)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	18,056	10,223
Purchases of Investments	(914,931)	(938,770)
Proceeds From Sales of Investments	848,312	856,118
Net Cash Flow From Investing Activities	(48,563)	(72,429)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(78,138)	(101,284)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	151,824	253,108
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 73,686	\$ 151,824

The accompanying notes are an integral part of these financial statements.

**HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF ASSUMPTION, STATE OF LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2004

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Hospital Service District No. 1 of the Parish of Assumption, State of Louisiana (Hospital) was formed to oversee the operations of the Assumption Parish Hospital located in Napoleonville, Louisiana.

The Hospital is considered a component unit of the Assumption parish Police Jury, Louisiana, and, accordingly, the financial position and results of operations of the Hospital are reflected in the financial statements included in the annual financial report of the Assumption Parish Police Jury. The Assumption Parish Police Jury exercises oversight responsibility with respect to the Hospital. The Police Jury, however, does not exercise control over specific expenditures of the Hospital.

All activities over which the Hospital exercises oversight responsibility have been incorporated to form the Hospital's reporting entity. Oversight responsibility is determined by financial interdependency, selection of governing board, designation of management, accountability for financial matters, and ability to significantly influence operations. Such activities include the general operations and support services of the Hospital.

On December 23, 1996, the Hospital sold the majority of its assets and all of its operations to Our Lady of the Lake Regional Medical Center.

A. FUND ACCOUNTING

The accounts of the Hospital are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into a single fund type with a broad fund category.

PROPRIETARY FUND

Proprietary Funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Hospital applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. Proprietary funds include the following fund type:

Enterprise Fund - The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management controls, accountability, or other purposes.

B. DEPOSITS AND INVESTMENTS

The Hospital'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 date of acquisition.

At June 30, 2004, the carrying amount of the Hospital's cash was \$73,686.00 and the bank balances were \$79,259.00 of which \$6,199 was guaranteed by federal depository insurance. The remaining balance was collateralized by securities held by the entity's agent in the entity's name.

**HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF ASSUMPTION, STATE OF LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2004

Investments consist of U. S. Government Obligations. The fair value for these investments is not materially different from their reported amounts. Investments are categorized into three categories of credit risk:

- (1) Insured or registered, or securities held by the Hospital or its agent in the Hospital's name.
- (2) Uninsured and unregistered, with securities held by the counter-party's trust department or agent but not in the Hospital's name.
- (3) Uninsured and unregistered, with securities held by the counter-party, or by its trust department or agent but not in the Hospital's name.

	CATEGORY			CARRYING AMOUNT	MARKET VALUE
	1	2	3		
U. S. Treasury Obligations	-	576,224	-	576,224	576,224
Total Investments	\$ -	\$ 576,224	\$ -	\$ 576,224	\$ 576,224

State statues authorize the Hospital to invest in obligations of the U.S. Treasury, certificates or other obligations of the United States of America, and time certificates of deposit of state banks organized under the laws of Louisiana and national banks having the principal office in the State of Louisiana.

C. RECEIVABLES AND PAYABLES

All trade and property tax receivables are shown net of an allowance for uncollectibles. The following represents the accounts receivable for the Hospital at June 30, 2004:

Gross Patient Receivables	\$ 498,651
Less: Allowance for Uncollectibles	<u>(498,651)</u>
Net Patient Accounts Receivable	<u>\$ -</u>

D. FIXED ASSETS AND LONG-TERM LIABILITIES

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

E. ESTIMATES

The preparation of financial statements in accordance with generally accepted accounting principles 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, as well as revenues and expenses reported for the periods presented. The Hospital regularly assesses these estimates and, while actual results may differ, management believes that the estimates are reasonable.

**HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF ASSUMPTION, STATE OF LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2004

F. NET PATIENT SERVICE REVENUE

Net Patient Service Revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods for final settlements are determined.

NOTE 2: OPERATING LEASE

The Hospital has a noncancelable operating lease that expired on June 30, 2004. Minimum lease payments under this lease for the year ended June 30, 2004 were 26,400.

Total rental expense for 2004 and 2003 for the above lease was \$26,400 for each year.

NOTE 3: CONTRIBUTED CAPITAL

The changes in the Hospital's contributed capital accounts for its proprietary fund were as follows:

	<u>HILL BURTON</u>	<u>POLICE JURY</u>	<u>PUBLIC DONATION</u>	<u>OTHER</u>	<u>CAPITAL GRANTS</u>
BALANCE JUNE 30, 2003	\$ 640,000	\$ 6,408,787	\$ 20,024	\$ 8,839	\$ 149,340
CONTRIBUTIONS	-	-	-	-	-
BALANCE JUNE 30, 2004	<u>\$ 640,000</u>	<u>\$ 6,408,787</u>	<u>\$ 20,024</u>	<u>\$ 8,839</u>	<u>\$ 149,340</u>