

**CATAHOULA PARISH HOSPITAL DISTRICT I
JONESVILLE, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

**AS OF AND FOR THE YEARS ENDED
APRIL 30, 2005 AND 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 11/2/05



SILAS SIMMONS LLP
CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| ACCOUNTANT'S REPORT ON BASIC FINANCIAL STATEMENTS ----- | 1 |
| FINANCIAL STATEMENTS: | |
| Statements of Net Assets ----- | 2 |
| Statements of Revenues, Expenses, and Changes in Net Assets ----- | 3 |
| Statements of Cash Flows ----- | 4 |
| Notes to the Financial Statements----- | 5-7 |
| INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES ----- | 8-10 |
| LOUISIANA ATTESTATION QUESTIONNAIRE ----- | 11-12 |



209 N. Commerce Street
P.O. Box 1027
Natchez, Mississippi 39121-1027
Telephone: 601.442.7411
Fax: 601.442.8551
www.silassimmons.com

**ACCOUNTANT'S REPORT ON BASIC
FINANCIAL STATEMENTS**

To the Board of Directors
Catahoula Parish Hospital District I
Jonesville, Louisiana

We have compiled the accompanying basic financial statements of Catahoula Parish Hospital District I, as of and for the years ended April 30, 2005 and 2004, 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. 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 August 1, 2005, on the results of our agreed-upon procedures.

This report is intended solely for the use of management of Catahoula Parish Hospital District I and the Legislative Auditor, State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

Silas Simmons, LLP

Natchez, Mississippi
August 1, 2005

CATAHOULA PARISH HOSPITAL DISTRICT I

STATEMENTS OF NET ASSETS

APRIL 30, 2005 AND 2004

| | <u>2005</u> | <u>2004</u> |
|---|-------------------|-------------------|
| ASSETS | | |
| Current assets | | |
| Cash in bank | \$ 6,957 | \$ 917 |
| Certificate of deposit | 105,637 | 105,637 |
| Accrued interest receivable | 188 | 188 |
| Prepaid insurance | <u>3,059</u> | <u>2,769</u> |
| Total current assets | <u>\$ 115,841</u> | <u>\$ 109,511</u> |
| Fixed assets | | |
| Land | \$ 30,980 | \$ 30,980 |
| Land improvements | 70,601 | 70,601 |
| Building and improvements | <u>862,033</u> | <u>855,835</u> |
| | \$ 963,614 | \$ 957,416 |
| Accumulated depreciation | <u>(892,801)</u> | <u>(886,992)</u> |
| Net fixed assets | <u>\$ 70,813</u> | <u>\$ 70,424</u> |
| Total assets | <u>\$ 186,654</u> | <u>\$ 179,935</u> |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable | \$ - | \$ 3,695 |
| Accrued interest payable | - | 42 |
| Note payable | <u>-</u> | <u>12,000</u> |
| Total current liabilities | <u>\$ -</u> | <u>\$ 15,737</u> |
| NET ASSETS | | |
| Investment in capital assets, net of related debt | \$ 70,813 | \$ 70,424 |
| Unrestricted | <u>115,841</u> | <u>93,774</u> |
| Total net assets | <u>\$ 186,654</u> | <u>\$ 164,198</u> |

See accountant's report and the accompanying notes.

CATAHOULA PARISH HOSPITAL DISTRICT I
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED APRIL 30, 2005 AND 2004

| | <u>2005</u> | <u>2004</u> |
|-------------------------------|-------------------|-------------------|
| Operating revenues | | |
| Rental income | \$ 76,744 | \$ 54,700 |
| Total revenues | <u>\$ 76,744</u> | <u>\$ 54,700</u> |
| Operating expenses | | |
| Advertising | \$ 37 | \$ 45 |
| Board expense | 3,300 | 2,725 |
| Building insurance | 3,789 | 3,848 |
| Depreciation | 5,809 | 22,190 |
| Interest | 251 | 42 |
| Legal and accounting | 1,673 | 1,832 |
| Office expense | 2,217 | 1,901 |
| Repairs and maintenance | 8,725 | 17,439 |
| Security | 1,137 | 700 |
| Utilities | <u>29,441</u> | <u>25,201</u> |
| Total operating expenses | <u>\$ 56,379</u> | <u>\$ 75,923</u> |
| Operating income (loss) | \$ 20,365 | \$ (21,223) |
| Nonoperating revenues | | |
| Interest earnings | <u>2,091</u> | <u>2,590</u> |
| Change in net assets | \$ 22,456 | \$ (18,633) |
| Net assets, beginning of year | <u>164,198</u> | <u>182,831</u> |
| Net assets, end of year | <u>\$ 186,654</u> | <u>\$ 164,198</u> |

See accountant's report and the accompanying notes.

CATAHOULA PARISH HOSPITAL DISTRICT I

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED APRIL 30, 2005 AND 2004

| | <u>2005</u> | <u>2004</u> |
|---|--------------------|--------------------|
| Cash flows from operating activities: | | |
| Cash payments to suppliers for goods and services | \$ (54,555) | \$ (49,883) |
| Cash received from other operating revenues | <u>76,744</u> | <u>56,200</u> |
| Net cash provided by operating activities | <u>\$ 22,189</u> | <u>\$ 6,317</u> |
| Cash flows from noncapital financing activities: | | |
| Proceeds from short-term debt | \$ - | \$ 12,000 |
| Interest paid on short-term debt | (42) | 42 |
| Repayment of short-term debt | <u>(12,000)</u> | <u>-</u> |
| Net cash provided for (used by) noncapital financing activities | <u>\$ (12,042)</u> | <u>\$ 12,042</u> |
| Cash flow from capital and related financing activities: | | |
| Purchase of capital assets | <u>\$ (6,198)</u> | <u>\$ (23,993)</u> |
| Net cash used by capital and related financing activities | <u>\$ (6,198)</u> | <u>\$ (23,993)</u> |
| Cash flows from investing activities: | | |
| Interest on temporary investments | <u>\$ 2,091</u> | <u>\$ 2,590</u> |
| Net cash provided by investing activities | <u>\$ 2,091</u> | <u>\$ 2,590</u> |
| Net increase (decrease) in cash and cash equivalents | \$ 6,040 | \$ (3,044) |
| Cash and cash equivalents at beginning of year | <u>106,554</u> | <u>109,598</u> |
| Cash and cash equivalents at end of year | <u>\$ 112,594</u> | <u>\$ 106,554</u> |
| Reconciliation of operating loss to net cash provided for (used by) operating activities | | |
| Operating income (loss) | <u>\$ 20,365</u> | <u>\$ (21,223)</u> |
| Adjustments to reconcile operating loss to net cash provided for (used by) operating activities | | |
| Depreciation | \$ 5,809 | \$ 22,190 |
| Change in assets and liabilities | | |
| (Increase) decrease in accrued rent receivable | - | 1,500 |
| (Increase) decrease in prepaid insurance | (290) | 155 |
| Increase (decrease) in accounts payable | <u>(3,695)</u> | <u>3,695</u> |
| Total adjustments | <u>\$ 1,824</u> | <u>\$ 27,540</u> |
| Net cash provided by operating activities | <u>\$ 22,189</u> | <u>\$ 6,317</u> |

See accountant's report and the accompanying notes.

CATAHOULA PARISH HOSPITAL DISTRICT I
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2005 AND 2004

INTRODUCTION

Catahoula Parish Hospital District I was created by the Catahoula Parish Police Jury for the purpose of operating a hospital in Catahoula Parish. The Police Jury appoints all seven members of the District's Board. Board Members are not compensated except for a per diem of \$40.00 per board meeting.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Catahoula Parish Hospital District I is a component unit of the Catahoula Police Jury. Based on the criteria established by Governmental Accounting Standards Board Statement No. 14, there are no component units which should be included in the financial statements of Catahoula Parish Hospital District I.

B. Fund Accounting

The District uses fund accounting to report its financial position and results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary, and fiduciary. The District is operated as a proprietary fund.

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which together with the maintenance equity is an important financial indicator. Proprietary funds include enterprise and internal service funds. The District is operated as an enterprise fund. Enterprise funds account for operations (a) 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 control, accountability, or other purposes.

C. Basis of Accounting

The District's enterprise fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operations are included on the balance sheet. The District uses the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

D. Use of Estimates

The preparation of financial statements in conformity 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CATAHOULA PARISH HOSPITAL DISTRICT I
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2005 AND 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits and time deposits. Cash equivalents include amounts in time deposits with original maturities of less than six months. Cash and cash equivalents consisted of the following at April 30, 2005 and 2004:

| | 2005 | 2004 |
|---------------------------------|------------|------------|
| Cash in bank | \$ 6,957 | \$ 917 |
| Certificate of deposit | 105,637 | 105,637 |
| Total cash and cash equivalents | \$ 112,594 | \$ 106,554 |

These deposits are stated at cost. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. At April 30, 2005, the District had unsecured deposits of \$5,637.

F. Fixed assets

Fixed assets used in the proprietary fund operations are included on the balance sheet, net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation is computed using the following methods and useful lives:

| | | |
|---------------------------|---------------|-------------|
| Land improvements | Straight-line | 15 years |
| Building and improvements | Straight-line | 20-40 years |

The changes in fixed assets were as follows:

| | Balance 4/30/04 | Additions | Deductions | Balance 4/30/05 |
|-------------------------------|--------------------|-----------|------------|--------------------|
| Land | \$ 30,980 | \$ - | \$ - | \$ 30,980 |
| Land and improvements | 70,601 | - | - | 70,601 |
| Buildings and improvements | 855,835 | 6,198 | - | 862,033 |
| Subtotal | \$ 957,416 | \$ 6,198 | \$ - | \$ 963,614 |
| Less accumulated depreciation | (886,992) | (5,809) | - | (892,801) |
| Total | \$ 70,424 | \$ 389 | \$ - | \$ 70,813 |

CATAHOULA PARISH HOSPITAL DISTRICT I
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2005 AND 2004

2. COMPENSATION PAID TO BOARD MEMBERS

The following compensation was paid to the District's Board Members during the fiscal year ended April 30, 2005:

| | | |
|----------------------|-----------|---------------------|
| Susan Bean, Chairman | \$ | 900 |
| Grady Delhoste | | 480 |
| Leona Guise | | 520 |
| Ray Hill | | 40 |
| Dr. Basil Trunzler | | 400 |
| Norma Elliott | | 360 |
| Hiram Evans | | 440 |
| Carolyn Price | | <u>160</u> |
| | \$ | <u>3,300</u> |

3. NOTE PAYABLE

Note payable as of April 30, 2005 and 2004, consisted of the following:

| | <u>2005</u> | <u>2004</u> |
|---|-------------|------------------|
| Note payable to Catahoula-LaSalle Bank with principal and interest due and payable on September 25, 2004, secured by Certificate of Deposit. Interest rate is 4.4%. | <u>\$ -</u> | <u>\$ 12,000</u> |



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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of the Catahoula Parish
Hospital District I

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Catahoula Parish Hospital District I and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Catahoula Parish Hospital District I's compliance with certain laws and regulations during the fiscal year ending April 30, 2005, 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 \$20,000, 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).

The District had no expenditures during the year ending April 30, 2005, for material and supplies exceeding \$20,000, or for public works exceeding \$100,000.

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 periods under examination.

The District had no employees during the year under examination.

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.

As noted in Number 3 above, the District had no employees during the year under examination.

Members: American Institute of CPAs, Mississippi Society of CPAs, Louisiana Society of CPAs

Budgeting

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

The District is being accounted for as an enterprise fund. Budgets were not adopted for the year under examination.

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

The District did not adopt a budget for the year under examination.

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 by more than 5%.

The District did not adopt a budget for the year under examination.

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.

All six payments have been properly coded to the correct general ledger account.

- C. Determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated that each transaction had been approved.

Meetings

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

Catahoula Parish Hospital District I is only required to post a notice of each meeting and the accompanying agenda on the door of the District's hospital building. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion other than unmarked copies of the notices and agendas.

Debt

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

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

Advances and Bonuses

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

The District had no employees during the year under examination.

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 Catahoula Parish Hospital District I 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silao Simmons, LLP

Natchez, Mississippi
August 1, 2005

CATAHOULA PARISH HOSPITAL DISTRICT 1_____

**P. O. BOX 742
JONESVILLE, LOUISIANA 71343**

July 5, 2005

Silas Simmons, LLP
Certified Public Accountants
Post Office Box 1027
Natchez, Mississippi 39121

Gentlemen:

In connection with your compilation of our financial statements as of April 30, 2005 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 April 30, 2005.

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 (X) 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 (X) 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 (X) 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 (X) No ()

Accounting and Reporting

All nonexempt 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.

Jackie C. Rouse Secretary 7/18/05 Date
J. Frank Ewbank Treasurer 07-18-05 Date
Susan A. Bean President 7-18-05 Date