

Bienville Parish Hospital  
Service District No. 2  
Arcadia, Louisiana

Annual Financial Statements  
As of December 31, 2011 and for the Year Then Ended

Bienville Parish Hospital  
Service District No. 2  
Annual Financial Statements  
As of and for the Year Ended December 31, 2011  
With Supplemental Information Schedules

CONTENTS

	Statement	Page
Required Supplemental Information (Part I) Management's Discussion and Analysis		1
Independent Auditor's Report		6
<u>Basic Financial Statements</u>		
Government-Wide Financial Statements:		
Statement of Net Assets	A	7
Statement of Activities	B	8
Fund Financial Statements - Governmental Funds:		
Balance Sheet	C	9
Reconciliation of the Government Funds Balance Sheet to The Government-Wide Financial Statement of Net Assets	D	10
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	11
Reconciliation of the Statement of Revenues, Expenditures, And Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	12
Notes to the Financial Statements		13
Required Supplemental Information (Part II)		
Budget Comparison Schedules		
Notes to Budget Comparison Schedules		
General Fund	1	24
Family Clinic Fund	2	25

Table of Contents (Contd.)  
Bienville Parish Hospital  
Service District No. 2

	Schedule	Page
Required Supplemental Information (Part II) - Continued		
Budget Comparison Schedules - Continued		
Notes to Budget Comparison Schedules		
Wellness Center Fund	3	26
<u>Other Supplemental Schedules</u>		
Schedule of Compensation Paid Elected Officials	4	28
<u>Other Reports</u>		
Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of the Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		30
Current Year Findings, Recommendations, and Corrective Action Plan	5	32
Status of Prior Audit Findings	6	34

Bienville Parish Hospital  
Service District No. 2  
Management Discussion and Analysis  
December 31, 2011

The management of the Bienville Parish Hospital Service District No. 2 offers readers of the district's financial statements this narrative overview and analysis of the financial activities of the district for the fiscal year ended December 31, 2011. This management discussion and analysis ("MD&A") is designed to provide an objective analysis of the district's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of district finances. It is also intended to provide readers with an analysis of the district's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the district. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the district's financial activity, identify changes in the district's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The district has presented its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34. This reporting model changes the presentation of financial data, and also the manner in which the information is recorded. We encourage readers to consider the information presented here in conjunction with additional information presented throughout this report.

### **Overview of the Financial Statements**

This section is intended to serve as an introduction to the district's financial statements. The district's basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements.

### **Government-Wide Financial Statements**

Government-wide financial statements are designed by GASB Statement No. 34 to change the way in which governmental financial statements are presented. It now provides readers with a concise "entity-wide" Statement of Net Assets and Statement of Activities, which seek to give the user of the financial statements a broad overview of the district's financial position and results of operations in a manner similar to private sector businesses.

The statement of net assets presents information on all of the district's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. The difference between the two is reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the district is improving or weakening.

Bienville Parish Hospital  
Service District No. 2  
Management Discussion and Analysis  
December 31, 2011

The statement of activities presents information which shows how the government's net assets changed during this fiscal year. All changes in net assets are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g. uncollected taxes).

Each of these reports is broken down to show the district's governmental activities. Governmental activities normally are those activities that are supported by taxes, licenses, permits, fines, and intergovernmental revenues.

**Government-wide Financial Analysis**

As noted earlier, net assets may, over time, serve as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the District's assets exceeded its liabilities by \$4,906,434 (net assets); this represents an increase of \$809,165 from the last fiscal year. Of this total net asset amount, \$4,138,750 is unrestricted net assets.

The following is a condensed statement of the Bienville Parish Hospital Service District No. 2's net assets as of December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Assets		
Current & Other Assets	\$4,225,167	\$3,430,771
Capital Assets (net)	1,272,684	1,275,853
Total Assets	<u>\$5,497,851</u>	<u>\$4,706,624</u>
Liabilities		
Other Liabilities	\$86,417	\$59,355
Long-term Liabilities	505,000	550,000
Total Liabilities	<u>591,417</u>	<u>609,355</u>
Net Assets		
Invested in capital assets, net	767,684	725,853
Unrestricted	4,138,750	3,371,416
Total Net Assets	<u>\$4,906,434</u>	<u>\$4,097,269</u>

Approximately 19% of the District's net assets of \$767,684 reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, District infrastructure, etc.) less any related debt used to acquire those assets still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

Bienville Parish Hospital  
Service District No. 2  
Management Discussion and Analysis  
December 31, 2011

The remaining balance of \$4,906,434 is unrestricted net assets, which may be used to meet the government's on-going obligations to citizens and creditors.

The District has total outstanding debt of \$505,000, which was used to finance some of the \$3,964,080 capital assets. Total liabilities of \$591,417 are equal to 15% of the total net assets.

The following is a summary of the statement of activities -- governmental-type activities:

	<u>2011</u>	<u>2010</u>
Revenue		
Program Revenue	\$708,847	\$822,748
General Revenue & Transfers	<u>1,603,076</u>	<u>1,454,373</u>
Total Revenue	<u>2,311,923</u>	<u>2,277,121</u>
Expenses		
Program Expenses	<u>1,502,757</u>	<u>1,539,720</u>
Total Expenses	<u>1,502,757</u>	<u>1,539,720</u>
Increase (Decrease) in Net Assets	809,165	737,401
Net Assets, beginning	<u>4,097,269</u>	<u>3,359,868</u>
Net Assets, ending	<u><u>\$4,906,434</u></u>	<u><u>\$4,097,269</u></u>

#### Governmental Activities

The governmental activities of the District include personnel services, operating services, materials and supplies, interest on long-term debt, and depreciation. The district is heavily dependent on charges for services to support its operations. Charges for services provided 31% of the district's revenues. The district's operations are primarily staff oriented. As a result, employee salaries and benefits make up approximately 37% of total expenses.

#### Fund Financial Statements - Governmental Funds

The fund financial statements provide more detailed information about the District's most significant funds - not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for a particular purpose.

Bienville Parish Hospital  
Service District No. 2  
Management Discussion and Analysis  
December 31, 2011

The District currently maintains two individual governmental fund types. These fund types include the General Fund and Special Revenue Funds. Information is presented separately in the Governmental Funds Balance Sheet (Statement C) and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances (Statements E) for the General Fund and Special Revenue Funds. The General fund, the Family Clinic fund, and the Wellness Center funds are all considered to be major funds.

The District adopts an annual budget for the General Fund, Family Clinic Fund, and Wellness Center Fund. A statement of revenues, expenditures, and changes in fund balances is presented in the Required Supplemental Information (Schedule 1), which compares actual revenues and expenditures to the original budget and amended budget figures for each major fund.

#### Financial Analysis of the District's Governmental Funds

The General Fund reported an ending fund balance of \$5,482,204, which is an increase of \$1,138,587. This increase is caused by an increase in revenue mainly due to the new property tax. The entire ending fund balance is unreserved.

The Family Clinic Fund reported an ending fund balance of (\$1,340,340), which is a decrease of \$363,303 from prior year. This decrease is caused by an increase in medicaid and medicare revenue adjustments.

The Wellness Center Fund reported an ending fund balance of (\$3,114), which is a decrease of \$7,950 from prior year.

#### General Fund Budgetary Highlights

The District amended its original General Fund, Family Clinic Fund, and Wellness Center budgets once during the course of the year.

The General fund final amended budgeted expenditures exceeded the actual expenditures by \$53,626 or 13%. Also, the actual revenues exceeded the amended budgeted expenditures by \$185,096 or 14%. For the Family Clinic fund, the final amended budgeted revenues exceeded the actual revenues by \$364,579 or 36%. The Wellness Center fund final amended budgeted expenditures exceeded the actual expenditures by \$12,135 or 8%.

#### Capital Asset and Debt Administration

The total investment in net capital assets as of December 31, 2011 is \$767,684.

The new major capital assets purchased in fiscal 2011 for governmental activities were improvements to the building and equipment for Wellness center.

Bienville Parish Hospital  
Service District No. 2  
Management Discussion and Analysis  
December 31, 2011

Current Financial Factors

The district does not anticipate any changes in its day-to-day operations that will have a material effect on its 2012 budget.

Requests for Information

This financial report is designed to provide a general overview of the Bienville Parish Hospital Service District No. 2's finances for all with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Lee Locke, P. O. Box 766 or 1175 Pine Street, Suite 100, Arcadia, LA 71001 or call at 318-263-7970.



# EDWARDS, WADE & PERRY

Certified Public Accountants

A Professional Accounting Corporation

Members: AICPA / Society of LCPA's

## Independent Auditor's Report

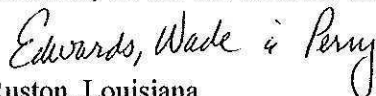
We have audited the accompanying financial statements of the governmental activities and major fund of the Bienville Parish Hospital Service District No. 2, as of and for the year ended December 31, 2011, which collectively comprise the district's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Bienville Parish Hospital Service District No. 2's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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. 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Bienville Parish Hospital Service District No. 2, as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 13, 2012, on our consideration of the district's internal control over financial reporting and our tests of its compliance and other matters with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The required supplementary information on pages 1 through 5 and 24 through 26 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Ruston, Louisiana

June 13, 2012

Bienville Parish Hospital Service District No. 2  
Statement of Net Assets  
December 31, 2011

ASSETS		
Cash and cash investments		\$2,823,402
Receivables		1,390,925
Interfunds		7,273
Other assets		3,567
Capital assets (net)		<u>1,272,684</u>
TOTAL ASSETS		<u>\$5,497,851</u>
LIABILITIES		
Accounts, salaries, and other payables		\$79,143
Interfunds		7,273
Bonds payable - current		45,000
Bonds payable - long term		<u>460,000</u>
TOTAL LIABILITIES		<u>591,416</u>
NET ASSETS		
Invested in capital assets, net of related debt		767,684
Unrestricted		<u>4,138,750</u>
TOTAL NET ASSETS		<u>\$4,906,434</u>

The accompanying notes are an integral part of this statement.

Bienville Parish Hospital Service District No. 2  
Statement of Activities  
For the Year Ended December 31, 2011

## EXPENSES

Personnel services	\$553,704
Operating services	749,069
Materials and supplies	51,232
Interest on long-term debt	32,659
Depreciation	<u>116,092</u>
Total program expenses	1,502,757

## PROGRAM REVENUES

Charges for services	<u>708,847</u>
Net program expense	<u>(793,910)</u>

## GENERAL REVENUES

Property taxes	1,323,160
Use of money and property	279,216
Sale of asset	700
Operating transfers (net)	<u>0</u>
Total general revenues	<u>1,603,075</u>

Net Change in Net Assets	809,165
Net Assets – beginning	<u>4,097,269</u>
Net Assets – ending	<u>\$4,906,434</u>

The accompanying notes are an integral part of this statement.

Bienville Parish Hospital Service District No. 2  
 Balance Sheet, Governmental Funds  
 December 31, 2011

	<u>Major Funds</u>		<u>Non-major</u>	
	<u>General</u>	<u>Family</u>	<u>Wellness</u>	
	<u>Fund</u>	<u>Clinic</u>	<u>Center</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
<b>ASSETS</b>				
Cash and cash investments	\$2,650,209	\$167,719	\$5,474	\$2,823,402
Receivables	1,316,126	73,906	893	1,390,925
Due from other funds	1,536,322	7,273		1,543,595
Other assets		3,567		3,567
<b>TOTAL ASSETS</b>	<u><u>\$5,502,657</u></u>	<u><u>\$252,465</u></u>	<u><u>\$6,366</u></u>	<u><u>\$5,761,489</u></u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts, salaries, and other payables	\$20,453	\$56,483	\$2,207	\$79,143
Due to other funds		1,536,322	7,273	1,543,595
<b>Total liabilities</b>	<u>20,453</u>	<u>1,592,805</u>	<u>9,480</u>	<u>1,622,738</u>
<b>Fund balances:</b>				
Unreserved	5,482,204	(1,340,340)	(3,114)	4,138,750
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$5,502,657</u></u>	<u><u>\$252,465</u></u>	<u><u>\$6,366</u></u>	<u><u>\$5,761,488</u></u>

The accompanying notes are an integral part of this statement.

Bienville Parish Hospital Service District No. 2  
 Reconciliation of The Governmental Funds Balance Sheet  
 to The Government-Wide Financial Statement of Net Assets  
 December 31, 2011

Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Fund balances, Total governmental funds (Statement C)		\$4,138,750
Long-term liabilities are not due and payable in the current year and therefore are not reported in the governmental funds:		
Bonds payable		(505,000)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Governmental capital assets	3,964,080	
Less accumulated depreciation	<u>(2,691,395)</u>	<u>1,272,685</u>
Net Assets of Governmental Activities (Statement A)		<u>\$4,906,434</u>

The accompanying notes are an integral part of this statement.

Bienville Parish Hospital Service District No. 2  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Governmental Funds  
For the Year Ended December 31, 2011

	Major Funds		Non-major	Total
	General Fund	Family Clinic Fund	Wellness Center Fund	
<b>REVENUES</b>				
Fees and charges for services		\$640,346	\$68,501	\$708,847
Property taxes	\$1,323,160			1,323,160
Use of money and property	261,216	18,000		279,216
<b>Total Revenues</b>	<b>1,584,376</b>	<b>658,346</b>	<b>68,501</b>	<b>2,311,223</b>
<b>EXPENDITURES</b>				
General government:				
Personnel services	69,809	403,727	80,168	553,704
Operating services	121,303	571,231	56,536	749,070
Materials and supplies		46,691	4,541	51,232
Debt service - principal and interest	77,659			77,659
Capital outlay	112,923			112,923
<b>Total Expenditures</b>	<b>381,694</b>	<b>1,021,649</b>	<b>141,245</b>	<b>1,544,588</b>
Excess (Deficiency) of Revenues over Expenditures	1,202,682	(363,303)	(72,745)	766,634
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	0	0	64,795	64,795
Operating transfers out	(64,795)	0	0	(64,795)
Sale of Asset	700			700
<b>Total Other Financing Sources (Uses)</b>	<b>(64,095)</b>	<b>0</b>	<b>64,795</b>	<b>700</b>
Net Change in Fund Balances	1,138,587	(363,303)	(7,950)	767,334
Fund Balances – beginning	4,343,617	(977,037)	4,836	3,371,416
Fund Balances – ending	<u>\$5,482,204</u>	<u>(\$1,340,340)</u>	<u>(\$3,114)</u>	<u>\$4,138,750</u>

The accompanying notes are an integral part of this statement.

Bienville Parish Hospital Service District No. 2  
 Reconciliation of The Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended December 31, 2011

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total governmental funds (Statement E)	\$767,334
---	-----------

Debt service payments for principal is an expenditure in the governmental funds, but principal payments reduce long-term liabilities in the Statement of Net Assets.	45,000
---	--------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$112,923) exceeded depreciation (\$116,092) in the current period.	<u>(3,169)</u>
---	----------------

Change in Net Assets of Governmental Activities, Statement B	<u><u>\$809,165</u></u>
--	-------------------------

The accompanying notes are an integral part of this statement.

Bienville Parish Hospital  
Service District No. 2  
Arcadia, Louisiana  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2011

## INTRODUCTION

Bienville Parish Hospital Service District No. 2 is controlled by a board of Commissioners who are appointed by the Bienville Parish Police Jury, and is exempt from income taxes. The District owns and operates the Family Clinic and the Wellness Center for the purpose of providing for the medical needs of the citizens of Bienville Parish. The District also contracts with various other health care providers in which the district provides space in return for rent.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As the governing authority of the parish, for reporting purposes, the Bienville Parish Police Jury is the financial reporting entity for Bienville Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 establishes criteria for determining which component units should be considered part of the Bienville Parish Police Jury for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and;
  - a. The ability of the police jury to impose its will on that organization and/or;
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints a voting majority of the District's governing body and has the ability to impose its will, the agency was determined to be a component unit of the Bienville Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.



Bienville Parish Hospital  
Service District No. 2  
Arcadia, Louisiana  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2011

The accompanying financial statements of the district have been prepared in conformity with U.S. generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

In June, 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Town's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the Town's activities, including infrastructure (if any).
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charge to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Bienville Parish Hospital  
Service District No. 2  
Arcadia, Louisiana  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2011

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivables due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources, except those required to be accounted for in another fund. The General fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the District's policy.

The Special revenue funds are used to account for operations of the Family Clinic and the Wellness Center.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the governments enterprise operations. Elimination of those charges would distort the direct costs and program revenues reported for the various functions concerned.

Bienville Parish Hospital  
Service District No. 2  
Arcadia, Louisiana  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2011

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Principal operating revenues of the proprietary funds include water and sewer services to the residents of the District. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

#### C. Deposits and Investments

The District's cash and cash equivalents are considered to be demand deposits, interest-bearing demand deposits, and investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the District to invest in collateralized certificates of deposits, government back securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. Investments for the District are reported at fair value.

#### D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectives. The District calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis.

Bienville Parish Hospital  
Service District No. 2  
Arcadia, Louisiana  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2011

The District levies a property tax on all property subject to taxation in the service district. A 1.03 mill tax is approved for a period of 15 years, beginning with the year 2005 and ending with the year 2020, to be dedicated and used for operating, maintaining, renovating, and improving medical services. A new 6.00 mill tax was approved for a period of 10 years, beginning with the year 2007 and ending with the year 2016, to be dedicated and used for acquiring, maintaining, operating, and supporting facilities, equipment and furnishings. Property taxes are collected through the local sheriff's office and remitted, net of collection fees, to the District. Property tax notices are mailed by November 15 each year, are due by December 31, and become delinquent on January 1 of the following year.

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

F. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Building	40 years
Equipment	5-10 years

G. Long-Term Obligations

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

H. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. There are no reservations or designations for the year ended December 31, 2011.

Bienville Parish Hospital  
Service District No. 2  
Arcadia, Louisiana  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2011

I. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from the estimates.

J. Reconciliations of Government-Wide and Fund Financial Statements

*Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets* The following reconciles the fund balances of governmental funds to the government-wide statement of net assets.

Governmental capital assets	\$3,964,080
Less: accumulated depreciation	(2,691,395)
Bonds payable	<u>(505,000)</u>
Net adjustment	<u><u>\$767,685</u></u>

*Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities* The following reconciles the net changes in fund balance-total governmental funds to the changes in net assets of governmental activities.

Debt service principal payments	\$45,000
Capital outlay	112,923
Depreciation	<u>(116,092)</u>
Net adjustment	<u><u>\$41,831</u></u>

K. RISK MANAGEMENT

The district is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the district maintains commercial insurance policies covering its vehicles, professional liability and surety bond coverage. No claims were paid on any of the policies which exceeded to policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2011.

L. VACATION AND SICK LEAVE

All full-time employees of the district earn 10 days of vacation leave after one full year of service, and fifteen days of vacation leave after six years of service. Full-time employees earn 10 days of sick leave after one full year of service. Employees may carry forward a maximum of one year of accrued vacation time and unlimited accrued sick leave time. Part-time employees are also eligible for vacation and sick leave at a lower rate of accrual. Upon separation of employment, employees are paid for accrued vacation leave.

Bienville Parish Hospital  
Service District No. 2  
Arcadia, Louisiana  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2011

2. CASH AND CASH EQUIVALENTS

At December 31, 2011, the District has cash and cash equivalents (book balances) totaling \$2,823,402 as follows:

Demand deposits	\$245,548
Interest-bearing demand deposits	1,146,690
Investments	1,431,064
Petty cash	<u>100</u>
Total	<u>\$2,823,402</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2011, the District has \$2,846,291 in deposits (collected bank balances). These deposits are secured from risk by \$757,306 of federal deposit insurance and \$2,471,522 of pledged securities held by the custodial bank in the name of the fiscal agent bank. (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

3. RECEIVABLES

The receivables of \$1,390,925 at December 31, 2011, are as follows:

<u>Class of Receivable</u>	
Property taxes	\$1,312,535
Other	300
Fees, charges, and commissions for services:	
Patient fees	73,906
Membership fees	893
Utility reimbursements	<u>3,290</u>
Total	<u>\$1,390,925</u>

Bienville Parish Hospital  
Service District No. 2  
Arcadia, Louisiana  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2011

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2011, for the primary government is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$87,371			\$87,371
Other- Construction in Progress	<u>0</u>	<u>\$57,088</u>		<u>57,088</u>
Total capital assets not being depreciated	<u>87,371</u>	<u>57,088</u>	<u>0</u>	<u>144,459</u>
Capital assets being depreciated:				
Buildings	3,433,143			3,433,143
Improvements other than buildings	24,506			24,506
Machinery and equipment	<u>346,129</u>	<u>55,836</u>	<u>(39,993)</u>	<u>361,972</u>
Total capital assets being depreciated	<u>3,803,778</u>	<u>55,836</u>	<u>(39,993)</u>	<u>3,819,621</u>
Less:				
Accumulated depreciation	<u>2,615,296</u>	<u>116,092</u>	<u>(39,993)</u>	<u>2,691,395</u>
Total capital assets being depreciated, net	<u>\$1,275,853</u>	<u>(\$3,169)</u>	<u>\$0</u>	<u>\$1,272,684</u>

Depreciation expense of \$116,092 for the year ended December 31, 2011, was charged to the following governmental functions:

General government	<u>\$116,092</u>
Total	<u>\$116,092</u>

5. LEASES

The district contracts with various other health care providers to serve the medical needs of the citizens of Bienville Parish. The District provides space for these providers in return for rent. Current leases include: 1) Green Clinic Management Co with a monthly payment of \$1,000; 2) Magnolia Home Health with a monthly payment of \$1,300 and then increased to \$1,400; 3) the Bienville parish health unit with an annual payment of \$12,000; 4) and the Louisiana Extended Care Hospital with a monthly payment of \$17,000.

6. FUND DEFICIT/BALANCE

At December 31, 2011, the Family Clinic Fund had a fund deficit of \$1,340,340. The district's plan is to reduce expenditures and increase revenues to eliminate the deficit. At December 31, 2011, the Wellness Center Fund had a fund deficit of \$3,114. The district's plan is to reduce expenditures and increase revenues to eliminate the deficit and make operating transfers as needed.

Bienville Parish Hospital  
Service District No. 2  
Arcadia, Louisiana  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2011

7. LONG-TERM OBLIGATIONS

At December 31, 2011, the long-term debt of the Bienville Parish Hospital District No. 2 consisted of the following individual bond issues:

Taxable general obligation bonds, Series 2004, 6.25%, dated May 1, 2004, in the original amount of \$745,000. Scheduled principal and interest payments due annually through April, 2019.	<u>\$505,000</u>
Total	<u>\$505,000</u>

General Obligation Bonds constitute obligations of the Hospital Service District No. 2 and will be payable from ad valorem taxes to be levied and collected in the manner provided by Article VI, Section 33 of the Constitution of the State of Louisiana of 1974 and statutory authority supplemental thereto. The General Obligation Bonds of Bienville Parish Hospital Service District No. 2 will only be used for improving health care facilities of said district, including acquiring machinery, equipment and furnishings therefore, title to which shall be in the public.

The annual requirements to service debt outstanding at December 31, 2011, including interest of \$138,282 is as follows:

<u>Year Ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2012	\$50,000	\$30,000	\$80,000
2013	50,000	26,875	76,875
2014	55,000	23,594	78,594
2015	60,000	20,000	80,000
2016	65,000	16,094	81,094
2017 - 2019	<u>225,000</u>	<u>21,719</u>	<u>246,719</u>
Total	<u>\$505,000</u>	<u>\$138,282</u>	<u>\$643,282</u>

8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2011 is as follows:

<u>Due To/From Other Funds:</u>		
<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund		\$1,536,322
	Family clinic fund	(1,536,322)
Family clinic fund		\$7,273
	Wellness Center	<u>(\$7,273)</u>
Total		<u>\$0</u>



Bienville Parish Hospital  
Service District No. 2  
Arcadia, Louisiana  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2011

The balances consist of allocations for management fees, payroll and utilities reimbursements. The district's management will determine an action to take in order to reduce the interfunds in approximately 5 years.

Advances From/To Other Funds:		
<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
Wellness center fund		\$64,795
	General fund	<u>(64,795)</u>
Total		<u><u>\$0</u></u>

The transfers consist of allocations for payroll.

REQUIRED SUPPLEMENTAL INFORMATION

Bienville Parish Hospital Service District No. 2  
Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Budget and Actual  
General Fund  
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts GAAP Basis	Favorable (Unfavorable) Variance
	Original	Final		
REVENUES				
Property taxes	\$1,120,000	\$1,137,000	\$1,323,160	\$186,160
Use of money and property	309,980	262,980	261,216	(1,764)
Other revenue	50	0	700	700
Total Revenues	<u>1,430,030</u>	<u>1,399,980</u>	<u>1,585,076</u>	<u>185,096</u>
EXPENDITURES				
General government:				
Personnel services	63,044	65,385	69,809	(4,424)
Operating services	537,066	241,516	121,303	120,213
Debt service:				
Principal	45,000	45,000	45,000	0
Interest	33,419	33,419	32,659	760
Capital outlay	0	50,000	112,923	(62,923)
Total Expenditures	<u>678,529</u>	<u>435,320</u>	<u>381,694</u>	<u>53,626</u>
Excess (Deficiency) of Revenues over Expenditures	751,501	964,660	1,203,382	238,722
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	(90,000)	(70,000)	(64,795)	5,205
Total Other Financing Sources (Uses)	<u>(90,000)</u>	<u>(70,000)</u>	<u>(64,795)</u>	<u>5,205</u>
Net Change in Fund Balance	661,501	894,660	1,138,587	243,927
Fund Balance (Deficit) at Beginning of Year	<u>4,343,617</u>	<u>4,343,617</u>	<u>4,343,617</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$5,005,118</u>	<u>\$5,238,277</u>	<u>\$5,482,204</u>	<u>\$243,927</u>

## Notes to the Schedule

(1) method of budgetary accounting - GAAP

(2) explanation of material variances

Capital outlay line item was not amended

Bienville Parish Hospital Service District No. 2  
Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Budget and Actual  
Family Clinic Fund  
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts GAAP Basis	Favorable (Unfavorable) Variance
	Original	Final		
<b>REVENUES</b>				
Fees and charges for services	\$1,149,675	\$1,004,925	\$640,346	(\$364,579)
Use of money and property	18,000	18,000	18,000	0
Total Revenues	1,167,675	1,022,925	658,346	(364,579)
<b>EXPENDITURES</b>				
General government:				
Personnel services	393,000	400,800	403,727	(2,927)
Operating services	726,175	573,400	571,231	2,169
Materials and supplies	43,000	40,000	46,691	(6,691)
Total Expenditures	1,162,175	1,014,200	1,021,649	(7,449)
Excess (Deficiency) of Revenues over Expenditures	5,500	8,725	(363,303)	(372,028)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in (out)	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	5,500	8,725	(363,303)	(372,028)
Fund Balance (Deficit) at Beginning of Year	(977,037)	(977,037)	(977,037)	0
Fund Balance (Deficit) at End of Year	<u>(\$971,537)</u>	<u>(\$968,312)</u>	<u>(\$1,340,340)</u>	<u>(\$372,028)</u>

## Notes to the Schedule

- (1) method of budgetary accounting - GAAP  
(2) explanation of material variances  
Patient fees decreased significantly

Bienville Parish Hospital Service District No. 2  
Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Budget and Actual  
Wellness Center Fund  
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts GAAP Basis</u>	<u>Favorable (Unfavorable) Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Fees and charges for services	\$66,150	\$68,150	\$68,501	\$351
Use of money and property	0	0		0
Total Revenues	<u>66,150</u>	<u>68,150</u>	<u>68,501</u>	<u>351</u>
<b>EXPENDITURES</b>				
General government:				
Personnel services	80,800	80,800	80,168	632
Operating services	70,385	68,230	56,536	11,694
Materials and supplies	5,350	4,350	4,541	(191)
Total Expenditures	<u>156,535</u>	<u>153,380</u>	<u>141,245</u>	<u>12,135</u>
Excess (Deficiency) of Revenues over Expenditures	(90,385)	(85,230)	(72,744)	12,486
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in (out)	<u>91,600</u>	<u>86,400</u>	<u>64,795</u>	<u>(21,605)</u>
Total Other Financing Sources (Uses)	<u>91,600</u>	<u>86,400</u>	<u>64,795</u>	<u>(21,605)</u>
Net Change in Fund Balance	1,215	1,170	(7,950)	(9,120)
Fund Balance (Deficit) at Beginning of Year	<u>4,836</u>	<u>4,836</u>	<u>4,836</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$6,051</u>	<u>\$6,006</u>	<u>(\$3,114)</u>	<u>(\$9,120)</u>

## Notes to the Schedule

(1) method of budgetary accounting - GAAP

(2) explanation of material variances

Actual operating transfers were significantly less than budgeted

OTHER SUPPLEMENTAL SCHEDULES

Bienville Parish Hospital Service District No. 2  
Schedule of Compensation Paid Board Members  
For the Year Ended December 31, 2011

<u>Board Member</u>	<u>Amount</u>
Dan Madden	\$480
Layne Weeks	40
Gary Gantt	480
Loretta Butler	480
Shirley Payne	480
Larry Jordan	440
Sharon Jackson	360
Moselene Green	480
Arthur Lathan	80
Total	<u>\$3,320</u>

## OTHER REPORTS



# EDWARDS, WADE & PERRY

Certified Public Accountants

A Professional Accounting Corporation

Members: AICPA / Society of LCPA's

**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Commissioners  
Bienville Parish Hospital Service District No. 2  
Arcadia, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bienville Parish Hospital Service District No. 2 as of and for the year ended December 31, 2011, which collectively comprise the Bienville Parish Hospital Service District No. 2's basic financial statements and have issued our report thereon dated June 13, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Bienville Parish Hospital Service District No. 2's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bienville Parish Hospital Service District No. 2's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Bienville Parish Hospital Service District No. 2's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bienville Parish Hospital Service District No. 2's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and responses as items 11-1 and 11-2.

Bienville Parish Hospital Service District No. 2's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Bienville Parish Hospital Service District No. 2's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of management, the district board, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Edwards, Wade & Perry*

Ruston, Louisiana  
June 13, 2012

Bienville Parish Hospital Service District No. 2  
 Schedule of Findings and Responses  
 For the Year Ended December 31, 2011

We have audited the financial statements of Bienville Parish Hospital Service District No. 2 as of and for the year ended December 31, 2011, and have issued our report thereon dated June 13, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 13, 2012 resulted in an unqualified opinion. The following is a summary of our audit observations on internal control, tests of compliance, and findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*:

**A. Summary of Audit Results**

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses  Yes  No Significant Deficiency  Yes  No

Compliance

Compliance Material to Financial Statements  Yes  No

2. Federal Awards

Internal Control

Material Weaknesses  Yes  No Reportable  Yes  No

Type of Opinion On Compliance Unqualified  Qualified   
 For Major Programs Disclaimer  Adverse

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?  
 Yes  No

3. Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program (or Cluster)</u>
N/A	

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 300,000

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133?  Yes  No

## **B. Financial Statements Findings**

- 11-1. For the year ended December 31, 2011, budgeted revenues exceeded actual revenues by \$364,579, or 36% (more than 5% for the Family Clinic fund). For the year ended December 31, 2011, budgeted revenues and other financing sources exceeded actual revenues and other financing sources by \$21,254, or 14% (more than 5% for the Wellness Center fund). According to LRS 39:1310, failing to amend the budget when necessary is a violation of the local government budget act.

Recommendation: We recommend that the district monitor budget and actual figures and amend as necessary.

Response: The district will monitor budget and actual comparisons and amend the budget as necessary.

## **C. Federal Award Findings and Questioned Costs**

None

Bienville Parish Hospital Service District No. 2  
Summary of Prior Year Findings  
For the Year Ended December 31, 2011

**A. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**

10-1. Budget violation

Status: Unresolved - see 11-1

**B. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**

None

**C. MANAGEMENT LETTER**

None