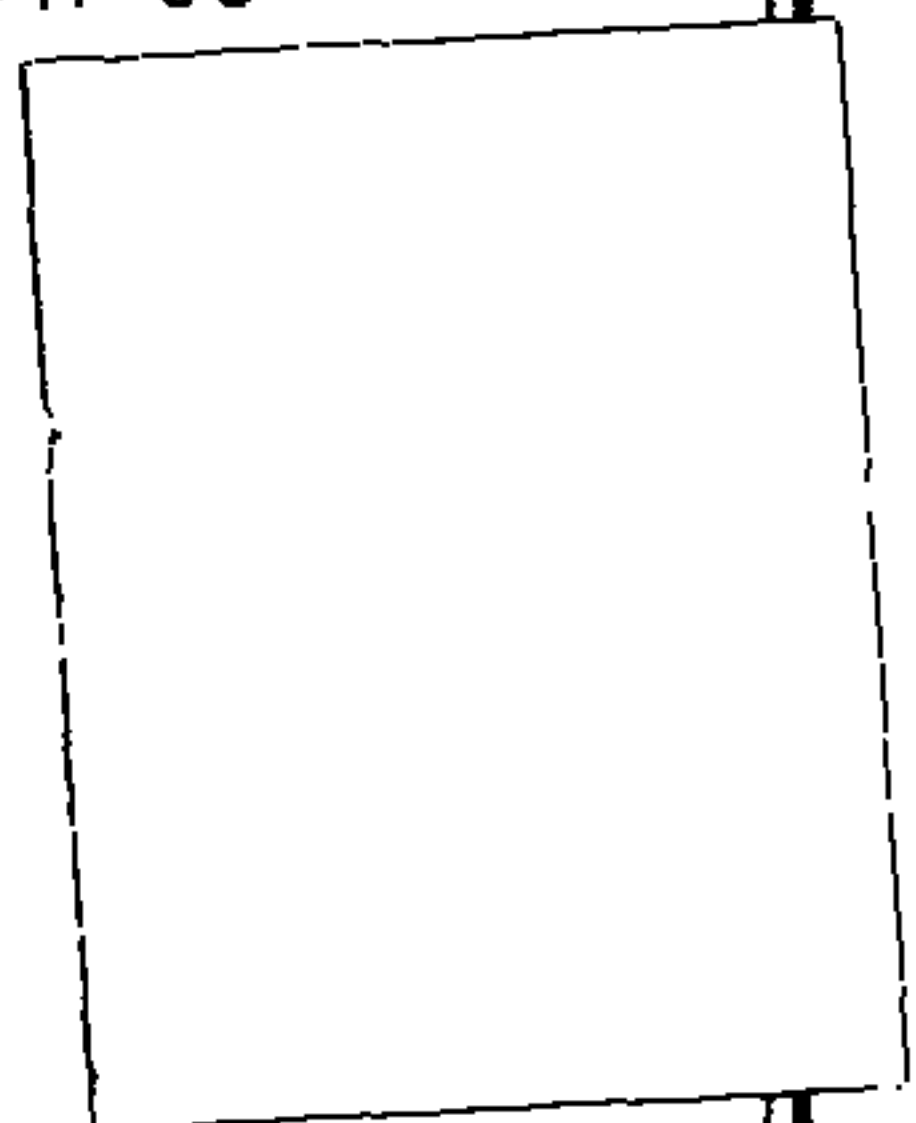


1585

03 APR 24 AM 11:06



HOSPITAL SERVICE DISTRICT NO. 1
PARISH OF RICHLAND, STATE OF LOUISIANA

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

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 4/9/03

FOR THE YEARS ENDED
SEPTEMBER 30, 2002, 2001 AND 2000

LESTER, MILLER & WELLS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS
ALEXANDRIA, LOUISIANA

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
DEBT SERVICE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2002, 2001 AND 2000

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditors' Report	1
General Purpose Financial Statements	
Balance Sheets	2
Statements of Revenues and Expenditures and Changes in Fund Balance	3
Statements of General Long-Term Debt	4
Notes to Financial Statements	5 - 6
Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of General Purpose Financial Statements Conducted in Accordance with <u>Government Auditing Standards</u>	7 - 8

Bobby G. Lester, CPA
John S. Wells, CPA
Robert G. Miller, CPA
Paul A. Delaney, CPA

Melanie I. Layssard, CPA
Brenda J. Lloyd, CPA

LESTER, MILLER & WELLS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

3600 BAYOU RAPIDES ROAD
ALEXANDRIA, LOUISIANA 71303

Telephone (318) 487-1450
Facsimile (318) 445-1184

Members
American Institute of CPA's
Society of Louisiana CPA's

Mailing Address:
P.O. Box 8758
Alexandria, LA 71306-1758

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general purpose financial statements of Hospital Service District No. 1, Parish of Richland, (the Service District), a component unit of the Richland Parish Police Jury, as of and for the years ended September 30, 2002, 2001, and 2000, listed in the foregoing table of contents. These financial statements are the responsibility of the Service District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Hospital Service District No. 1, Parish of Richland as of and for the years ended September 30, 2002, 2001 and 2000 and the results of its operations for the years then ended, in conformity with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

In accordance with Government Auditing Standards, we have also issued a report dated November 13, 2002, on our consideration of the Service District's internal control structure and our test of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read with this report in considering the results of our audit.

Lester, Miller, & Wells

Certified Public Accountants

November 13, 2002

HOSPITAL SERVICE DISTRICT NO. 1
 OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
 DEBT SERVICE FUND
 BALANCE SHEETS
 SEPTEMBER 30, 2002, 2001 AND 2000

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Cash on deposit with paying agent (Note 2)	\$ 4,199	\$ 199	\$ 166
Certificate of deposit (Note 2)	-0-	-0-	271,300
Accrued interest receivable	<u>-0-</u>	<u>-0-</u>	<u>2,453</u>
 Total Assets	 <u>\$ 4,199</u>	 <u>\$ 199</u>	 <u>\$ 273,919</u>
 <u>FUND BALANCE</u>			
 Fund balance	 <u>\$ 4,199</u>	 <u>\$ 199</u>	 <u>\$ 273,919</u>
 Total Fund Balance	 <u>\$ 4,199</u>	 <u>\$ 199</u>	 <u>\$ 273,919</u>

See accompanying notes to financial statements.

HOSPITAL SERVICE DISTRICT NO. 1
 OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
 DEBT SERVICE FUND
 STATEMENTS OF REVENUES AND EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE YEARS ENDED SEPTEMBER 30, 2002, 2001 AND 2000

	<u>2002</u>	<u>2001</u>	<u>2000</u>
Revenues			
Ad valorem taxes (Note 3)	\$ 3,776	\$ 291,067	\$ 278,303
Interest income	386	9,459	11,755
Other income	<u>-0-</u>	<u>451</u>	<u>670</u>
Total revenues	<u>4,162</u>	<u>300,977</u>	<u>290,728</u>
Expenditures			
Bonds redeemed	-0-	250,000	235,000
Interest on bonds	-0-	8,125	23,888
Fiscal agent fees	<u>162</u>	<u>154</u>	<u>54</u>
Total expenditures	<u>162</u>	<u>258,279</u>	<u>258,942</u>
Excess of revenues (expenditures)	4,000	42,698	31,786
Fund balance, beginning of year	199	273,919	242,133
Transfers of fund balance			
Richland Parish Hospital Service District #1B	-0-	(189,851)	-0-
Richland Parish Hospital Service District #1A	<u>-0-</u>	<u>(126,567)</u>	<u>-0-</u>
Fund balance, end of year	<u>\$ 4,199</u>	<u>\$ 199</u>	<u>\$ 273,919</u>

See accompanying notes to financial statements.

HOSPITAL SERVICE DISTRICT NO. 1
 OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
 DEBT SERVICE FUND
 STATEMENTS OF GENERAL LONG-TERM DEBT
 FOR THE YEARS ENDED SEPTEMBER 30, 2002, 2001 AND 2000

AMOUNT AVAILABLE AND TO BE
 PROVIDED FOR PAYMENT OF
 GENERAL LONG-TERM DEBT

	<u>2002</u>	<u>2001</u>	<u>2000</u>
Serial Bonds			
Amount available in Debt Service Fund	\$ 4,199	\$ 199	\$ 271,466
Amount to be provided from ad valorem taxes	-0-	-0-	-0-
Excess provided from ad valorem taxes	<u>(4,199)</u>	<u>(199)</u>	<u>(21,466)</u>
Total	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 250,000</u>

GENERAL LONG-TERM DEBT PAYABLE

Serial Bonds Payable	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 250,000</u>
----------------------	---------------	---------------	-------------------

See accompanying notes to financial statements.

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
DEBT SERVICE FUND AND GENERAL LONG-TERM DEBT ACCOUNT GROUP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2002, 2001 AND 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Legal Organization

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

The District is a political subdivision of the Richland Parish Police Jury whose jurors are elected officials. The District's commissioners are appointed by the Richland Parish Police Jury. As the governing authority of the Parish, for reporting purposes, the Richland Parish Police Jury is the financial reporting entity for the District. Accordingly, the District was determined to be a component unit of the Richland Parish Police Jury based on Statement No.14 of the National Committee on Governmental Accounting. The accompanying financial statements present information only on the funds maintained by the governmental services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

Debt Service

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

General Long-Term Debt Account Group

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

Basis of Accounting

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within 60 days after year-end.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
DEBT SERVICE FUND AND GENERAL LONG-TERM DEBT ACCOUNT GROUP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2002, 2001 AND 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets

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

Income Taxes

The entity is a political subdivision and exempt from taxation.

NOTE 2 - DEPOSITS

At September 30, 2002, 2001, and 2000, all deposits with the depository banks in checking accounts and certificates of deposit were secured at the balance sheet date by federal depository insurance coverage and pledged securities.

NOTE 3 - AD VALOREM TAXES

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

NOTE 4 - PER DIEM AND OTHER COMPENSATION PAID TO BOARD MEMBERS

Mr. Oliver Holland	None
Mr. Moses Wilkins	None
Mr. Bruce McEacharn	None
Mr. Gary L. Gilley	None
Mr. Ted Seffens	None
Mr. Alan Thompson	None

Bobby G. Lester, CPA
John S. Wells, CPA
Robert G. Miller, CPA
Paul A. Delaney, CPA

Melanie I. Layssard, CPA
Brenda J. Lloyd, CPA

LESTER, MILLER & WELLS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS
3600 BAYOU RAPIDES ROAD
ALEXANDRIA, LOUISIANA 71303

Telephone (318) 487-1450
Facsimile (318) 445-1184

Members
American Institute of CPA's
Society of Louisiana CPA's
Mailing Address:
P.O. Box 8758
Alexandria, LA 71306-1758

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

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

We have audited the general purpose financial statements of Richland Parish Hospital Service District No. 1 (the District) for the years ended September 30, 2002, 2001 and 2000, and have issued our report thereon dated November 13, 2002. We conducted our audits in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

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

Lester, Miller & Wells

Certified Public Accountants

November 13, 2002