

HOSPITAL SERVICE DISTRICT NO. 2
PARISH OF ST. MARY

Morgan City, Louisiana

Compiled Financial Report

Year Ended December 31, 2016

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KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Penny Angelle Scruggins, CPA
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA

P. O. Box 3438
Morgan City, LA 70381

Phone (985) 384-2020
Fax (985) 384-3020

183 South Beadle Rd
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

450 East Main Street
New Iberna, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

113 East Bndge St
Breaux Bndge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

1234 David Dr Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

434 East Main Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddil St
Marksville LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

1428 Metro Dnve
Alexandna, LA 71301
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE
WWW.KCSRCPAS.COM

Retired
Conrad O. Chapman, CPA* 2006

Casey L. Ardoin, CPA
Alan M. Taylor, CPA
Albert R. Leger, CPA,PFS,CSA*
Marshall W. Guidry, CPA
Stephen R. Moore, Jr., CPA,PFS,CFP®,ChFC®*
James R. Roy, CPA
Robert J. Metz, CPA
Kelly M. Doucet, CPA
Mandy B. Self, CPA
Paul L. Delcambre, Jr., CPA
Jane R. Hebert, CPA
Deidre L. Stock, CPA
Karen V. Fontenot, CPA
Tabby A. LeMay, CPA
Seth C. Norris, CPA
Shayne M. Breaux, CPA

* A Professional Accounting Corporation

To the Board of Commissioners
Hospital Service District No. 2 of the Parish of St. Mary
Morgan City, Louisiana

Management is responsible for the accompanying financial statements of the business-type activities of Hospital Service District No. 2 of the Parish of St. Mary (hereinafter "District"), a component unit of the Parish of St. Mary, as of and for the year ended December 31, 2016, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy and completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The District has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position, results of operations and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The District has omitted the management's discussion and analysis and the budgetary comparison schedule that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historic context.

Supplementary Information

The supplementary information on page 8 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

We are not independent with respect to Hospital Service District No. 2 of the Parish of St. Mary.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
June 26, 2017

FINANCIAL STATEMENTS

HOSPITAL SERVICE DISTRICT NO. 2
 PARISH OF ST. MARY
 Morgan City, Louisiana

Statement of Net Position
 December 31, 2016

	<u>Business-Type Activities</u>
ASSETS	
Current assets	
Cash and interest-bearing deposits	\$ 44,929
Investments	2,286,551
Interest receivable	12,710
Prepaid Insurance	<u>1,631</u>
Total current assets	<u>2,345,821</u>
Restricted assets	
Cash and interest-bearing deposits	11,437
Investments	<u>927,179</u>
Total restricted assets	<u>938,616</u>
Total assets	<u>3,284,437</u>
NET POSITION	
Restricted for plant replacement and other	938,616
Unrestricted	<u>2,345,821</u>
Total net position	<u>\$ 3,284,437</u>

See accountants' compilation report.

HOSPITAL SERVICE DISTRICT NO. 2
 PARISH OF ST. MARY
 Morgan City, Louisiana

Statement of Revenues, Expenses and Changes in Fund Net Position
 Year Ended December 31, 2016

	Business-Type Activities
Expenses	
Advertising	\$ 1,845
Board per diem	4,680
Insurance	1,606
Legal and professional	58,123
Program costs	29,932
Total expenses	96,186
Loss from operations	(96,186)
Nonoperating expenses	
Investment losses, including changes in FMV	(883)
Net loss	(97,069)
Net position, beginning	3,381,506
Net position, ending	\$ 3,284,437

See accountants' compilation report.

HOSPITAL SERVICE DISTRICT NO. 2
 PARISH OF ST. MARY
 Morgan City, Louisiana

Statement of Cash Flows
 Year Ended December 31, 2016

	<u>Business-Type Activities</u>
OPERATING ACTIVITIES	
Paid to suppliers, vendors, and others	<u>(96,211)</u>
INVESTING ACTIVITIES	
Securities purchased	(1,687,706)
Securities redeemed/matured	1,459,962
Investment income received	<u>151,596</u>
Net cash used by investing activities	<u>(76,148)</u>
Net decrease in cash	(172,359)
Cash and cash equivalents, beginning	<u>228,725</u>
Cash and cash equivalents, ending	<u>\$ 56,366</u>
Reconciliation of loss from operations to net cash used by operating activities:	
Loss from operations	\$ (96,186)
Adjustments to reconcile loss from operations to net cash used by operating activities -	
Increase or decrease in:	
Prepaid expenses	<u>(25)</u>
Net cash used by operating activities	<u>\$ (96,211)</u>

See accountants' compilation report.

SUPPLEMENTARY INFORMATION

HOSPITAL SERVICE DISTRICT NO. 2
PARISH OF ST. MARY

Compensation Paid to Chief Officer
Year Ended December 31, 2016

Act 706 of the 2014 Legislative Session amended RS 24:513A requiring additional disclosure of total compensation, reimbursements, benefits, or other payments made to an agency head or chief officer. With the exception of per diem, no other payments which would require disclosure were made to the District's chief officer. For the year ended December 31, 2016 the District's chief officer, Dr. Natchez "Trey" Morice, received \$640 in per diem payments.