

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
A COMPONENT UNIT OF ST. JAMES PARISH COUNCIL
LUTCHER, LOUISIANA

FINANCIAL STATEMENTS

MARCH 31, 2010

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 10/13/10

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
St. James Parish Hospital Service District
of St. James Parish, Louisiana
Lutcher, Louisiana

We have audited the accompanying financial statements of the St. James Parish Hospital Service District of St. James Parish, Louisiana (the Hospital), a component unit of the St. James Parish Council, as of and for the years ended March 31, 2010 and 2009, which collectively comprise the St. James Parish Hospital Service District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control over financial reporting. Accordingly, we express no such opinion. An audit also 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 financial position of the St. James Parish Hospital Service District as of March 31, 2010 and 2009, and the respective changes in financial position and cash flows for the years 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 August 19, 2010, on our consideration of the St. James Parish Hospital Service District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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 historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the St. James Parish Hospital Service District's basic financial statements. The supplemental schedule on page 23 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Postlethwait & Nettunich
Gonzales, Louisiana
August 19, 2010

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2010

Management's Discussion and Analysis of St. James Parish Hospital (Hospital's) financial performance provides important background information and management's analysis of the Hospital's financial performance during the fiscal years that ended March 31, 2010 and 2009. Please read it in conjunction with the Hospital's financial statements in this report.

REQUIRED FINANCIAL STATEMENTS

The basic financial statements contained in this report are presented using Governmental Accounting Standards Board (GASB) accounting principles. These financial statements offer short-term and long-term financial information about the Hospital's activities.

The statement of net assets include all of the hospital's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to Hospital creditors (liabilities). They also provide the basis for computing rate of return, evaluating the capital structure of the Hospital, and assessing the liquidity and financial flexibility of the Hospital.

All of the current year's revenue and expenses are accounted for in the statement of revenues, expenses, and changes in net assets. This statement measures changes in the Hospital's operations over the past year and can be used to determine whether the Hospital has been able to recover all of its costs through its net patient service revenue and other revenue sources.

The final required financial statement is the statement of cash flows. The primary purpose of this statement is to provide information about the Hospital's cash from operating, investing, and financing activities and to provide answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

FINANCIAL ANALYSIS OF THE HOSPITAL

The statement of net asset and the statements of revenue, expenses and change in net assets report information about the Hospital's activities. Increases or decreases in the Hospital's net assets are one indicator of whether its financial health is improving or deteriorating. However, other non-financial factors such as changes in the health care industry, changes in Medicare and Medicaid regulations, and changes in managed care contracting should also be considered.

FINANCIAL HIGHLIGHTS

- The Hospital generated \$2,760,616 in cash and cash equivalents during the fiscal year ended March 31, 2010. The Hospital had a net decrease in capital assets during the fiscal year ended March 31, 2010 of \$1,116,265 or 5%. The Hospital's long term debt increased \$380,659 or 2.1%.
- The Hospital's total operating revenues increased by \$303,530 or 2% over the prior year. Total operating expenses decreased by \$934,056 or 6%. The Hospital generated net operating income during fiscal year 2010 of \$51,401.
- Property tax revenue is reported as non-operating revenue due to GASB requirements although it is used for operating purposes. This millage is very important to the financial position of the hospital. The Hospital recognized \$1,834,896 in revenue during fiscal year 2010 that was related to the current 4.75 millage.
- The Hospital generated net income for the year of \$1,792,242.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2010

BALANCE SHEETS

The Hospital's condensed balance sheets are presented below. Some significant components of the change in the Hospital's net assets are the increase in cash, decrease in capital assets and the increase in long term debt.

The Hospital had a net decrease in capital assets during the fiscal year 2010 of \$1,116,265 or 5%.

Long-term debt increased by \$380,659 or 2.1%.

Assets, Liabilities, and Net Assets

	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 9,989,547	\$ 7,762,029
Restricted assets	6,884,887	5,907,982
Capital assets, net	<u>20,663,025</u>	<u>21,779,290</u>
Total assets	\$ 37,537,459	\$ 35,449,301
Current and other liabilities	\$ 2,865,544	\$ 2,779,860
Long-term debt	<u>18,144,882</u>	<u>17,934,650</u>
Total liabilities	\$ 21,010,426	\$ 20,714,510
Net assets		
Investment in capital assets, net of related debt	\$ 2,080,624	\$ 3,577,548
Restricted	6,898,661	5,921,155
Unrestricted	<u>7,547,748</u>	<u>5,236,088</u>
Total net assets	\$ 16,527,033	\$ 14,734,791
Total liabilities and net assets	\$ 37,537,459	\$ 35,449,301

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2010

STATEMENTS OF REVENUE AND EXPENSES

A summary of the Hospital's revenues and expenses for fiscal years 2010 and 2009 is presented below.

The Hospital reported an increase in net patient service revenue increased by \$546,611 or 4% over the past year. The increase was driven by volume increases and the introduction of new services. Provisions for bad debts increased by \$311,617 or 11% from the prior year. Bad debt as a percent of gross revenue for fiscal year 2010 was 11.6% which is consistent with fiscal year 2009.

Other operating revenues decreased by \$243,081 or 69% from the past year. This decrease was due to the decrease in meal income from a contract the Hospital had with a Psychiatric Hospital.

The Hospital reported an decrease in operating expenses of \$934,056 or 6% from the past year. Increases in salary and benefit cost for hospital's employees was \$285,599 or 4%. Depreciation expense increased by \$3,173 or .19% over the prior year.

Change in net assets increased by \$1,831,271 over the past year.

	<u>2010</u>	<u>2009</u>
Operating Revenues:		
Net patient service revenues	\$ 14,988,598	\$ 14,441,987
Other operating revenues	107,407	350,488
Total operating revenues	<u>15,096,005</u>	<u>14,792,475</u>
Operating Expenses:		
Salaries and benefits	7,204,884	6,919,285
Medical supplies and drugs	1,060,799	1,220,964
Depreciation and amortization	1,701,270	1,698,097
Loss on impairment of asset	-	1,185,687
Other operating expenses	5,077,651	4,954,627
Total operating expenses	<u>15,044,604</u>	<u>15,978,660</u>
Operating income (loss)	<u>51,401</u>	<u>(1,186,185)</u>
Nonoperating Revenues and Expenses:		
Property taxes	1,834,896	1,752,651
Investment income	100,834	174,192
Other non operating revenue and expenses, net	(194,889)	(779,687)
Total nonoperating revenues (expenses)	<u>1,740,841</u>	<u>1,147,156</u>
Change in net assets	<u>1,792,242</u>	<u>(39,029)</u>
Net assets beginning of year	<u>\$ 14,734,791</u>	<u>\$ 14,773,820</u>
Net assets end of year	<u>\$ 16,527,033</u>	<u>\$ 14,734,791</u>

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2010

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2010, the Hospital had invested \$20,663,025 in capital assets, net of accumulated depreciation. The Hospital acquired capital assets costing \$1,450,281, of which \$585,005 was acquired in the current fiscal year. The other \$1,301,432 was attributed to construction in progress that was for building improvements for a MRI project and various pieces of equipment.

Debt

At year end the Hospital had \$199,603 in capital lease obligations outstanding that were acquired on March 11, 2008 to purchase a cat scanner.

At the end of the year, the Hospital had \$17,735,047 in outstanding bonded debt. The bonds were issued totaling \$18,000,000 on July 2, 2008 for the purpose of financing a replacement hospital building. New debt in the amount of \$800,000 was borrowed as a note payable to the Parish Government for the purpose improving the hospital. At year end, the Hospital had \$647,751 on the outstanding debt.

ECONOMIC FACTORS

The St. James Parish Hospital's appointed officials considered the following factors and indicators when setting the budget for the fiscal year ending March 31, 2011:

- Fiscal Year 2011 revenues were projected to increase 7 % over 2010
- Rate increase of 3%
- Salaries are estimated to reflect new positions in shortage areas, market rate adjustments and patient service volumes.
- Operating expenses are estimated based on historical relationships to patient service volumes, where possible, and historic usage rates.

CONTACTING THE HOSPITAL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Hospital's finances and to demonstrate the Hospital's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

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ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
A COMPONENT UNIT OF ST. JAMES PARISH COUNCIL

Lutcher, Louisiana

STATEMENTS OF NET ASSETS

MARCH 31, 2010 AND 2009

	<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
<u>CURRENT ASSETS</u>			
Cash		\$ 6,901,773	\$ 4,263,098
Patient accounts receivable, net		1,705,941	2,005,338
Estimated third-party payor settlements		-	86,401
Inventory		238,794	243,181
Taxes receivable		482,369	420,492
Other current assets		660,670	743,519
Total current assets		<u>9,989,547</u>	<u>7,762,029</u>
<u>RESTRICTED ASSETS</u>			
Held by trustee for debt service		914,323	792,382
Internally designated for capital acquisitions		5,970,564	4,115,595
Internally designated for pending litigation		-	1,000,005
Total restricted assets		<u>6,884,887</u>	<u>5,907,982</u>
<u>PROPERTY AND EQUIPMENT - net</u>		<u>20,663,025</u>	<u>21,779,290</u>
TOTAL ASSETS		<u>\$ 37,537,459</u>	<u>\$ 35,449,301</u>
	<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>			
Accounts payable		\$ 420,697	\$ 1,339,908
Estimated third-party payor settlements		766,777	-
Current maturities of long-term debt		437,519	267,092
Accrued expenses		1,240,551	1,172,860
Total current liabilities		<u>2,865,544</u>	<u>2,779,860</u>
<u>LONG TERM DEBT</u> , net of current maturities		<u>18,144,882</u>	<u>17,934,650</u>
Total liabilities		<u>21,010,426</u>	<u>20,714,510</u>
<u>NET ASSETS</u>			
Invested in capital assets		2,080,624	3,577,548
Restricted for:			
Debt service		914,323	792,382
Internally designated for:			
Capital acquisitions		5,984,338	4,128,768
Pending litigation		-	1,000,005
Unrestricted		7,547,748	5,236,088
Total net assets		<u>16,527,033</u>	<u>14,734,791</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 37,537,459</u>	<u>\$ 35,449,301</u>

The accompanying notes are an integral part of these statements.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
A COMPONENT UNIT OF ST. JAMES PARISH COUNCIL

Lutcher, Louisiana

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEARS ENDED MARCH 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>OPERATING REVENUES</u>		
Net patient service revenues (net of provision for bad debts of \$3,202,530 in 2010 and \$2,890,913 in 2009)	\$ 14,988,598	\$ 14,441,987
Other operating revenues	<u>107,407</u>	<u>350,488</u>
Total operating revenues	<u>15,096,005</u>	<u>14,792,475</u>
<u>OPERATING EXPENSES</u>		
Salaries and benefits	7,204,884	6,919,285
Professional contracted services	3,266,027	3,540,324
Medical supplies and drugs	1,060,799	1,220,964
Rents, lease, and maintenance contracts	647,549	336,356
Telephone and utilities	430,855	576,399
Insurance	218,632	202,931
Other operating	514,588	298,617
Provision for depreciation	1,701,270	1,698,097
Loss on impairment of asset	-	1,185,687
Total operating expenses	<u>15,044,604</u>	<u>15,978,660</u>
<u>INCOME (LOSS) FROM OPERATIONS</u>	51,401	(1,186,185)
<u>NON OPERATING REVENUES (EXPENSES)</u>		
Property taxes	1,834,896	1,752,651
Investment income	100,834	174,192
Grants and donations	813,888	64,994
Interest expense	<u>(1,008,777)</u>	<u>(844,681)</u>
Total non operating revenues (expenses)	<u>1,740,841</u>	<u>1,147,156</u>
<u>CHANGE IN NET ASSETS</u>	1,792,242	(39,029)
<u>NET ASSETS BEGINNING OF YEAR</u>	<u>14,734,791</u>	<u>14,773,820</u>
<u>NET ASSETS END OF YEAR</u>	<u>\$ 16,527,033</u>	<u>\$ 14,734,791</u>

The accompanying notes are an integral part of these statements.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
A COMPONENT UNIT OF ST. JAMES PARISH COUNCIL

Lutcher, Louisiana

STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Receipts from and on behalf of patients	\$ 12,192,872	\$ 11,067,729
Payments to suppliers and contractors	(4,234,325)	(5,233,916)
Payments to employees	(5,829,702)	(5,607,364)
Net cash provided by operating activities	<u>2,128,845</u>	<u>226,449</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Property taxes	1,773,019	1,708,737
Noncapital grants and contributions	813,888	64,994
Net cash provided by noncapital financing activities	<u>2,586,907</u>	<u>1,773,731</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Long term borrowings	800,000	18,000,000
Principal paid on debt	(419,341)	(15,914,833)
Interest paid on long term debt	(1,010,026)	(657,730)
Proceeds from sale of assets	-	37,084
Purchase of capital assets	(585,005)	(1,527,250)
Net cash used in capital and related financing activities	<u>(1,214,372)</u>	<u>(62,729)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of investments	(2,301,735)	(3,980,100)
Proceeds from sale or maturity of investments	1,446,771	4,061,119
Interest on investments	114,200	151,152
Net cash provided by (used in) investing activities	<u>(740,764)</u>	<u>232,171</u>
Net increase in cash	2,760,616	2,169,622
Cash at beginning of year	<u>5,055,480</u>	<u>2,885,858</u>
Cash at end of year	<u>\$ 7,816,096</u>	<u>\$ 5,055,480</u>
Reconciliation of cash and cash equivalents to the statements of net assets:		
Cash and cash equivalents in current assets	\$ 6,901,773	\$ 4,263,098
Restricted cash and cash equivalents	914,323	792,382
Total cash and cash equivalents	<u>\$ 7,816,096</u>	<u>\$ 5,055,480</u>

The accompanying notes are an integral part of these statements.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
A COMPONENT UNIT OF ST. JAMES PARISH COUNCIL

Lutcher, Louisiana

STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
Income (Loss) from operations	\$ 51,401	\$ (1,186,185)
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:		
Depreciation	1,701,270	1,698,097
Loss on impairment of asset	-	1,185,687
Provision for bad debts	3,202,530	2,890,913
Changes in assets and liabilities:		
Patient accounts receivable	(2,903,133)	(3,333,037)
Inventory	4,387	(1,712)
Other current assets	69,483	(531,979)
Estimated third-party payor settlements	853,178	(464,002)
Accounts payable	(919,211)	(432,788)
Accrued expenses	68,940	401,455
Total adjustments	<u>2,077,444</u>	<u>1,412,634</u>
Net cash provided by operating activities	<u>\$ 2,128,845</u>	<u>\$ 226,449</u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

The Hospital held investments at March 31, 2010 with a fair value of \$5,970,564.
During 2010, the net decrease in the fair value of these investments was \$13,774.

The accompanying notes are an integral part of these statements.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT

MARCH 31, 2010

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Reporting Entity

St. James Parish Hospital Service District of St. James Parish, Louisiana, d/b/a St. James Parish Hospital (the Hospital) is an acute care hospital. Effective August 1, 2001, the hospital met the Medicare participation requirements to be classified as a critical access hospital. The Hospital was approved by the St. James Parish Police Jury and is a political subdivision of the St. James Parish Council/Police Jury. The St. James Parish Council approves all tax elections. The Hospital Service District is a component unit of the St. James Parish Council.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses during the period. Actual results could differ from those estimates.

Enterprise fund accounting

The Hospital uses enterprise fund accounting. Revenue and expenses are recognized on the accrual basis using the economic resources measurement focus. Based on Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, as amended, the Hospital has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989, that do not conflict or contradict GASB pronouncements.

Net patient service revenue

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

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and in bank accounts, and also certificates of deposit, with maturity dates at acquisition that are less than 90 days.

Inventory

Inventories are stated at the lower of cost or market using an average cost method.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
MARCH 31, 2010

NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

Patient Accounts Receivable

Patient accounts receivable are reported at their outstanding unpaid balance adjusted for any write-offs and the allowance for doubtful accounts. Interest income is not accrued on any unpaid balances.

Accounts are considered past due at the time that the balance is 30 days delinquent. Accounts are written off when no payment has been received on the account for 120 days.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is established as losses are estimated to have occurred through a provision for doubtful accounts charged to earnings. Losses are charged against the allowance when management believes the uncollectibility of an account is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for doubtful accounts is evaluated on a regular basis by management and is based upon management's periodic review of the collectibility of the accounts in light of historical experience, the nature and volume of the accounts, and the agreements with the respective third-party payors.

Capital assets

Capital assets additions are recorded at cost. Depreciation is computed using the straight-line method at rates over the useful lives of the property ranging from 3 to 40 years. Maintenance, repairs, replacement, and improvements of minor importance are expensed. Major replacements and improvements are capitalized. Interest cost on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

Property taxes

The Hospital receives a 4.75 mills property tax which is levied January 1 each year, payable by December 31 of that year. The Hospital records the expected revenues to be received based on factors such as previous years collections to assessments and the estimated taxable assessed value for the current year. Adjustments are made upon final receipts. The tax is in effect through December 31, 2016.

Grants and contributions

Revenues from grants and contributions are recognized when all eligibility requirements are met.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
MARCH 31, 2010

NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

Operating revenues and expenses

Operating revenues result from exchange transactions associated with providing health care services. Non exchange revenues, including property taxes, grants and contributions are reported as non operating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing cost.

Compensated absences

The Hospital's employees earn paid time off and extended illness bank at varying rates depending on years of service. Employees may accumulate paid time off, and be paid if they leave before they exhaust this accumulation. Employees may accumulate extended illness bank but are not paid for accumulated extended illness bank.

Net assets

Net assets of the Hospital are classified in components. Net assets invested in capital assets net of related debt consist of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase of construction of those assets. Restricted net assets for debt service must be used for debt service. Restricted for capital acquisitions and pending litigation are capital related net assets that must be used for a specific purpose, as specified by the Hospital. Unrestricted net assets are remaining net assets that do not meet the definition of invested in capital assets net of related debt or restricted.

Risk management

The Hospital is exposed to various risks of loss from torts theft of, damage to, and destruction of assets, business interruption, errors and omissions, employee injuries and illnesses, natural disasters, medical malpractice, and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

Investments in debt and equity securities

Investments in debt and equity securities are reported at fair value except for short term highly liquid investments that have a remaining maturity at the time they are purchased for one year or less. These investments are carried at amortized cost. Interest, dividends, and gains and losses, both realized and unrealized, on investments in debt and equity securities are included in nonoperating revenue when earned.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT

MARCH 31, 2010

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Reclassifications

Certain revenue and expense items have been reclassified from their original presentation in 2009 to be consistent with the 2010 presentation.

2. Net Patient Service Revenue

The Hospital has agreed with third-party payors that provide for payments to the Hospital at amounts different from established rates. A summary of the payment arrangements with major third party payors follows:

Medicare – Since obtaining critical access designation, inpatient and outpatient services rendered to Medicare program beneficiaries are reimbursed under a cost reimbursement methodology. Prior to August 1, 2001, inpatient acute care services rendered to Medicare program beneficiaries were paid at prospectively determined rates per discharge. These rates varied according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient and outpatient services rendered to Medicare program beneficiaries are reimbursed under cost based methodologies and fee schedules. The Hospital is reimbursed by the Medicare fiscal intermediary at a tentative interim rate with final settlement determined with the submission of annual cost reports and audits. The Hospital's Medicare cost reports have been filed with the Medicare fiscal intermediary through March 31, 2010. Desk reviews have been performed on reports issued through March 31, 2009.

Medicaid – Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid fiscal intermediary. The Hospital's Medicaid cost reports have been filed with the fiscal intermediary through March 31, 2010. A desk review has been performed on all the reports issued through March 31, 2008.

The Hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges, prospectively determined daily rates, and Medicare fee schedules.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
MARCH 31, 2010

NOTES TO FINANCIAL STATEMENTS

3. Accounts Receivable

Accounts receivable, patients consist of the following:

	<u>March 31, 2010</u>	<u>March 31, 2009</u>
Receivable from patients and their insurance carriers	\$ 2,372,662	\$ 2,439,569
Receivable from Medicare	1,138,599	1,384,203
Receivable from Medicaid	<u>483,453</u>	<u>574,016</u>
Total patient accounts receivable	3,994,714	4,397,788
Less allowance for doubtful accounts	<u>2,288,773</u>	<u>2,392,450</u>
<u>Patient accounts receivable, net</u>	<u>\$ 1,705,941</u>	<u>\$ 2,005,338</u>

The Hospital provides for bad debts using formulas supporting collectability of related patient groupings.

When accounts are charged off they are removed from the related asset account and the allowance for bad debt account. The Hospital is located in Litcher, Louisiana and grants credit without personal collateral to its patients, most of whom are residents in the area. The mix of patient service revenues are as follows:

	<u>March 31, 2010</u>	<u>March 31, 2009</u>
Medicare	32%	35%
Medicaid	19	17
Commercial insurance	37	35
Self pay	<u>12</u>	<u>13</u>
	<u>100%</u>	<u>100%</u>

4. Deposits and Investments

State law requires collateralization of all deposits with federal depository insurance and other acceptable collateral in specific amounts. The Hospital's deposit policy for custodial credit risk requires compliance with the provisions of state law or be insured or collateralized by U.S. government securities held by the pledging financial institution's trust department in the name of the Hospital.

Custodial credit risk is the risk that in the event of a bank failure, the Hospital's deposits may not be returned to it. The Hospital does not have a deposit policy for custodial credit risk at March 31, 2010. None of the Hospital's bank balances were exposed to custodial credit risk.

The Hospital's investments generally are reported at fair value, as discussed in Note 1. At March 31, 2010 and 2009, the Hospital had the following investments and maturities, all of which were held in the Hospital's name by a custodial bank that is an agent of the Hospital:

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT

MARCH 31, 2010

NOTES TO FINANCIAL STATEMENTS

4. Deposits and Investments (continued)

Investment Maturities (in Years)					
March 31, 2010					
Investment Type	Carrying Amount	Less than 1	1 - 5	6 - 10	More than 10
U.S. Agencies	\$ 1,873,473	\$ -	\$ 1,017,030	\$ 657,543	\$ 198,900
Certificate of deposits	4,097,091	4,097,091	-	-	-
	<u>\$ 5,970,564</u>	<u>\$ 4,097,091</u>	<u>\$ 1,017,030</u>	<u>\$ 657,543</u>	<u>\$ 198,900</u>
March 31, 2009					
Investment Type	Carrying Amount	Less than 1	1 - 5	6 - 10	More than 10
U.S. Agencies	\$ 2,062,814	\$ 50,078	\$ 551,257	\$ 643,927	\$ 817,552
Certificate of deposits	3,052,786	3,052,786	-	-	-
	<u>\$ 5,115,600</u>	<u>\$ 3,102,864</u>	<u>\$ 551,257</u>	<u>\$ 643,927</u>	<u>\$ 817,552</u>

Interest Rate Risk- The Hospital's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates.

Credit Risk- Under Louisiana R.S. 33:2955, as amended, the Hospital may invest in obligations of the U.S. Treasury, U.S. Agencies and instrumentalities, repurchase agreements, certificates of deposits, and other investments as provided in the statute. The Hospital's investment policy does not further limit its investment choices. As of March 31, 2010, the Hospital's investment in U.S. Agencies were rated AAA by Moody's Investors Service and AAA by Standard & Poor's.

Concentration of Credit Risk- The Hospital's investment policy does not limit the amount the Hospital may invest in any one issuer. More than 5 percent of the Hospital's investments are in Federal Home Loan Mortgage Corporation, Federal Home Loan Bank, and Federal National Mortgage Association. These investments are 51%, 41%, and 8%, respectively at March 31, 2010.

5. Restricted Assets

The amounts reported as restricted assets are comprised of cash held by the trustee bank for debt service on behalf of the Hospital related to their required long term debt described in Note 8. In addition, internally designated funds for capital acquisitions are set aside under the control of the board of commissioners and may, at its discretion, later use these funds for other purposes.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT

MARCH 31, 2010

NOTES TO FINANCIAL STATEMENTS

5. Restricted Assets (continued)

The restricted assets, which consist of cash and certificates of deposits, as of March 31, 2010, are as follows:

Cash held by trustee for debt service:	
Sinking fund	\$ 292,570
Reserve fund-rural development	40,621
Reserve fund-taxable	440,747
Contingency fund	101,709
Rural development transfer account	38,676
Government Security CD's Internally designated for capital acquisitions	<u>5,970,564</u>
Total restricted assets	<u>\$ 6,884,887</u>

6. Capital Assets

Capital assets and depreciation activity for the year ended March 31, 2010 are as follows:

	<u>Land</u>	<u>Construction in progress</u>	<u>Building and improvements</u>	<u>Equipment</u>	<u>Equipment under capital lease obligation</u>	<u>Total</u>
Cost of Capital Assets, 3/31/09	\$ 591,045	\$ 887,726	\$ 20,397,229	\$ 5,207,483	\$ 325,000	\$ 27,408,483
Additions	-	436,156	371,489	1,078,792	-	1,886,437
Deletions and transfer	-	(1,301,432)	-	(78,452)	-	(1,379,884)
Cost of Capital Assets, 3/31/10	<u>591,045</u>	<u>22,450</u>	<u>20,768,718</u>	<u>6,207,823</u>	<u>325,000</u>	<u>27,915,036</u>
Accumulated Depreciation, 3/31/09	-	-	2,771,930	2,832,829	24,434	5,629,193
Additions	-	-	964,620	671,650	65,000	1,701,270
Deletions	-	-	-	(78,452)	-	(78,452)
Accumulated Depreciation, 3/31/10	-	-	<u>3,736,550</u>	<u>3,426,027</u>	<u>89,434</u>	<u>7,252,011</u>
Capital Assets, net at 3/31/10	<u>\$ 591,045</u>	<u>\$ 22,450</u>	<u>\$ 17,032,168</u>	<u>\$ 2,781,796</u>	<u>\$ 235,566</u>	<u>\$ 20,663,025</u>

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
MARCH 31, 2010

NOTES TO FINANCIAL STATEMENTS

6. Capital Assets (continued)

Capital assets and depreciation activity for the year ended March 31, 2009 are as follows:

	<u>Land</u>	<u>Construction in progress</u>	<u>Building and improvements</u>	<u>Equipment</u>	<u>Equipment under capital lease obligation</u>	<u>Total</u>
Cost of Capital Assets, 3/31/08	\$ 591,045	\$ 19,654,133	\$ 3,733,897	\$ 6,518,889	\$ 854,549	\$ 31,352,513
Additions	-	1,215,951	18,581,879	2,241,328	580,646	22,619,804
Deletions and transfer	-	(19,982,358)	(1,918,547)	(3,552,734)	(1,110,195)	(26,563,834)
Cost of Capital Assets, 3/31/09	<u>591,045</u>	<u>887,726</u>	<u>20,397,229</u>	<u>5,207,483</u>	<u>325,000</u>	<u>27,408,483</u>
Accumulated Depreciation, 3/31/08	-	-	2,740,974	4,909,082	529,549	8,179,605
Additions	-	-	956,580	717,083	24,434	1,698,097
Deletions	-	-	(925,624)	(2,793,336)	(529,549)	(4,248,509)
Accumulated Depreciation, 3/31/09	<u>-</u>	<u>-</u>	<u>2,771,930</u>	<u>2,832,829</u>	<u>24,434</u>	<u>5,629,193</u>
Capital Assets, net at 3/31/09	<u>\$ 591,045</u>	<u>\$ 887,726</u>	<u>\$ 17,625,299</u>	<u>\$ 2,374,654</u>	<u>\$ 300,566</u>	<u>\$ 21,779,290</u>

For the years ended March 31, 2010 and 2009, depreciation expense was \$1,701,270 and \$1,698,097, respectively.

7. Compensated absences

Compensated absences consist of the following:

Balance at April 1, 2009	\$ 288,522
Increases	35,263
Decreases	<u>(11,237)</u>
Balance at March 31, 2010	<u>\$ 312,548</u>

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
MARCH 31, 2010

NOTES TO FINANCIAL STATEMENTS

8. Long-Term Debt

A schedule of changes in the Hospital's long-term debt for 2010 follows:

	<u>Balance</u> <u>March 31, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>March 31, 2010</u>
Bonds and Notes Payable:				
<i>Revenue bonds</i>				
Series 2008 R-1	\$ 7,549,386	\$ -	\$ (78,574)	\$ 7,470,812
Series 2008 R-2	1,391,489	-	(13,254)	1,378,235
Series 2008A	6,840,000	-	(75,000)	6,765,000
Series 2008B	760,000	-	(4,000)	756,000
Series 2008C	1,260,000	-	(33,000)	1,227,000
Series 2008D	140,000	-	(2,000)	138,000
<i>Tax Certificate</i>	-	800,000	(152,249)	647,751
<i>Capital Lease</i>				
<i>Obligation</i>	260,867	-	(61,264)	199,603
	<u>18,201,742</u>	<u>800,000</u>	<u>(419,341)</u>	<u>18,582,401</u>
Less current maturities	(267,092)			(437,519)
Total Long-term debt	<u>\$ 17,934,650</u>			<u>\$ 18,144,882</u>

On July 2, 2008, \$18,000,000 of Hospital Revenue Bonds was issued upon completion of a replacement (Critical Access) hospital, to provide permanent financing for the project. The following summarizes the issue:

Series 2008 R-1, bearing interest at 4.125%, payable monthly through 06/01/48	\$7,600,000
Series 2008 R-2, bearing interest at 4.5%, payable monthly through 06/01/48	1,400,000
Series 2008A, bearing interest at 6.1%, payable monthly through 06/01/38	6,840,000
Series 2008B, bearing interest at 9.76%, payable monthly through 06/01/38	760,000
Series 2008C, bearing interest at 5.9%, payable monthly through 06/01/28	1,260,000
Series 2008D, bearing interest at 9.44%, payable monthly through 06/01/28	140,000
	<u>\$18,000,000</u>

The bonds are collateralized by a pledge of the Hospital Service District's revenue, land, building and improvements and personal property thereon. Under the terms of the revenue note indenture, the Hospital is required to maintain certain deposits with a trustee. Such deposits are included in restricted cash and investments in the statement of net assets. The revenue note indenture also requires that the Hospital satisfy certain measures of financial performance as long as the notes are outstanding. These funds are maintained at the Trustee and require monthly funding by the Hospital Service District.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
MARCH 31, 2010

NOTES TO FINANCIAL STATEMENTS

8. Long-Term Debt (continued)

Series 2009 Limited Tax Certificates for \$800,000; bearing interest from 1.5% to 3.5%, payable yearly through March 1, 2014, secured by a pledge of property taxes.

The terms and due dates of the Hospital's capital lease obligation consist of the following:

Installment obligation incurred to purchase CT equipment payable in monthly payments of \$6,191, including interest at 5.59%, through March 2013

The following table reflects the maturity schedule of this obligation and the anticipation interest payments of the \$18,000,000 Hospital Revenue Bonds:

	Revenue Bonds		Tax Certificate		Capital Lease Obligation	
	Principal	Interest	Principle	Interest	Principal	Interest
FYE March 31, 2011	\$ 217,740	\$ 936,434	\$ 155,000	\$ 16,460	\$ 64,779	\$ 9,515
FYE March 31, 2012	230,820	924,444	160,000	14,135	68,494	5,800
FYE March 31, 2013	242,072	911,780	165,000	10,935	66,330	1,871
FYE March 31, 2014	258,507	898,324	167,751	5,985	-	-
FYE March 31, 2015	273,130	883,963	-	-	-	-
FYE March 31, 2016-2020	1,620,204	4,172,715	-	-	-	-
FYE March 31, 2021-2025	2,164,233	3,654,799	-	-	-	-
FYE March 31, 2026-2030	2,777,888	2,953,158	-	-	-	-
FYE March 31, 2031-2035	3,124,226	2,141,889	-	-	-	-
FYE March 31, 2036-2040	3,588,181	1,130,171	-	-	-	-
FYE March 31, 2041-2045	1,824,000	496,560	-	-	-	-
FYE March 31, 2046-2050	1,414,046	101,262	-	-	-	-
	\$17,735,047	\$19,205,499	\$ 647,751	\$ 47,515	\$ 199,603	\$ 17,186

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT

MARCH 31, 2010

NOTES TO FINANCIAL STATEMENTS

9. **Pension Plan**

Plan Description

The Hospital is a member of the Parochial Employees' Retirement System of Louisiana – Plan B. All full time employees participate in this plan. All full-time, permanent employees working at least 28 hours per week who are paid wholly or in part from the Hospitals funds are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or calling (225) 928-1361.

Funding policy

The Plan B fund is financed by employee contributions of 3% and 3% for 2010 and 2009, respectively, and employer contributions as determined by the Public Retirement Systems' Actuarial Committee. The Actuarial committee has determined that the employer contribution rate for 2010 and 2009 to be 10.00% and 6.25%, respectively. The actuarial cost method used for Plan B is the aggregate actuarial cost method with allocation based on earnings. The normal cost is interest adjusted for midyear payment. The ratio of assets to the pension benefit obligation in Plan B was 96% and 92% at December 31, 2010 and 2009 respectively.

Total pension expense was \$379,035 for the year ended March 31, 2010, and \$301,913 for the year ended March 31, 2009.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT

MARCH 31, 2010

NOTES TO FINANCIAL STATEMENTS

10. Risk Management

The Hospital is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Hospital is a member of two separate trust funds established by the Louisiana Hospital Association that encompasses self insurance of (1) Hospital professional liability and comprehensive general liability, and (2) Statutory workers' compensation. The Hospital carries commercial insurance for all other risk of loss.

The trust funds for professional liability/comprehensive general liability and statutory workers compensation are pooling arrangements whereby there is a sharing of risk among the participants of the trust funds. The Hospital reports its premiums as insurance expenditures and expenses these premiums over the pro rata periods involved.

11. Commitments and contingencies

Various lawsuits are pending against the Hospital. In the opinion of Hospital's management, the potential loss on lawsuits will not be material to the Hospital's basic financial statements.

12. St. James Home Care

The Hospital entered into a cooperative endeavor agreement with Louisiana Health Care Group to provide home health services as St. James Home Care through December 31, 2005. All amounts recorded, received and owed have been reflected in other operating revenues over the life of the agreement. The Hospital received monies in excess of the agreement and has reflected these overpayments as accounts payable.

13. Subsequent Event

Management has evaluated subsequent events through the date that the financial statements were available to be issued, August 19, 2010, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT

Lutcher, Louisiana

SUPPLEMENTAL SCHEDULES

MARCH 31, 2010 AND 2009

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
A COMPONENT UNIT OF ST. JAMES PARISH COUNCIL

Lutcher, Louisiana

STATEMENTS OF NET PATIENT REVENUES

Schedule I

YEARS ENDED MARCH 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
PATIENT SERVICE REVENUES		
Room and nursing	\$ 1,060,504	1,053,818
Sleep study	642,182	460,404
Anesthesiology	234,780	241,435
Operating room	2,044,665	1,890,614
Emergency room	4,842,160	4,817,868
Respiratory therapy	793,195	886,841
Speech therapy	138,369	76,421
Occupational Therapy	225,964	199,489
Physical therapy	1,142,923	1,110,815
Central services and supply	1,186,632	1,094,181
Laboratory	4,699,609	4,018,734
Pharmacy	2,504,805	2,283,840
Radiology	1,605,389	1,293,046
Cardiology	139,022	292,197
Nuclear medicine	940,845	979,216
CT Scan	3,867,339	3,239,562
Wound Care	406,072	252,976
Ultrasound	555,863	563,911
Mammography	110,843	100,150
MRI	151,234	-
Other services	317,823	163,975
Total patient service revenues	<u>27,610,218</u>	<u>25,019,493</u>
Contractual adjustments and allowances	(9,419,090)	(7,686,593)
Provisions for bad debts	(3,202,530)	(2,890,913)
	<u>(12,621,620)</u>	<u>(10,577,506)</u>
Net patient service revenues	<u>\$ 14,988,598</u>	<u>\$ 14,441,987</u>

**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
St. James Parish Hospital Service District
of St. James Parish, Louisiana
Lutcher, Louisiana

We have audited the financial statements of the St. James Parish Hospital Service District of St. James Parish, Louisiana, a component unit of the St. James Parish Council, as of and for the year ended March 31, 2010, which collectively comprise of the St. James Parish Hospital Service District's basic financial statements and have issued our report thereon dated August 19, 2010. 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 St. James Parish Hospital Service District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. James Parish Hospital Service District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the St. James Parish Hospital Service District's internal control over financial reporting.

A deficiency in internal controls 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 misstatements on a timely basis. A material weakness is a deficiency, or 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 St. James Parish Hospital Service District'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 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 or other matters that are required to be reported under *Government Auditing Standards*.

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



Gonzales, Louisiana

August 19, 2010

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED MARCH 31, 2010

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of St. James Parish Hospital Service District of St. James Parish, Louisiana as of and for the year ended March 31, 2010.
2. No significant deficiencies were reported during the audit of the financial statements.
3. No instance of noncompliance material to the financial statements of St. James Parish Hospital Service District was reported in Part C of this Schedule.

B. FINDINGS-FINANCIAL STATEMENT AUDIT

None

C. COMPLIANCE WITH STATE LAWS AND REGULATIONS

None

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT

SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED MARCH 31, 2010

A. INTERNAL CONTROL

None

B. COMPLIANCE WITH STATE LAWS AND REGULATIONS

None