

LEWALIE GENERAL HOSPITAL  
 GENERAL LONG-TERM DEBT ACCOUNT GROUP  
 STATEMENT OF GENERAL LONG-TERM DEBT  
 YEARS ENDED SEPTEMBER 30, 1994, 1993 AND 1992

	1994	1993	1992
<u>AMOUNT AVAILABLE AND TO BE PROVIDED FOR</u>			
<u>REPAYMENT OF GENERAL LONG-TERM DEBT</u>			
Serial Bonds			
Amount available in Debt Service Fund	\$ 383,912	\$ 383,083	\$ 359,408
Amount to be provided	<u>342,028</u>	<u>213,912</u>	<u>380,833</u>
Total	<u>\$ 725,940</u>	<u>\$ 596,995</u>	<u>\$ 740,241</u>
 <u>GENERAL LONG-TERM DEBT PAYABLE</u>			
Serial Bonds Payable	<u>\$ 323,000</u>	<u>\$ 325,000</u>	<u>\$ 300,000</u>

See the accompanying notes to the financial statements.

LAHILLE GENERAL HOSPITAL  
HOSPITAL ENTERPRISE FUND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED SEPTEMBER 30, 1996, 1995 AND 1994

NOTE 13 - NET PATIENT SERVICE REVENUE (Continued)

Risk Share - Inpatient services rendered to Blue Cross subscribers are reimbursed at prospectively determined rates per day of hospitalization. The prospectively determined per-diem rates are not subject to retroactive adjustment.

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

NOTE 14 - PROFESSIONAL LIABILITY RISK

The District participates in the Louisiana Patient's Compensation Fund ("PCF") established by the State of Louisiana to provide medical professional liability coverage to health care providers. The fund provides for \$400,000 in coverage per occurrence above the first \$100,000 per occurrence for which the District is at risk. The fund places no limitation on the number of occurrences covered. In connection with the establishment of the Patient's Compensation Fund, the State of Louisiana enacted legislation limiting the amount of settlement for professional liability to \$180,000 per occurrence and limited the PCF's exposure to \$400,000 per occurrence.

The District's membership in the Louisiana Hospital Association Trust Fund provides additional coverage for professional medical malpractice liability. The trust fund bills members in advance, based upon an estimate of their exposure. At policy year-end, premiums are redetermined utilizing actual losses of the District. The trust fund programs to be a "Crossover Trust" and, accordingly, income and expenses are projected to member hospitals. The District includes payments received from the trust as a reduction of expense in the period received.

NOTE 15 - COMMITMENTS AND CONTINGENCIES

The District evaluates contingencies based upon the best available evidence. The District believes that no allowances for loss contingencies are considered necessary. To the extent that resolution of contingencies results in amounts which vary from the District's estimates, future earnings will be charged or credited.

LEWIS AND CLARK GENERAL HOSPITAL  
HOSPITAL, ENTERPRISE FUND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED SEPTEMBER 30, 1998, 1995 AND 1994

**NOTE 13 - COMMITMENTS AND CONTINGENCIES (Continued)**

The principal contingencies are described below:

**Governmental Third-Party Reimbursement Programs (Note 6)** - The District is contingently liable for retroactive adjustments made by the Medicare and Medicaid programs as the result of their examinations as well as retroactive changes in interpretations applying statutes, regulations and general instructions of these programs. The amount of such adjustments cannot be determined.

Further, in order to continue receiving reimbursement from the Medicare program, the District entered into an agreement with a government agent allowing the agent access to the District's Medicare patient medical records for purposes of making medical necessity and appropriate level of care determinations. The agent has the ability to deny reimbursement for Medicare patient claims which have already been paid to the District. The amount of such adjustments cannot reasonably be determined.

**Professional Liability Risk (Note 14)** - The District is contingently liable for losses from professional liability not underwritten by the Louisiana Patient's Compensation Fund of the Louisiana Hospital Association Trust Fund as well as for assessments by the Louisiana Hospital Association Trust Fund.

**Worker's Compensation Risk** - The District participates in the Louisiana Hospital Association Self-Insurance Worker's Compensation Trust Fund. Should the Fund's assets not be adequate to cover claims made against it, the District may be assessed its pro rata share of the resulting deficit. It is not possible to estimate the amount of additional assessments, if any. Accordingly, the District is contingently liable for assessments by the Louisiana Hospital Association Trust Fund.

**Litigation and Other Matters** - Various claims in the ordinary course of business are pending against the District. In the opinion of management and counsel, insurance is sufficient to cover adverse legal determinations in those cases where a liability can be measured.

**NOTE 14 - CHARITY CARE**

The District has a policy of providing charity care to indigent patients who meet certain criteria under its charity care policy. The cost of the charity care was \$12,467, \$18,244 and \$13,334 for the fiscal years ended in 1998, 1995 and 1994, respectively.

LEWIS GENERAL HOSPITAL  
 COMBINE REVENUE  
 UNRESTRICTED FUND  
 YEARS ENDED SEPTEMBER 30, 1986, 1985 AND 1984

	<u>1986</u>	<u>1985</u>	<u>1984</u>
Purchase discounts taken	\$ 0,160	\$ 0,438	\$ 0,078
Warding base-dietary contract	228,771	267,106	263,168
Cafeteria	179,683	205,191	118,648
Co. rentals	1,854	3,303	1,895
Medical records abstracts	4,805	5,642	6,597
Vending	1,475	1,843	3,735
Warding base losses	181,380	284,800	204,000
Ambulance reimbursement	85,283	88,100	104,838
Warding base accounting fees	8,180	8,000	8,100
Miscellaneous revenue	<u>738</u>	<u>228</u>	<u>2,552</u>
Total	<u>\$ 853,686</u>	<u>\$ 808,294</u>	<u>\$ 813,168</u>

LOCALIE GENERAL HOSPITAL  
SALARIES AND BENEFITS  
UNRESTRICTED FUND  
YEARS ENDED SEPTEMBER 30, 1996, 1995 AND 1994

	1996	1995	1994
Administration	\$ 557,270	\$ 541,471	\$ 537,839
Plant operations and maintenance	141,568	137,143	131,488
Laundry	81,538	78,632	75,447
Housekeeping	86,158	84,633	79,225
Dietary and cafeteria	257,351	242,608	178,527
Nursing administration	184,478	158,414	144,589
Medical records	75,706	69,083	62,089
Printing services	884,178	1,429,903	938,188
Skilled nursing services	283,348	215,850	218,724
Grand aids	38,849	8,344	-
Operating room	38,828	33,825	27,038
Recovery room	4,344	3,557	3,859
Radiology	134,836	134,803	118,154
Laboratory	138,421	138,881	123,614
Respiratory therapy	121,026	144,329	139,403
Physical therapy	28,476	18,084	11,458
Central supply	74,028	78,421	67,473
Pharmacy	123,001	132,084	107,588
Emergency room	268,353	272,744	288,848
Observation	3,485	349	288
Substance	141,483	134,524	127,389
Rose health	420,838	336,347	353,481
<b>Total salaries</b>	<u>\$ 4,201,133</u>	<u>\$ 3,871,776</u>	<u>\$ 3,684,561</u>
WCA/Medical Security	87,853	79,277	142,888
Hospital Insurance	343,751	343,596	293,436
Other	284,873	88,840	18,080
<b>Total benefits</b>	<u>\$ 716,477</u>	<u>\$ 511,713</u>	<u>\$ 454,404</u>
<b>Total salaries and benefits</b>	<u>\$ 4,917,610</u>	<u>\$ 4,383,489</u>	<u>\$ 4,138,965</u>

LACUILE GENERAL HOSPITAL  
 MEDICAL SUPPLIES AND DRUGS  
 UNRECORDED FUND  
 YEARS ENDED SEPTEMBER 30, 1964, 1965 AND 1966

	1964	1965	1966
Nursing services	\$ 33,380	\$ 38,485	\$ 35,811
Wound care	125	73	-0-
Outbed nursing	85	369	82
Operating room	33,380	37,885	38,887
anesthesiology	435	535	1,875
Radiology	24,134	64,084	34,481
Laboratory and blood	14,198	21,178	14,334
IV therapy	79,094	85,807	82,115
Respiratory therapy	24,809	29,059	28,389
Physical therapy	2,514	2,287	4,465
Telemetry	4,513	4,801	3,473
Central supply	185,859	87,895	84,444
Pharmacy	535,948	587,545	555,583
Emergency room	5,383	5,315	6,554
ambulance	2,874	1,190	896
Home health	<u>31,901</u>	<u>88,866</u>	<u>62,812</u>
 Total medical supplies and drugs	 <u>\$ 814,682</u>	 <u>\$ 873,185</u>	 <u>\$ 886,521</u>

LAKELAND GENERAL HOSPITAL  
 HOSPITAL INTERFUND FUND  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED SEPTEMBER 30, 1994, 1993 AND 1992

**NOTE 11 - FAIR VALUES OF FINANCIAL INSTRUMENTS**

The following methods and assumptions were used by the District in estimating the fair value of its financial instruments:

**Cash and cash equivalents:** The carrying amount reported in the balance sheet for cash and cash equivalents approximates its fair value.

**Investments and limited-use assets:** These assets are carried in money market and certificates of deposit with maturities less than one year. The market value at year end approximates carrying value.

**Accounts payable, pension payable and accrued expenses:** The carrying amount reported in the balance sheet for accounts payable and accrued expenses approximates its fair value.

**Estimated third-party paper settlements:** The carrying amount reported in the balance sheet for estimated third-party paper settlements approximates its fair value.

**Long-term debt:** The fair value of the District's long-term debt is estimated using discounted cash flow analysis, based on the District's average incremental borrowing rates for similar types of borrowing arrangements.

	1994	
	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 627,155	\$ 627,155
Investments and limited-use assets	1,289,365	1,289,365
Accounts payable and accrued expenses	714,300	714,300
Estimated third-party paper settlements	62,396	62,396
Long-term debt	1,567,582	1,514,893

**NOTE 12 - PRIOR PERIOD ADJUSTMENT**

An adjustment was made to Fund Balance as of September 30, 1993 in correct errors in accumulated depreciation made in previous years.

LESALE GENERAL HOSPITAL  
 BENEFIT SERVICE FUND  
 BALANCE SHEETS  
 SEPTEMBER 30, 1936, 1935 AND 1934

	1936	1935	1934
ASSETS			
Cash	\$ 18,386	\$ 37,183	\$ 37,340
Certificates of deposit	364,389	349,813	328,847
Accrued interest receivable	<u>16</u>	<u>1,822</u>	<u>5,121</u>
Total assets	\$ <u>382,811</u>	\$ <u>388,818</u>	\$ <u>371,308</u>
FUND BALANCE			
Fund balance	\$ <u>382,811</u>	\$ <u>388,818</u>	\$ <u>371,308</u>

See the accompanying notes to the financial statements.

LAKELIE GENERAL HOSPITAL  
 PROFESSIONAL FEES  
 UNRESTRICTED FUND  
 YEARS ENDED SEPTEMBER 30, 1996, 1995 AND 1994

	1996	1995	1994
Grand care	\$ 153,834	\$ 31,377	\$ -0-
Skilled nursing	400	8,485	3,258
Anesthesiology	49,505	33,182	46,943
Radiology	111,548	115,588	112,696
Laboratory	114,384	138,094	160,700
Physical therapy	173,442	388,738	152,488
Occupational therapy	-0-	1,897	-0-
Speech therapy	2,123	893	-0-
MDL 828	80,890	88,385	62,498
Emergency room	384,812	583,403	570,312
Home health	<u>7,821</u>	<u>8,330</u>	<u>3,832</u>
 Total professional fees	 <u>\$ 1,382,481</u>	 <u>\$ 1,328,806</u>	 <u>\$ 1,094,112</u>

LASALLE GENERAL HOSPITAL  
DEBT SERVICE FUND AND GENERAL LONG-TERM DEBT ACCOUNT GROUP  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED SEPTEMBER 30, 1994, 1993 AND 1994

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Debt Service Fund

The debt service fund was established to receive ad valorem taxes collected and to repay 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 unsecured public improvement bonds that are funded by ad valorem tax revenues.

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 taxes collected.

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.

Subjects

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

NOTE 2 - DEPOSITS

Certificates of Deposit at September 30, 1994, 1993 and 1994 with the depository bank are covered at the balance sheet date by Federal depository insurance coverage and by pledged securities.

LABALLE GENERAL HOSPITAL  
DEBT SERVICE FUND AND GENERAL LONG-TERM DEBT ACCOUNT GROUP  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED SEPTEMBER 30, 1990, 1991 AND 1992

**NOTE 3 - SERIAL BONDS PAYABLE**

Public Improvement Bonds dated May 3, 1971, mature serially in \$5,000 denominations on May 1st of each year with interest payable on May 1st and November 1st at various rates from 12 to 1.00 per annum.

At September 30, 1992, there were outstanding bonds in an amount of \$513,000, as detailed below:

<u>Years</u>	<u>Bond Number</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1987	156 to 178	\$ 75,000	\$ 30,187	\$ 105,187
1988	171 to 188	80,000	25,875	105,875
1989	187 to 203	85,000	21,275	106,275
2000	204 to 221	90,000	15,387	105,387
2001	222 to 240	95,000	11,312	106,312
2002	241 to 260	<u>100,000</u>	<u>5,350</u>	<u>105,350</u>
Total		\$ <u>515,000</u>	\$ <u>118,686</u>	\$ <u>633,686</u>

LADALLE GENERAL HOSPITAL  
OTHER EXPENSES  
UNCONSTRICTED FUND  
YEARS ENDING SEPTEMBER 30, 1984, 1985 AND 1986

	1984	1985	1986
Contract services	\$ 7,794	\$ 8,755	\$ 1,793
Consultants	19,172	18,768	25,109
Legal	30,324	42,673	45,377
Supplies	643,819	659,498	688,819
Repairs and maintenance	212,294	272,263	287,518
Utilities	192,863	184,872	197,828
Telephones	51,742	27,296	28,854
Travel	45,258	41,280	45,676
Supplies	46,706	47,894	38,349
Advertising	10,369	10,225	18,006
Books and subscriptions	29,736	27,348	38,427
Recruitment	82,215	804	9,099
Miscellaneous	<u>28,718</u>	<u>32,951</u>	<u>45,473</u>
Total other expenses	<u>\$ 1,662,836</u>	<u>\$ 1,762,369</u>	<u>\$ 1,829,329</u>

LANSILLE FEDERAL HOSPITAL  
HOSPITAL ENTERPRISE FUND  
NOTE TO FINANCIAL STATEMENTS  
YEARS ENDED SEPTEMBER 30, 1996, 1995 AND 1994

**NOTE 12 - LONG-TERM DEBT (Continued)**

a table of annual debt service requirements follows:

Years Ending September 30,	Capital Leases	Revenue Bonds	Total
1997	\$ 9,790	\$ 185,000	\$ 194,790
1998	8,900	185,000	193,900
1999	0-	185,000	185,000
2000	0-	215,000	215,000
2001	0-	230,000	230,000
2002	0-	245,000	245,000
2003	0-	255,000	255,000
	18,690	1,535,000	1,553,690
Less amount representing interest on capital lease obligations	1,208	-	1,208
Total	\$ 17,482	\$ 1,535,000	\$ 1,552,518

**NOTE 13 - NET PATIENT SERVICE REVENUE**

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

**Medicare** - Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Certain outpatient services related to Medicare beneficiaries are paid based on a cost reimbursement methodology. The District is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the District and audit thereof by the Medicare fiscal intermediary. The District's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the District. Some health is reimbursed based upon a cost reimbursement methodology which is subject to limits on a cost per visit basis. The District's Medicare cost reports have been audited by the Medicare fiscal intermediary through September 30, 1995.

**Medicaid** - Inpatient services prior to July 1, 1994 and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology (subject to a maximum per patient for inpatient services). Effective July 1, 1994, Medicaid inpatient services are reimbursed based on a prospectively determined per diem rate. The District is reimbursed at a tentative rate for cost based services with final settlement determined after submission of annual cost reports by the District and audit thereof by the Medicaid fiscal intermediary. The District's Medicaid cost reports have been audited by the Medicaid fiscal intermediary through September 30, 1994.

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
STRUCTURE BASED ON AN ASSESS OF GENERAL PURPOSE FINANCIAL  
STATEMENTS CONDUCTED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
Hospital Service District No. 2  
of the Parish of Lafaille, State of Louisiana  
(Lafaille General Hospital)  
Jena, Louisiana

We have audited the financial statements of Lafaille General Hospital (the District) for the years ended September 30, 1994, 1995 and 1996 and have issued our report thereon, dated February 3, 1997.

We conducted our audits in accordance with generally accepted auditing standards and 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.

In planning and performing our audits of the financial statements of the District for the years ended September 30, 1994, 1995 and 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

The management of the District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, policies and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projections of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

SUPPLEMENTAL INFORMATION

LABALE GENERAL HOSPITAL  
PATIENT STATISTICS  
YEARS ENDED SEPTEMBER 30, 1938, 1939 AND 1940

	1938	1939	1940
Number of Hospital Patients Days of Care			
Medicare	8,558	90,766	9,525
Medicaid	1,503	1,811	1,795
Other	<u>682</u>	<u>826</u>	<u>1,209</u>
Total	<u>11,213</u>	<u>13,503</u>	<u>12,529</u>
Number of Hospital Patient Discharges			
Medicare	1,988	3,413	1,761
Medicaid	287	312	364
Other	<u>182</u>	<u>155</u>	<u>181</u>
Total	<u>2,457</u>	<u>3,880</u>	<u>2,216</u>
Average Length of Patient's Stay			
Medicare	7.18	7.61	7.48
Medicaid	6.93	5.89	5.07
Other	4.79	7.33	6.68
All Patients	<u>7.28</u>	<u>7.27</u>	<u>7.05</u>
Number of Surgical Cases	<u>99</u>	<u>82</u>	<u>90</u>
Number of Home Health Visits	<u>13,828</u>	<u>18,612</u>	<u>16,778</u>
Number of Emergency Room Visits	<u>8,138</u>	<u>9,756</u>	<u>8,758</u>

There were no matters noted involving the internal control structure and its operations that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

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.

*Earley, Linton & Wells*

Certified Public Accountants

February 3, 1997

LABALE GENERAL HOSPITAL  
HEALTH SERVICE FUND  
STATEMENTS OF REVENUES AND EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED SEPTEMBER 30, 1994, 1993 AND 1992

	1994	1993	1992
Revenues			
ad valorem taxes	\$ 80,468	\$ 88,807	\$ 108,784
Interest income	<u>13,609</u>	<u>19,733</u>	<u>35,321</u>
Total revenues	<u>194,077</u>	<u>108,540</u>	<u>144,105</u>
Expenditures			
Bonds redeemed	18,000	65,800	60,000
Interest on bonds	34,188	18,875	59,893
Fiscal agent fees	<u>180</u>	<u>80</u>	<u>270</u>
Total expenditures	<u>52,368</u>	<u>84,755</u>	<u>120,163</u>
Excess of revenues (expenditures)	(111)	24,035	7,374
Fund balance, beginning of year	<u>185,883</u>	<u>169,608</u>	<u>162,234</u>
Fund balance, end of year	<u>\$ 185,872</u>	<u>\$ 193,643</u>	<u>\$ 169,608</u>

See the accompanying notes to the financial statements.

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Hospital Service District No. 7  
of the Parish of LaSalle,  
State of Louisiana  
("LaSalle General Hospital")  
Jena, Louisiana

We have audited the accompanying general purpose financial statements of LaSalle General Hospital as of and for the years ended September 30, 1994, 1995 and 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These 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 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 LaSalle General Hospital as of September 30, 1996, 1995 and 1994, and the results of its operations and cash flows of its proprietary fund for the years then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated February 5, 1997 on our consideration of LaSalle General Hospital's internal control structure and a report dated February 5, 1997 on its compliance with laws and regulations.

LABALLE GENERAL HOSPITAL,  
HOSPITAL ENTERPRISE FUND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED SEPTEMBER 30, 1978, 1979 AND 1984

**NOTE 1 - ORGANIZATION AND OPERATIONS**

**Legal Organization**

Laballe Parish Hospital Service District No. 7, State of Louisiana (referred to as "the District") was created in 1968 by the Laballe Parish Police Jury.

The District is a political subdivision of the Laballe Parish Police Jury whose jurors are elected officials. Its five Commissioners are appointed by the Laballe Parish Police Jury. As the governing authority of the Parish, for reporting purposes, the Laballe Parish Police Jury is the financial reporting entity for the District. Accordingly, the District was determined to be a component unit of the Laballe 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 District and do not present information on the police jury, the general governmental services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

**Nature of Business**

The District provides outpatient, emergency, skilled nursing, acute inpatient hospital services and home health services.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the District conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

**Enterprise Fund**

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

LAFOLLE GENERAL HOSPITAL  
HOSPITAL ENTERPRISE FUND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED SEPTEMBER 30, 1986, 1985 AND 1984

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Method of Accounting**

The District uses the accrual method of accounting. Revenue is reported when earned, net of the provision for contractual adjustments based upon each payer's agreement with the District. Hospital accounting and reporting procedures conform to the requirements of Louisiana Revised Statute 24:514 and to the guide set forth in the Louisiana Governmental Audit Guide, the AICPA *Guide of Principles of Health Care Accounting*, published by the American Institute of Certified Public Accountants, and standards set by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**Local Taxes**

The entity is a political subdivision and exempt from taxation.

**Credit Risk**

The District provides medical care primarily to Lafolle Parish residents and grants credit to patients, substantially all of whom are local residents.

The District's estimate of collectibility is based on an evaluation of historical collections compared to gross revenues to establish an allowance for uncollectible accounts.

**Net Patient Service Revenue, Revenue**

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

**Significant Concentration of Economic Dependence**

The District has an economic dependence on a small number of staff physicians. Several physicians admit the majority of the District's patients.

LEAHLE GENERAL HOSPITAL  
HOSPITAL ESTABLISHMENT FUND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED SEPTEMBER 30, 1996, 1995 AND 1994

NOTE 7 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Notes Receivable - Students

Payments are made to medical and nursing students as incentives to locate at the District upon graduation. Payments are expensed in the period earned. Notes receivable are established only if the student fails to graduate or locate at the District.

Inventory

Inventory is stated at the lower of cost or market value. Cost is determined by the first-in, first-out method.

Statement of Revenue and Expense

For purposes of display, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as revenues and expenses. Peripheral or incidental transactions are reported as gains and losses.

Property, Plant and Equipment

Property, plant and equipment is recorded at cost for purchased assets or at fair market value on the date of any donation. The District uses straight-line depreciation for financial reporting and third party reimbursement. The following estimated useful lives are generally used.

Buildings	25 to 60 years
Machinery and Equipment	5 to 20 years
Furniture and Fixtures	5 to 15 years

Expenditures for additions, major renewals and betterments are capitalized and expenditures for maintenance and repairs are charged to operations when incurred.

The cost of assets retired or otherwise disposed of and related accumulated depreciation are eliminated from the accounts in the year of disposal. Gain or losses resulting from property disposals are credited or charged to operations accordingly.

Changes in Reporting Classifications

The classification of certain prior year amounts have been changed to reflect consistency reporting when compared to current year balances. The financial statements format has been changed to reflect changes in the NCCHS Audit and Accounting Guide - Health Care Organizations, issued June 1, 1996.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
BASED ON AN AGENT OF GENERAL PURPOSE  
FINANCIAL STATEMENTS IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
Hospital Service District No. 2  
of the Parish of Lafourche, State of Louisiana  
("Lafourche General Hospital")  
Juno, Louisiana

We have audited the financial statements of Lafourche General Hospital (the District) as of and for the years ended September 30, 1986, 1985 and 1984 and have issued our report thereon dated February 5, 1993.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

While performing our audit, we read the responses to the questions in the attached Systems Survey and Compliance Questionnaire completed by management and adopted by the Board of Commissioners and found no evidence that would indicate that the Hospital Service District had not answered the questions correctly. However, it should be noted that our audit was not directed primarily towards the answers to the questions in the questionnaire.

Compliance with laws, regulations, contracts and grants applicable to Lafourche General Hospital is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grants. However, it should be noted that our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests indicate that, with respect to the items tested, the District complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with these provisions.

Board of Commissioners  
Lafayette General Hospital  
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.

*Earley, Lester & Wills*

Certified Public Accountants

February 5, 1963



LEWIS GENERAL HOSPITAL  
 NET PATIENT SERVICE REVENUE  
 UNRESTRICTED FUND  
 YEARS ENDED SEPTEMBER 30, 1996, 1995 AND 1994

	1996	1995	1994
<b>Respite services:</b>			
Adults and pediatric	\$ 2,045,198	\$ 2,334,623	\$ 2,020,648
Skilled nursing	<u>714,148</u>	<u>754,359</u>	<u>758,185</u>
Total respite services	<u>2,759,346</u>	<u>3,088,982</u>	<u>2,778,833</u>
<b>Other professional services:</b>			
Operating room	182,458	387,825	382,468
Recovery room	9,389	10,110	7,462
Anesthesiology	75,321	82,344	84,745
Radiology	1,014,644	1,142,194	1,034,180
Laboratory and blood	1,209,318	1,313,098	1,069,757
IV therapy	428,518	433,358	363,180
Respiratory therapy	1,331,865	1,448,348	1,208,335
Physical therapy	885,319	972,099	993,218
Occupational therapy	-	7,228	1,792
Speech therapy	3,422	4,093	2,574
EEG, EEG, telemetry	831,439	889,337	882,598
Medical supply	843,781	528,381	831,835
Pharmacy	4,127,427	4,489,324	3,727,385
Oral care	305,752	24,425	-
Emergency services	653,614	645,190	628,824
Observation room	22,805	64,863	62,262
Substance abuse	265,820	288,064	154,044
Home health services	1,349,628	1,357,803	1,124,593
Resolving beds	<u>-21</u>	<u>-10</u>	<u>1,268</u>
Total other professional services	<u>14,028,383</u>	<u>14,624,882</u>	<u>12,360,217</u>
Total patient service revenue	16,787,729	17,714,464	14,839,050
<b>Deductions from revenue</b>			
Medicare and Medicaid contractual adjustments	7,682,548	7,845,213	6,531,224
Employee assignments	7,224	9,289	7,589
Uncompensated services	22,624	29,683	21,247
Other	<u>131,385</u>	<u>67,840</u>	<u>28,726</u>
Total Deductions from Revenue	<u>7,743,781</u>	<u>7,952,025</u>	<u>6,588,786</u>
Net patient service revenue	<u>\$ 9,043,948</u>	<u>\$ 9,762,439</u>	<u>\$ 8,250,264</u>

Board of Commissioners  
Hospital Service District No. 2  
of the Parish of Lafourcade  
Page Two

Our audits were conducted for the purpose of forming an opinion on the general purpose financial statements, as stated in the preceding paragraph, taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*Barley, Lester & Wells*

Certified Public Accountants

February 5, 1993

LASALLE GENERAL HOSPITAL  
HOSPITAL ENTERPRISE FUND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED SEPTEMBER 30, 1994, 1993 AND 1992

**NOTE 4 - ACCOUNTS RECEIVABLE**

A summary of accounts receivable is presented below:

	<u>1994</u>	<u>1993</u>	<u>1992</u>
Patients	\$ 1,634,381	\$ 1,835,289	\$ 1,671,373
Estimated third-party payer settlements	458,296	(69,058)	182,679
Other receivables	<u>41,818</u>	<u>30,831</u>	<u>60,887</u>
	2,142,494	1,805,062	1,914,939
Estimated uncollectibles	<u>(263,063)</u>	<u>(256,824)</u>	<u>(183,852)</u>
Total	<u>\$ 1,879,431</u>	<u>\$ 1,548,238</u>	<u>\$ 1,731,087</u>

Included in estimated third-party payer settlements for FY 1994 are settlements of \$184,737 from the Medicaid program for the excess cost over the TRPA target rate for the years ended September 30, 1993 and 1994. Medicaid revenue related to this target rate excess wasn't recognized in previous years due to non approval of a proposed "Under 60 bed" rule, which exempted Turah hospitals with less than 60 beds from the Medicaid TRPA target rate. The Health Care Financing Administration retroactively approved this rule during FY 1995. Accordingly, the District has recognized the entire \$184,737 in net patient revenue for FY 1995.

The District generates a substantial portion of its charges from the Medicare and Medicaid programs at discounted rates. A summary of gross Medicare and Medicaid charges for the years ended September 30, 1994, 1993 and 1992 follows:

	<u>1994</u>	<u>1993</u>	<u>1992</u>
Medicare patients	\$ 12,907,639	\$ 13,411,171	\$ 11,037,290
Medicaid patients	<u>1,611,631</u>	<u>1,385,618</u>	<u>1,718,983</u>
Total	<u>\$ 14,519,270</u>	<u>\$ 14,796,789</u>	<u>\$ 12,756,273</u>
Percent of all patients	<u>83%</u>	<u>83%</u>	<u>83%</u>

LEWIS GENERAL HOSPITAL  
HOSPITAL INTERFUND FUND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED SEPTEMBER 30, 1994, 1993 AND 1992

**NOTE 10 - COMPENSATED ABSENCES**

Employees of the District are entitled to paid vacation and sick days depending on job classifications, lengths of service and other factors. It is impracticable to estimate the amount of accrued compensation for future unvested sick days and, accordingly, no liability has been recorded in the accompanying financial statements. However, vested vacation, sick and paid days off have been recorded as a liability in the accompanying financial statements as employee earning rates in effect at the balance sheet date.

**NOTE 11 - PENSION PLAN**

The District has a qualified contributory defined contribution plan providing retirement benefits for substantially all of its employees. Annually, the District contributes 5.1 percent of the salary of eligible employees to the plan. The plan administrator is Gardner and White. For the year ended September 30, 1994, employee contributions were \$224,840 and employer contributions were \$123,204.

**NOTE 12 - LONG-TERM DEBT**

A summary of long-term debt, including capital lease obligations at September 30, 1994, 1993 and 1992 follows:

	1994	1993	1992
5.8 percent Revenue Bonds due March 10, 2003, collateralized by a pledge of the District's revenues	\$ 1,530,000	\$ 1,755,000	\$ 1,875,000
5.1 percent note payable, due May 1, 1996, collateralized by a mortgage on the Harding Home	0	34,731	340,244
Capital lease obligation at 6.75 percent, collateralized by lease equipment with a cost of \$28,531 at September 30, 1994	37,582	32,423	0
Total long-term debt	1,567,582	1,789,754	1,915,244
Less current maturities of long-term debt	(193,831)	(268,823)	(256,823)
Long-term debt net of current maturities	<u>\$ 1,373,751</u>	<u>\$ 1,520,931</u>	<u>\$ 1,658,421</u>

LADALLE GENERAL HOSPITAL  
STATEMENTS OF CASH FLOW (Continued)  
UNRESTRICTED FUND  
YEARS ENDED SEPTEMBER 30, 1984, 1983 AND 1982

	1984	1983	1982
Cash flows from capital and related financing activities:			
Purchase of property and equipment	\$ (158,313)	\$ (203,138)	\$ (209,764)
Proceeds from sales of capital assets	2,168	2,425	2,428
Purchase of investments - bond reserves	(548,434)	(1,254,616)	(786,589)
Payments on long-term debt	(241,632)	(254,794)	(248,679)
Interest paid on long-term debt	692,691	799,481	(108,680)
Proceeds from investments - bond reserves	432,733	1,212,381	763,929
Investment Income	<u>28,439</u>	<u>28,281</u>	<u>34,252</u>
Net cash used by capital and related financing activities	<u>(662,852)</u>	<u>(668,572)</u>	<u>(601,363)</u>
Net Increase (decrease) in cash and cash equivalents	(652,397)	409,225	33,345
Cash and cash equivalents, beginning of year	<u>1,829,650</u>	<u>860,220</u>	<u>826,875</u>
Cash and cash equivalents, end of year	<u>\$ 1,177,253</u>	<u>\$ 1,279,445</u>	<u>\$ 860,220</u>
Supplemental disclosure of cash flow information:			
Cash paid during the period for:			
Interest	\$ <u>692,691</u>	\$ <u>799,481</u>	\$ <u>111,018</u>
Asset obtained under capital lease	\$ <u>15</u>	\$ <u>28,921</u>	\$ <u>0</u>

See the accompanying notes to the financial statements.

LABALLE GENERAL HOSPITAL  
STATEMENTS OF CASH FLOWS - UNRESTRICTED FUNDS  
YEARS ENDED SEPTEMBER 30, 1990, 1991 AND 1992

	1990	1991	1992
Cash flows from operating activities:			
Operating income (Loss)	\$ 260,730	\$ 712,420	\$ 366,620
Increase expense considered capital financing activity	82,451	98,401	184,680
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	380,340	385,336	396,601
Provision for bad debt	418,302	384,371	423,503
(Gain) loss on disposal of assets	4,334	(2,128)	(294)
(Increase) decrease in:			
Net patient accounts receivable	(210,188)	(242,000)	(200,424)
Estimated third party paper settlements	(303,294)	211,177	323,640
Inventory	13,734	(28,963)	1,518
Prepaid expenses	(4,637)	(12,877)	9,488
Other receivables	(9,988)	1,388	(2,054)
Increase (decrease) in:			
accounts payable	(10,471)	(51,628)	50,914
accrued expenses and withholdings payable	98,349	(52,212)	(6,215)
Retirement payable	<u>(28,830)</u>	<u>(82,000)</u>	<u>-0-</u>
Net cash provided (used) by operating activities	<u>389,862</u>	<u>1,366,716</u>	<u>1,217,520</u>
Cash flows from investing activities:			
Purchase of investments	(8,092,827)	(2,227,200)	(2,189,867)
Proceeds from investing activities	9,224,831	9,248,878	2,495,210
Investment income	<u>154,335</u>	<u>(12,430)</u>	<u>82,885</u>
Net cash provided by investing activities	<u>\$ (613,661)</u>	<u>\$ 2,009,148</u>	<u>\$ (611,772)</u>

See the accompanying notes to the financial statements.

LEWIS GENERAL HOSPITAL  
 STATEMENTS OF CHANGES IN FUND BALANCES - UNRESTRICTED FUND  
 YEARS ENDED SEPTEMBER 30, 1996, 1995 AND 1994

Fund balance, September 30, 1993	\$ 4,358,368
Prior period adjustments, September 30, 1993 (Note 18)	<u>83,861</u>
Revised fund balance, adjusted September 30, 1993	4,442,229
Excess of revenues over expenses	<u>368,172</u>
Fund balance, September 30, 1994	4,810,401
Excess of revenues over expenses	<u>873,666</u>
Fund balance, September 30, 1995	5,684,067
Excess of revenues over expenses	<u>668,603</u>
Fund balance, September 30, 1996	<u>\$ 6,352,670</u>
COMPOSITION OF FUND BALANCE AT SEPTEMBER 30, 1996:	
Contributions	\$ 2,568,521
Accumulated excess of revenues over expenses	<u>3,784,149</u>
Total Fund balance	<u>\$ 6,352,670</u>

See the accompanying notes to the financial statements.

LASALLE FEDERAL HOSPITAL  
 STATEMENTS OF OPERATIONS - UNRESTRICTED FUND  
 YEARS ENDED SEPTEMBER 30, 1998, 1997 AND 1996

	1998	1997	1996
<b>Revenue:</b>			
Net patient service revenue	\$ 9,098,315	\$ 9,240,315	\$ 8,781,666
Gains (losses) on disposal of equipment	(4,314)	2,329	568
Grant revenue	59,090	-	-
Other revenue	<u>867,686</u>	<u>808,386</u>	<u>803,366</u>
<b>Total revenue</b>	<u>\$ 9,997,881</u>	<u>\$ 10,051,030</u>	<u>\$ 9,588,600</u>
<b>Expenses:</b>			
Salaries and benefits	4,748,659	4,468,687	4,308,883
Medical supplies and drugs	914,689	971,184	898,321
Professional fees	1,269,684	1,278,804	1,094,717
Other expenses	1,667,838	1,360,309	1,300,307
Insurance	286,403	279,121	187,484
Retirement	227,418	273,487	85,383
Interest	80,871	98,461	106,680
Depreciation and amortization	397,349	399,316	396,651
Provision for bad debts	<u>616,322</u>	<u>366,112</u>	<u>633,303</u>
<b>Total expenses</b>	<u>\$ 9,729,153</u>	<u>\$ 9,751,408</u>	<u>\$ 8,768,122</u>
Operating income	268,728	299,622	266,615
Nonoperating income			
Interest income	<u>182,363</u>	<u>181,931</u>	<u>117,982</u>
<b>Excess of revenues over expenses</b>	<u>\$ 451,091</u>	<u>\$ 481,555</u>	<u>\$ 384,617</u>

See the accompanying notes to the financial statements.

LABALLE GENERAL HOSPITAL  
BALANCE SHEETS - UNRESTRICTED FUNDS  
SEPTEMBER 30, 1996, 1995 AND 1994

ASSETS	1996	1995	1994
<b>CURRENT RESOURCES:</b>			
Cash and cash equivalents (Note 1)	\$ 427,153	\$ 1,479,439	\$ 848,375
Investments (Note 4)	2,327,943	1,879,287	1,769,835
Accounts receivable net of estimated uncollectibles (Note 5)	1,781,427	1,427,208	1,582,522
Inventory	185,821	288,875	281,812
Prepaid expenses	35,350	82,513	28,826
<b>Total current assets</b>	<u>5,357,694</u>	<u>5,066,322</u>	<u>4,539,350</u>
<b>Assets whose use is limited under bond covenant agreement (Note 3)</b>	582,300	556,559	521,376
Property, plant and equipment, net (Note 3)	4,185,363	4,591,870	4,924,822
Other assets (Note 8)	2,122	7,331	7,133
<b>Total assets</b>	<u>\$ 10,318,239</u>	<u>\$ 10,312,122</u>	<u>\$ 9,612,181</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 542,841	\$ 558,412	\$ 280,840
Accrued expenses and withholdings payable (Note 9)	208,025	281,365	286,348
Current maturities of long-term debt	193,938	248,839	254,821
Portion payable	163,368	128,488	58,122
<b>Total current liabilities</b>	1,108,172	1,217,104	880,131
Long-term debt, net of current maturities (Note 12)	1,352,631	1,368,182	1,282,252
<b>Total liabilities</b>	2,460,803	2,585,286	2,162,383
Contingencies (Note 15)	-	-	-
<b>Fund Balance - unrestricted</b>	<u>7,857,436</u>	<u>7,726,836</u>	<u>7,449,798</u>
<b>Total liabilities and fund balance</b>	<u>\$ 10,318,239</u>	<u>\$ 10,312,122</u>	<u>\$ 9,612,181</u>

See the accompanying notes to the financial statements.

LAKELI GENERAL HOSPITAL  
HOSPITAL ENTERPRISE FUND  
NOTES TO FINANCIAL STATEMENTS  
THREE YEARS SEPTEMBER 30, 1994, 1995 AND 1996

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

The following is a summary of property, plant and equipment and related accumulated depreciation for the year ended September 30, 1994.

	ASSET COST			September 30, 1994
	September 30, 1993	Additions	Deletions	
Land	\$ 41,263	\$ 17,000	\$ -0-	\$ 58,263
Land improvements	154,243	9,440	-0-	163,683
Buildings and fixed equipment	7,392,497	33,878	-0-	7,426,375
Moveable equipment	1,882,825	27,734	30,350	1,880,209
Total	\$ 9,470,828	\$ 87,052	\$ 30,350	\$ 9,527,530

	ACCUMULATED DEPRECIATION			September 30, 1994
	September 30, 1993	Additions	Deletions	
Land improvements	\$ 135,087	\$ 2,150	\$ -0-	\$ 137,237
Buildings and fixed equipment	3,334,483	304,538	-0-	3,639,021
Moveable equipment	1,568,018	84,857	23,261	1,629,614
Total	\$ 5,037,588	\$ 611,545	\$ 23,261	\$ 5,675,872

The following is a summary of property, plant and equipment and related accumulated depreciation for the year ended September 30, 1995.

	ASSET COST			September 30, 1995
	September 30, 1994	Additions	Deletions	
Land	\$ 41,263	\$ -0-	\$ -0-	\$ 41,263
Land improvements	159,043	13,120	-0-	172,163
Buildings and fixed equipment	7,392,497	197,425	308	7,592,614
Moveable equipment	1,882,825	118,334	40,292	1,960,867
Total	\$ 9,476,628	\$ 328,979	\$ 40,599	\$ 9,765,008

	ACCUMULATED DEPRECIATION			September 30, 1995
	September 30, 1994	Additions	Deletions	
Land improvements	\$ 135,087	\$ 4,834	\$ -0-	\$ 139,921
Buildings and fixed equipment	3,334,483	199,433	13	3,533,919
Moveable equipment	1,568,018	108,763	62,281	1,614,500
Total	\$ 4,667,588	\$ 313,030	\$ 62,294	\$ 4,918,324

LAUREL GENERAL HOSPITAL  
HOSPITAL ENTERPRISE FUND  
FOUNDER TO FINANCIAL STATEMENTS  
YEARS ENDED SEPTEMBER 30, 1994, 1995 AND 1996

**NOTE 7 - PROPERTY, PLANT & EQUIPMENT (continued)**

The following is a summary of property, plant and equipment and related accumulated depreciation for the year ended September 30, 1996.

	ASSET COST			
	September 30, 1994	Additions	Deletions	September 30, 1996
Land	\$ 40,285	\$ -0-	\$ -0-	\$ 40,285
Land improvements	138,045	-0-	-0-	138,045
Buildings and fixed equipment	7,808,428	385,713	-0-	7,199,182
Leasable equipment	1,468,281	128,852	418	1,611,282
Total	<u>\$ 9,815,039</u>	<u>\$ 514,565</u>	<u>\$ 418</u>	<u>\$ 10,329,196</u>

	ACCUMULATED DEPRECIATION			
	September 30, 1994	Additions	Deletions	September 30, 1996
Land improvements	\$ 215,810	\$ 4,445	\$ -0-	\$ 220,255
Buildings and fixed equipment	3,821,554	118,387	-0-	3,939,941
Leasable equipment	1,282,251	113,157	-0-	1,395,408
Total	<u>\$ 5,320,615</u>	<u>\$ 236,089</u>	<u>\$ -0-</u>	<u>\$ 5,556,704</u>

**NOTE 8 - OTHER ASSETS**

Other assets consist of silver recovered from X-Ray films and converted to silver bars, carried at an estimated value at September 30, 1994, 1995 and 1996 of \$7,133.

**NOTE 9 - ACCRUED EXPENSES AND WITHHOLDINGS PAYABLE**

Accrued expenses and withholdings payable at September 30 consist of the following:

	1994	1995	1996
Accrued employee benefits payable	\$ 38,138	\$ 31,044	\$ 38,963
State unemployment taxes payable	2,600	3,302	3,515
Accrued interest payable	62,154	48,143	67,292
Accrued salaries and fees payable	68,389	64,878	70,043
Accrued compensated absences	143,385	145,964	149,893
Payroll withholdings	13,131	9,549	9,910
Louisiana mandated service charge	-0-	-0-	10
Total	<u>\$ 328,015</u>	<u>\$ 303,280</u>	<u>\$ 379,226</u>

LEWIS & CLARK GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDING SEPTEMBER 30, 1984, 1985 AND 1986

**NOTE 3 - CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist primarily of deposits in checking, money market and certificates of deposits with original maturities of 90 days or less. The following is a summary of cash and cash equivalents:

	<u>1984</u>		<u>1985</u>		<u>1986</u>
Petty Cash	\$ 885	\$	985	\$	885
Checking and Savings	<u>826,368</u>		<u>1,618,862</u>		<u>857,260</u>
Total	<u>\$ 827,253</u>	\$	<u>1,619,847</u>	\$	<u>858,145</u>

Two hundred thousand dollars of the above amount is covered by Federal Depository Insurance. The remaining balance, with the exception of petty cash, is covered by collateral held by the pledging financial institution's trust departments in the District's name.

**NOTE 4 - INVESTMENTS**

The District considers certificates of deposit with original maturities in excess of 90 days to be temporary cash investments. These certificates of deposit were covered by collateral held by the pledging financial institution's trust departments in the District's name.

**NOTE 5 - ASSETS UNDER USE IS LIMITED**

Assets whose use is limited consists of the following items at September 30:

	<u>1984</u>		<u>1985</u>		<u>1986</u>
Revenue Bond Sinking Fund	\$ 134,185	\$	153,868	\$	136,771
Revenue Bond Reserve Fund	<u>668,182</u>		<u>627,733</u>		<u>588,893</u>
Total	<u>\$ 802,367</u>	\$	<u>781,601</u>	\$	<u>725,664</u>

The Revenue Bond Sinking Fund and Revenue Bond Reserve Fund were required by the Former Home Administration revenue bond contracts. Monthly payments from the operating account are required by the revenue bond agreement.