

Financial Statements

Thibodaux Regional Medical Center

Years ended September 30, 2001 and 2000 with Report of Independent Auditors

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 3/27/02

Thibodaux Regional Medical Center

Financial Statements

Years ended September 30, 2001 and 2000

Contents

Report of Independent Auditors 1

Audited Financial Statements

Balance Sheets..... 2

Statements of Revenues, Expenses, and Fund Balance..... 4

Statements of Cash Flows 5

Notes to Financial Statements 6

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Report of Independent Auditors

The Board of Commissioners
Hospital Service District No. 3 of the
Parish of Lafourche, State of Louisiana

We have audited the accompanying balance sheets of Hospital Service District No. 3 of the Parish of Lafourche, State of Louisiana (d/b/a Thibodaux Regional Medical Center) (the Hospital), as of September 30, 2001 and 2000, and the related statements of revenues, expenses, and fund balance and cash flows for the years then ended. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Thibodaux Regional Medical Center at September 30, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2001 on our consideration of the Hospital's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Ernst & Young LLP

November 15, 2001

Thibodaux Regional Medical Center

Balance Sheets

	September 30	
	2001	2000
Assets		
Current assets:		
Cash and cash equivalents <i>(Note 7)</i>	\$ 6,471,918	\$ 5,955,934
Investments <i>(Note 7)</i>	5,523,953	5,089,085
Patient accounts receivable, less allowances for uncollectible accounts of \$11,034,000 in 2001 and \$9,795,000 in 2000	15,122,480	12,429,875
Assets whose use is limited and required for current liabilities <i>(Notes 4 and 7)</i>	1,556,820	1,668,210
Interest and other receivables	40,471	194,604
Inventories	938,351	1,070,211
Prepaid expenses	540,214	574,113
Total current assets	30,194,207	26,982,032
Assets whose use is limited, less amounts required for current liabilities <i>(Notes 4 and 7)</i>	69,324,136	55,457,484
Unamortized debt issuance costs	251,930	270,499
Other assets	—	17,500
Property, plant, and equipment:		
Land and land improvements	2,361,681	2,362,032
Buildings and fixed equipment	38,839,686	38,654,069
Equipment	30,457,967	30,141,036
Accumulated depreciation and amortization	(38,429,691)	(34,950,550)
Construction in progress	1,084,562	875,265
	34,314,205	37,081,852
	\$ 134,084,478	\$ 119,809,367

	September 30	
	2001	2000
Liabilities and fund balance		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,856,638	\$ 2,264,208
Employee compensation	3,025,803	2,722,682
Amounts due to contractual third-party payors <i>(Note 2)</i>	958,931	702,838
Payables related to assets whose use is limited <i>(Note 3)</i> :		
Construction accounts payable	669,572	669,572
Accrued interest	530,646	543,175
Amounts due within one year on long-term debt	500,000	470,000
Total current liabilities	<u>8,541,590</u>	<u>7,372,475</u>
Long-term debt, less amounts due within one year <i>(Note 3)</i>	<u>17,009,530</u>	<u>17,484,436</u>
Total liabilities	<u>25,551,120</u>	<u>24,856,911</u>
Fund balance	108,533,358	94,952,456
	<u><u>\$134,084,478</u></u>	<u><u>\$119,809,367</u></u>

See accompanying notes.

Thibodaux Regional Medical Center

Statements of Revenues, Expenses, and Fund Balance

	Year ended September 30	
	2001	2000
Net patient service revenue <i>(Note 2)</i>	\$ 71,587,157	\$ 64,980,183
Other revenue	903,219	1,053,257
Total revenue	72,490,376	66,033,440
Expenses:		
Salaries and wages	22,103,956	22,621,833
Employee benefits and payroll taxes	4,759,399	4,455,342
Professional fees	7,218,939	6,458,787
Supplies and materials	10,333,849	9,690,011
Purchased services	4,387,547	3,624,053
Provision for bad debts	4,996,517	3,771,423
Other	4,135,149	4,429,108
Depreciation and amortization	4,749,633	4,573,789
Interest	1,109,185	1,135,624
Total expenses	63,794,174	60,759,970
Income from operations	8,696,202	5,273,470
Nonoperating income (expense):		
Investment income	4,934,317	3,761,718
Other	(49,617)	(328,748)
Total nonoperating income	4,884,700	3,432,970
Revenue in excess of expenses	13,580,902	8,706,440
Fund balance at beginning of year	94,952,456	86,246,016
Fund balance at end of year	\$ 108,533,358	\$ 94,952,456

See accompanying notes.

Thibodaux Regional Medical Center

Statements of Cash Flows

	Year ended September 30	
	2001	2000
Operating activities		
Income from operations	\$ 8,696,202	\$ 5,273,470
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation and amortization	4,749,633	4,573,789
Interest expense on debt	1,109,185	1,154,555
Provision for doubtful accounts	4,996,517	3,771,243
Loss on sale of equipment	56,229	403,910
Changes in operating assets and liabilities:		
Increase in patient accounts receivable	(7,689,122)	(4,376,697)
Decrease in other receivables	8,235	52,945
(Increase) decrease in inventories and prepaid expenses	165,759	(33,921)
Increase (decrease) in accounts payable, accrued expenses, and employee compensation	895,551	(103,606)
Increase in amounts due to contractual third-party payors	256,093	246,868
Net cash provided by operating activities	13,244,282	10,962,556
Capital and related financing activities		
Purchases of property, plant, and equipment	(2,082,168)	(3,561,488)
Principal payments on debt incurred for capital purposes	(470,000)	(440,000)
Interest payments on debt	(1,077,858)	(1,101,610)
Net cash used in capital and related financing activities	(3,630,026)	(5,103,105)
Investing activities		
Interest received on investments	5,090,052	3,849,751
(Increase) decrease in funds designated under bond resolutions	(124,194)	583,394
Increase in funds designated by board for plant repair and expansion	(13,631,067)	(8,866,979)
Increase in investments	(434,868)	-
Other nonoperating income received	1,805	73,586
Net cash used in investing activities	(9,098,272)	(4,360,248)
Net increase in cash and cash equivalents	515,984	1,499,203
Cash and cash equivalents at beginning of year	5,955,934	4,456,731
Cash and cash equivalents at end of year	\$ 6,471,918	\$ 5,955,934

See accompanying notes.

Thibodaux Regional Medical Center

Notes to Financial Statements

September 30, 2001

1. Organization and Significant Accounting Policies

Organization

The accompanying financial statements include the accounts and transactions of Hospital Service District No. 3 of the Parish of Lafourche, State of Louisiana (d/b/a Thibodaux Regional Medical Center) (the Hospital). Hospital Service District No. 3 of the Parish of Lafourche, State of Louisiana is a nonprofit corporation organized by Lafourche Parish. The Lafourche Parish Council, which is the governing authority of Lafourche Parish, Louisiana, appoints members to the Hospital's board of commissioners. As a political subdivision, the Hospital is exempt from federal income taxes under Section 115 of the Internal Revenue Code. This exemption also extends to state income taxes.

Basis of Accounting

The Hospital uses the accrual basis of accounting for proprietary funds. Under Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Activities That Use Proprietary Fund Accounting*, the Hospital has elected not to apply Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989.

New Accounting Standards

The GASB issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, which is effective in three phases based on a government's total annual revenues in the first fiscal year ending after June 15, 2001. Statement No. 34 establishes financial reporting standards for state and local governments. It establishes that the basic financial statements and required supplementary information (RSI) for general-purpose governments should consist of Management Discussion and Analysis, Basic Financial Statements, and RSI, including budgetary comparison schedules. The Statement is effective for the Hospital in fiscal year 2002. Adoption of this standard is not expected to have any effect on the financial position or results of operations of the Hospital.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

Thibodaux Regional Medical Center

Notes to Financial Statements (continued)

1. Organization and Significant Accounting Policies (continued)

Net Patient Service Revenue and Related Receivables

The Hospital has entered into agreements with third-party payors, including government programs and managed care health plans, under which the Hospital is paid based upon established charges, the cost of providing services, predetermined rates per diagnosis, fixed per diem rates, or discounts from established charges.

Net patient service revenue is reported at the estimated net realizable amounts due from patients, third-party payors, and others for services rendered. The Hospital provides care to patients even though they may lack adequate insurance or are covered by contractual payment arrangements that do not pay full charges. As a result, the Hospital is exposed to certain credit risks. The Hospital manages such risks by regularly reviewing its accounts and contracts and by providing appropriate allowances.

Charity Care

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

Cash Equivalents

Cash equivalents include investments in money market funds and highly liquid investments with maturities of three months or less when purchased, excluding amounts whose use is limited by board designation or under trust agreements.

Investments

All investments are stated at fair value based on quoted market price. Changes in the fair value of investments are included in investment income.

Inventories

Inventories are valued at the latest invoice price which approximates the lower of cost (first-in, first-out method) or market.

Thibodaux Regional Medical Center

Notes to Financial Statements (continued)

1. Organization and Significant Accounting Policies (continued)

Property, Plant, and Equipment

The Hospital records all property, plant, and equipment acquisitions at cost except for assets donated to the Hospital. Donated assets are recorded at fair value at the date of donation. The Hospital provides for depreciation using the straight-line method over the estimated useful lives of the assets.

Unamortized Bond Issuance Costs and Bond Discount

Costs incurred in connection with the issuance of the 1993 Revenue Bonds are being amortized over the terms of the bonds using the interest method. The original issue discount on the 1993 Revenue Bonds is being amortized over the terms of the bonds using the interest method.

Operating and Nonoperating Revenue

The Hospital's primary purpose is to provide diversified health care services to individuals, physicians, and businesses in Lafourche Parish and the surrounding communities. As such, activities related to the ongoing operations of the Hospital are classified as operating revenues. Operating revenues include those generated from direct patient care, related support services, gains or losses from disposition of operating properties, and sundry revenues related to the operation of the Hospital. Investment income, gains and losses not directly related to the ongoing operations of the Hospital or that occur infrequently, and gifts, grants, and bequests not restricted by donors for specific purposes, are reported as nonoperating income.

Thibodaux Regional Medical Center

Notes to Financial Statements (continued)

2. Net Patient Service Revenue

Net patient service revenue is comprised of the following:

	2001	2000
Total patient service charges (excluding charity care of \$1,447,748 in 2001 and \$806,519 in 2000)	\$142,512,498	\$116,670,427
Contractual and other allowances:		
Medicaid	8,634,357	6,183,204
Medicare	31,815,080	24,532,053
Managed care organizations	29,451,198	19,980,220
Other	1,024,706	994,767
Total contractual and other allowances	70,925,341	51,690,244
Net patient service revenue	\$ 71,587,157	\$ 64,980,183

The Hospital participates in the Medicare and Medicaid programs as a provider of medical services to program beneficiaries. During the years ended September 30, 2001 and 2000, approximately 34% and 37%, respectively, of the Hospital's net patient revenue were related to services provided to Medicare and Medicaid program beneficiaries.

Revenues derived from the Medicare program are subject to audit. Estimated settlements for the years ended through September 30, 1998 for the Medicare and Medicaid programs have been reviewed by program representatives. Adjustments resulting from these reviews increased net patient revenue by \$272,000 in 2001 and \$337,000 in 2000.

Thibodaux Regional Medical Center

Notes to Financial Statements (continued)

3. Long-Term Debt

The details and balances of long-term debt are presented below:

	2001	2000
Public Improvement Bonds, Series 1977, 5.6%, due serially to 2002, with remaining annual installments ranging from \$90,000 to \$100,000 (\$100,000 due in 2002)	\$ 100,000	\$ 195,000
Hospital Revenue Bonds, Series 1993, 4.8% to 6.0%, less unamortized discount of \$340,470 at September 30, 2000 (terms described below) (\$400,000 due in 2002)	17,409,530	17,759,436
	17,509,530	17,954,436
Less amounts due within one year	500,000	470,000
	\$ 17,009,530	\$ 17,484,436

The aggregate amounts of maturities for all long-term debt in each of the next five years ending September 30 and thereafter are as follows: 2002—\$500,000; 2003—\$400,000; 2004—\$425,000; 2005—\$450,000; 2006—\$475,000; and \$15,259,000 thereafter.

During 1977, the Hospital Service District (the District) issued public improvement bonds totaling \$1,300,000 to finance construction and expansion of the Hospital. The 1977 Series bonds are callable by the District in inverse order of maturities on any interest payment date.

On December 22, 1993, the Hospital issued \$20,000,000 of Hospital Revenue Bonds, Series 1993. The proceeds of the bonds were used to construct and equip a cancer center and outpatient services medical mall adjacent to the existing Hospital facility, and to renovate and expand certain areas within the Hospital facility. The project was completed in December 1996.

The 1993 Revenue Bonds consist of \$1,675,000 of 5.5% term bonds due October 1, 2004; \$4,725,000 of 6.0% term bonds due October 1, 2012; and \$11,350,000 of 6.0% term bonds due October 1, 2023. The term bonds are subject to mandatory sinking fund

Thibodaux Regional Medical Center

Notes to Financial Statements (continued)

3. Long-Term Debt (continued)

redemption without a premium prior to maturity, beginning October 1, 2000, 2005, and 2013, respectively. The bonds maturing on or after October 1, 2004 are subject to redemption prior to maturity at the option of the Hospital beginning October 1, 2003; the redemption of the bonds prior to maturity is subject to a premium of up to 2% until October 1, 2005.

The Hospital is required to comply with covenants contained in the 1993 Bond Resolution including, among other requirements, maintaining certain funds on deposit with the trustee, annual certification to the trustee of adequate insurance coverage, limitations on the issuance of additional indebtedness by the Hospital, and maintaining a debt service coverage ratio of 1.20. The Hospital was in compliance with these covenants for the years ended September 30, 2001 and 2000. The 1993 Revenue Bonds are secured by a pledge of the Hospital's revenue.

4. Assets Whose Use Is Limited

The following is a summary of the components of assets whose use is limited:

	2001	2000
Funds designated by board for plant repair and expansion	\$ 66,688,445	\$ 53,057,377
Funds designated under bond resolutions for debt retirement:		
Public Improvement Bonds, Series 1977	9,860	6,888
Hospital Revenue Bonds, Series 1993:		
Debt Reserve Fund	1,516,484	1,540,017
Debt Service Fund	2,666,167	2,521,412
	\$ 70,880,956	\$ 57,125,694

Thibodaux Regional Medical Center

Notes to Financial Statements (continued)

5. Retirement Plan

Effective September 1, 1993, the Hospital implemented a deferred compensation plan under Section 457(b) of the Internal Revenue Code (the Plan). The Plan covers all employees age 21 or older with one year of service in which at least 1,000 hours were worked. The Plan provides that the Hospital, at its option, may make contributions to the Plan based on a discretionary percentage of eligible employees' base compensation, as defined, as well as matching contributions. The Hospital's discretionary contribution percentage was 4% for the years ended September 30, 2001 and 2000. The Plan permits tax deferral by employees of amounts, combined with the Hospital's contribution, up to a maximum of 25% of their base compensation, subject to certain limits. Employer contributions vest at 20% per year until they reach 100% at the end of year five. Employee contributions are immediately vested.

Retirement expense recorded by the Hospital for the years ended September 30, 2001 and 2000 totaled approximately \$548,000 and \$557,000, respectively, or approximately 4% of covered payroll in each year.

6. Contingencies

The Hospital participates in the Louisiana Patients' Compensation Fund (the Fund) for medical malpractice claims. As a participant, the Hospital has a statutory limitation of liability which provides that no award can be rendered against it in excess of \$500,000, plus interest and costs. The Fund provides coverage on a claims-made basis for claims over \$100,000 and up to \$500,000. The Hospital is also insured on a claims-made basis through a commercial insurance carrier for malpractice losses up to \$6,000,000 per occurrence, with a total limit of \$8,000,000, and with a self-insurance retention of \$100,000 per occurrence up to a maximum of \$300,000 in the aggregate per year.

The Hospital has been named defendant in lawsuits alleging medical malpractice. Management of the Hospital, using information provided by its commercial insurance carrier, has accrued in the financial statements its best estimate of probable contingent losses on these claims and on estimated claims incurred but not reported.

The Hospital is self-insured for workers' compensation up to \$50,000 per claim, and for employee health insurance up to \$100,000 per claim. A liability is recorded when it is probable that a loss has been incurred and the amount of that loss can be reasonably

Thibodaux Regional Medical Center

Notes to Financial Statements (continued)

6. Contingencies (continued)

estimated. Liabilities for claims incurred are reevaluated periodically to take into consideration recently settled claims, frequency of claims, and other economic and social factors. The Hospital purchased commercial insurance which provides coverages for workers' compensation and employee health claims in excess of the self-insured limits.

Changes in the Hospital's aggregate claims liability for medical malpractice, workers' compensation, and employee health insurance in fiscal years 2001 and 2000 were as follows:

Year Ended September 30	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2001	\$ 1,556,000	\$ 2,676,000	\$ 2,558,000	\$1,674,000
2000	\$ 982,000	\$ 2,758,000	\$ 2,184,000	\$1,556,000

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

7. Cash, Cash Equivalents, and Investments

At September 30, 2001 and 2000, the bank balances of the Hospital's deposits, which are included in cash and cash equivalents, investments, and assets whose use is limited in the balance sheet, were entirely insured or collateralized with securities held by the pledging bank in the Hospital's name. In addition, the Hospital had investments in direct obligations of the U.S. Government and government agencies of \$29,601,203 and \$27,394,218 at September 30, 2001 and 2000, respectively, and in money market accounts whose underlying investments consist solely of U.S. Government securities of \$5,848,779 and \$8,636,518 at September 30, 2001 and 2000, respectively. The U.S.

Thibodaux Regional Medical Center

Notes to Financial Statements (continued)

7. Cash, Cash Equivalents, and Investments (continued)

Government obligations are uninsured and unregistered, with securities held by the trustee in the Hospital's name. The money market funds are uninsured and unregistered, with securities held by the trustee but not in the Hospital's name.

The fair values for U.S. Government and government agency obligations are based on the market prices listed by independent pricing services. The fair values for money market accounts and certificates of deposit are based on cost which equals fair value.

Statutes authorize the Hospital to invest in direct obligations of the U.S. Government or its agencies, certificates of deposit of state banks and national banks having their principal office in the State of Louisiana, and any other federally insured investments, guaranteed investment contracts issued by a financial institution having one of the two highest rating categories published by Standard & Poor's or Moody's, and mutual or trust funds registered with the Securities and Exchange Commission (provided the underlying investments of these funds meet certain restrictions).

8. Postemployment Benefits

The Hospital provides health care benefits to retired hospital employees and their families. Employees with at least 10 years of service and who are age 55 or older at retirement are eligible to participate. Effective January 1, 1996, plan participants are required to contribute 100% of the plan's monthly premium. The Hospital records the excess benefits over the contributions as expense as the benefits are used. For the fiscal year ended September 30, 2001, 36 retired employees participated in the plan. Expenses related to this plan were immaterial for the years ended September 30, 2001 and 2000.

Thibodaux Regional Medical Center
Notes to Financial Statements (continued)

9. Operating Leases

The Hospital leases various equipment and facilities under operating leases expiring at various dates through September 2006. The following is a schedule by year of future minimum lease payments under operating leases that have initial or remaining lease terms in excess of one year.

2002	\$325,357
2003	202,886
2004	202,886
2005	105,756
2006	96,943

Total rental expense was \$1,042,000 in 2001 and \$1,053,000 in 2000.

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**Report of Independent Auditors on Compliance
and on Internal Control Over Financial Reporting
Based on an Audit of the Financial Statements in
Accordance With *Government Auditing Standards***

The Board of Commissioners
Hospital Service District No. 3 of the
Parish of Lafourche, State of Louisiana

We have audited the financial statements of Thibodaux Regional Medical Center (Hospital Service District No. 3 of the Parish of Lafourche, State of Louisiana) (the Hospital) as of and for the year ended September 30, 2001, and have issued our report thereon dated November 15, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Hospital's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over

financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of commissioners, management, and the Office of Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.

Ernst + Young LLP

November 15, 2001

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Independent Auditors' Report on Compliance With Bond Resolution

The Board of Commissioners
Hospital Service District No. 3 of the
Parish of Lafourche, State of Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States, the balance sheet of Thibodaux Regional Medical Center (Hospital Service District No. 3 of the Parish of Lafourche, State of Louisiana) (the Hospital) as of September 30, 2001, and the related statements of revenues, expenses, and fund balance and cash flows for the year then ended, and have issued our report thereon dated November 15, 2001.

In connection with our audit, nothing came to our attention that caused us to believe that the Hospital failed to comply with the terms, covenants, provisions, or conditions of Sections 5.1, 5.3, 5.4, 6.1, 6.2, and 7.1 of the Bond Resolution adopted by the board of commissioners on October 15, 1993 insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

This report is intended solely for the information and use of the Hospital and the bond trustee and is not intended to be and should not be used by anyone other than these specified parties.

Ernst & Young LLP

November 15, 2001