

WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

FINANCIAL STATEMENTS

AUGUST 31, 1999 AND 1998

RECEIVED
LEGISLATIVE AUDITOR
00 FEB 28 PM 2:57

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 MAR 15 2000



Postlethwaite & Netterville

(A Professional Accounting Corporation)
CERTIFIED PUBLIC ACCOUNTANTS

BATON ROUGE • DONALDSONVILLE • GONZALES • NEW ORLEANS • ST. FRANCISVILLE
LOUISIANA

WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

FINANCIAL STATEMENTS

AUGUST 31, 1999 AND 1998



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

C O N T E N T S

	<u>Page</u>
Independent Auditors' Report	1 - 2
Balance Sheets, August 31, 1999 and 1998	3
Statements of Operations, Years Ended August 31, 1999 and 1998	4
Statements of Changes in Retained Earnings, Years Ended August 31, 1999 and 1998	5
Statements of Cash Flows, Years Ended August 31, 1999 and 1998	6 - 7
Notes to Financial Statements	8 - 14
<u>Supplemental Information</u>	
Patient Service Revenues, Years Ended August 31, 1999 and 1998	Schedule I 15
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	16 - 17
Schedule of Findings and Questioned Costs	18
Schedule of Prior Audit Findings	19
Corrective Action Plan	20 - 21





Postlethwaite & Netterville

A Professional Accounting Corporation
CERTIFIED PUBLIC ACCOUNTANTS

108 MEMORIAL DRIVE • POST OFFICE BOX 1190 • DONALDSONVILLE, LOUISIANA 70346 • TELEPHONE (504) 473-4179 • FAX (504) 473-7204

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
West Ascension Parish Hospital Service District
of Ascension Parish, Louisiana
Donaldsonville, Louisiana

We have audited the accompanying financial statements of the West Ascension Parish Hospital Service District of Ascension Parish, Louisiana, a component unit of the Ascension Parish Council, as of and for the years ended August 31, 1999 and 1998, 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 generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the West Ascension Parish Hospital Service District of Ascension Parish, Louisiana as of August 31, 1999 and 1998, and the results of its operations and its cash flows 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 October 14, 1999 on our consideration of West Ascension Parish Hospital Service District of Ascension Parish's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedules on page 15 are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Postlethwaite & Netterville

Donaldsonville, Louisiana
October 14, 1999

WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
Donaldsonville, Louisiana

BALANCE SHEETS
AUGUST 31, 1999 AND 1998

ASSETS

	<u>1999</u>	<u>1998</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 361,721	\$ 152,867
Certificates of deposit	3,253,512	3,523,160
Patient accounts receivable, (net of estimated uncollectibles of \$578,102 in 1999 and \$600,867 in 1998)	525,729	605,269
Inventory	137,887	149,362
Sales tax receivable	116,264	138,422
Estimated third-party payor settlements	102,413	52,393
Investments	2,082,818	2,032,928
Other current assets	58,359	69,156
Total current assets	<u>6,638,703</u>	<u>6,723,557</u>
 <u>PROPERTY AND EQUIPMENT</u> - net	 <u>1,048,964</u>	 <u>966,843</u>
TOTAL ASSETS	 <u>\$ 7,687,667</u>	 <u>\$ 7,690,400</u>
	<u>LIABILITIES AND RETAINED EARNINGS</u>	
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 136,684	\$ 125,440
Accrued expenses	53,322	50,663
Total current liabilities	<u>190,006</u>	<u>176,103</u>
 <u>RETAINED EARNINGS</u>		
Unrestricted	<u>7,497,661</u>	<u>7,514,297</u>
TOTAL LIABILITIES AND RETAINED EARNINGS	 <u>\$ 7,687,667</u>	 <u>\$ 7,690,400</u>

The accompanying notes are an integral part of these statements.



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
Donaldsonville, Louisiana

STATEMENTS OF OPERATIONS
YEARS ENDED AUGUST 31, 1999 AND 1998

	1999	1998
<u>REVENUE</u>		
Net patient service revenues	\$ 2,761,445	\$ 3,233,663
<u>OPERATING EXPENSES:</u>		
Salaries and benefits	1,472,973	1,435,087
Professional contracted services	943,206	942,564
Medical supplies and drugs	522,637	525,084
Other operating	411,948	381,583
Provision for bad debts	312,269	540,479
Provision for depreciation	89,474	106,059
Total operating expenses	3,752,507	3,930,856
<u>LOSS FROM OPERATIONS</u>	(991,062)	(697,193)
<u>NON OPERATING REVENUES:</u>		
Sales tax	772,674	990,047
Interest income	201,752	381,218
Total non operating revenues	974,426	1,371,265
<u>REVENUES AND GAINS OVER (UNDER) EXPENSES</u>	\$ (16,636)	\$ 674,072

The accompanying notes are an integral part of these statements.



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
Donaldsonville, Louisiana

STATEMENTS OF CHANGES IN RETAINED EARNINGS
YEARS ENDED AUGUST 31, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
Retained earnings, beginning of year	\$ 7,514,297	\$ 6,840,225
Revenues and gains over (under) expenses	<u>(16,636)</u>	<u>674,072</u>
Retained earnings, end of year	<u>\$ 7,497,661</u>	<u>\$ 7,514,297</u>

The accompanying notes are an integral part of these statements.



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
Donaldsonville, Louisiana

STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from patients and other third-party payors	\$ 2,478,696	\$ 2,755,437
Cash payments to suppliers for goods and services	(2,019,915)	(2,061,591)
Cash payments to employees for services	(1,301,129)	(1,292,887)
Net cash used in operating activities	<u>(842,348)</u>	<u>(599,041)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Sales taxes received	794,832	1,063,030
Net cash provided by non-capital financing activities	<u>794,832</u>	<u>1,063,030</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Acquisitions of capital assets	(171,595)	(149,593)
Cash received from sales of capital assets	-	700
Net cash used in capital and related financing activities	<u>(171,595)</u>	<u>(148,893)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Net (increase) decrease in certificates of deposit	269,648	(245,393)
Net (increase) in investments	(49,890)	(513,177)
Interest on investments	208,207	375,881
Net cash provided by (used in) investing activities	<u>427,965</u>	<u>(382,689)</u>
Net increase (decrease) in cash	208,854	(67,593)
Cash at beginning of year	<u>152,867</u>	<u>220,460</u>
Cash at end of year	<u>\$ 361,721</u>	<u>\$ 152,867</u>

The accompanying notes are an integral part of these statements.



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
Donaldsonville, Louisiana

STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 1999 AND 1998

	1999	1998
<u>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH USED BY OPERATING ACTIVITIES</u>		
Loss from operations	\$ (991,062)	\$ (697,193)
Adjustments to reconcile loss from operations to net cash used by operating activities:		
Depreciation	89,474	106,059
(Gain) on disposition of assets	-	(700)
Provision for uncollectible accounts, contractual adjustments, and courtesy allowances	1,779,101	1,752,158
Changes in assets and liabilities:		
(Increase) in receivables	(1,699,561)	(1,750,956)
(Increase) decrease in inventory	11,475	(13,893)
Decrease in estimated third-party payor settlements	46,947	61,051
Decrease in other current assets	4,342	4,058
Increase (decrease) in accounts payable	11,244	(63,316)
Increase in accrued expenses payable	2,659	3,691
Total adjustments	245,681	98,152
Net cash used by operating activities	\$ (745,381)	\$ (599,041)

The accompanying notes are an integral part of these statements.



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

West Ascension Parish Hospital Service District of Ascension Parish, Louisiana (Prevoist Memorial Hospital) was created by a resolution of the Ascension Parish Council on May 2, 1963 under provisions of Chapter 10 of Title 46 of the Louisiana Revised Statutes of 1950.

Basis of Presentation

The accompanying component unit financial statements of the West Ascension Parish Hospital Service District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

As the governing authority of the parish, for reporting purposes, the Ascension Parish Council is the financial reporting entity for Ascension Parish. The financial reporting entity consists of (a) the primary government (council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Ascension Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the council to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the council.
2. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

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

Reporting Entity

Because the council appoints all members to the district's Board of Commissioners, the district was determined to be a component unit of the Ascension Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

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.

Statement of Operations

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 nonoperating revenues.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Property and equipment donated for hospital operations are recorded as additions at fair value at the date of receipt.

Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed on the straight-line method. The buildings and improvements are being depreciated over 25 to 50 years, land improvements over 20 years, and equipment over 5 to 20 years. Maintenance and repairs are charged to expense and betterments are capitalized. Gains and losses from sales or retirements are recognized in the period of disposition.



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

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

Inventory

Inventory is valued at the lower of cost (using the first-in, first-out method) or market.

Allowance for Uncollectible Accounts

An allowance for uncollectible patient accounts receivable is maintained. It is based on historical data and management's assessment of the collectibility of accounts receivable.

Donations

Donations are recorded at market value at the time of donation.

Use of Estimates

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

Proprietary Fund Accounting

The Hospital utilizes the proprietary fund method of accounting whereby revenue and expenses are recognized on the accrual basis. Substantially all revenues and expenses are subject to accrual.

Cash and Certificates of Deposit

Cash includes petty cash and demand deposit accounts. Under state law, the district may deposit funds and invest in Certificates of Deposit within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States.



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

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

Investments

The district may also invest in bonds, debentures and other indebtedness which are fully guaranteed by the United States, issued or guaranteed by federal agencies backed by full faith and credit of the United States and issued or guaranteed by United States government instrumentalities which are federally sponsored. Investments are stated at fair value.

Investment income includes interest earned, realized gains and losses and unrealized gains and losses (changes in fair value).

Accounting Standards

Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 20, Accounting and Financial Reporting for Proprietary Fund and Other Governmental Entities That Use Proprietary Fund Accounting, the Authority has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB), including those issued on or before November 30, 1989.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

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 workers' compensation and liability insurance. The management of the trust funds has complete control over the rate setting process. The Hospital continues to carry commercial insurance for all other risks of loss.

2. **Sales Tax**

In a general election held on November 5, 1980, the voters of the District approved a one-half percent sales tax. The net proceeds from this tax can be used for the expansion and/or operation of the Hospital.



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

3. **Cash and Certificates of Deposit**

At August 31, the district had cash and Certificates of Deposit totaling \$3,615,233 and \$3,676,027, respectively as follows:

	1999	1998
Petty Cash	\$ 325	\$ 325
Demand deposit	361,396	152,542
Total	361,721	152,867
 Certificates of Deposit	 3,253,512	 3,523,160
Total Deposits	\$ 3,615,233	\$ 3,676,027

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At year end, the carrying amount of the Hospital's deposits were \$3,615,233 and the bank balance was \$3,635,590. Of the bank balance, \$611,409 was covered by federal depository insurance, \$1,403,788 was covered by collateral held by the pledging bank's agent in the Hospital's name (Category 2) and \$1,620,373 was covered by collateral held by the pledging bank's agent in the bank's name (Category 3).

Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

4. Net Patient Service Revenues

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payors 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. Inpatient nonacute services, certain outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology. The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital'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 Hospital. The Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through August 31, 1996.

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 audited by the Medicaid fiscal intermediary through August 31, 1996.

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, and prospectively determined daily rates.

5. Investments

At August 31, the investments of the district consisted of United States Treasury Bonds, United States Treasury Notes, Federal National Mortgage Association Notes, and Federal Home Loan Mortgage Corporation Notes. The securities are held by the investment company's trust department in the name of the district (GASB Category 2).

Investment income at August 31, consisted of the following:

	1999	1998
Interest Income	\$ 301,705	\$ 444,395
Changes in Market Value	(99,953)	63,177
	\$ 201,752	\$ 381,218



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

6. Property and Equipment

A summary of property and equipment at August 31, follows.

	<u>1999</u>	<u>1998</u>
Land	\$ 14,042	\$ 14,042
Buildings and grounds	1,902,917	1,803,458
Fixed equipment	909,741	837,605
Furniture and fixtures	<u>33,257</u>	<u>33,257</u>
	2,859,957	2,688,362
Less accumulated depreciation	<u>(1,810,993)</u>	<u>1,721,519</u>
Property and equipment, net	\$ <u>1,048,964</u>	\$ <u>966,843</u>

7. Concentrations of Credit Risk

The Hospital is located in Donaldsonville, Louisiana. The Hospital grants credit without collateral to its patients, most of whom are local residents. Revenue from patients and third party payors were as follows:

	<u>1999</u>
Medicare and Medicaid	54.3%
Blue Cross	2.9
Commercial	26.6
Private Pay	<u>16.2</u>
	<u>100.0</u>



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT

OF ASCENSION PARISH, LOUISIANA

SUPPLEMENTAL SCHEDULES

AUGUST 31, 1999 AND 1998



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
Donaldsonville, Louisiana

Schedule I

SCHEDULES OF PATIENT SERVICE REVENUES
YEARS ENDED AUGUST 31, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
Nursing services:		
Routine service (daily service charge)	\$ 246,060	\$ 270,000
Operating rooms	20,631	24,304
Emergency room	1,647,707	1,744,280
Recovery room	4,845	5,610
Therapy	346,901	344,351
Central services and supply	94,275	123,735
	<u>2,360,419</u>	<u>2,512,280</u>
Other services:		
Laboratory	890,325	908,976
Pharmacy	263,815	328,192
Radiology	210,394	223,085
Emergency room physicians	10,805	13,858
Pathology	2,128	3,323
Medical transcription fees	3,877	4,071
EKG	76,830	80,310
Physical therapy	8,108	333
Gastrology	54,000	59,400
Ultrasound	38,970	34,350
Mammography	30,015	27,960
Medicaid disproportionate share	128,871	189,690
Miscellaneous	52,753	33,632
Cost report settlements	96,967	25,882
	<u>1,867,858</u>	<u>1,933,062</u>
Total patient service revenues	4,228,277	4,445,342
Adjustments	<u>(1,466,832)</u>	<u>(1,211,679)</u>
Net Patient Service Revenue	<u>\$ 2,761,445</u>	<u>\$ 3,233,663</u>





Postlethwaite & Netterville

A Professional Accounting Corporation
CERTIFIED PUBLIC ACCOUNTANTS

108 MEMORIAL DRIVE • POST OFFICE BOX 1190 • DONALDSONVILLE, LOUISIANA 70346 • TELEPHONE (504) 473-4179 • FAX (504) 473-7204

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
West Ascension Parish Hospital Service District
Donaldsonville, Louisiana

We have audited the financial statements of the West Ascension Parish Hospital Service District of Ascension Parish, Louisiana, component unit of the Ascension Parish Council, as of and for the year ended August 31, 1999 and have issued our report thereon dated October 14, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether West Ascension 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 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 West Ascension Parish Hospital Service District'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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect West Ascension Parish Hospital Service District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 99-1.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above to be a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to management of West Ascension Parish Hospital Service District of Ascension Parish in a separate letter dated October 14, 1999.

This report is intended solely for the information and use of the Board of Commissioners, management, and others within the organization, 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.

Passthwait & Nettville

Donaldsonville, Louisiana
October 14, 1999



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 1999

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of West Ascension Parish Hospital Service District of Ascension Parish, Louisiana.
2. One reportable condition disclosed during the audit of the financial statements is reported in Part B. of this schedule. This condition is reported as a material weakness.

B. FINDINGS-FINANCIAL STATEMENTS AUDIT

REPORTABLE CONDITIONS

99-1 Internal Control

Condition: There is a lack of segregation of duties due to the limited number of accounting personnel.

Criteria: Segregation of duties should be adequate to provide effective internal control.

Effect: The segregation of duties is inadequate to provide effective internal control.

Recommendation: No action is recommended.

Response: We concur in the finding.



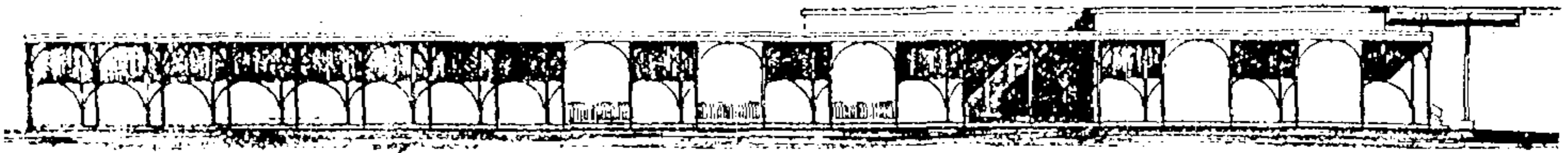
WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED AUGUST 31, 1999

A. INTERNAL CONTROL AND COMPLIANCE

The Hospital had no findings in the prior year.





PREVOST MEMORIAL HOSPITAL

P.O. Box 186
Donaldsonville, La. 70346

PHONE: (504) 473-7931
VINCE A. CATALDO
ADMINISTRATOR

J.C.A.H. APPROVED

BOARD OF COMMISSIONERS
WILLARD BOURG
CHAIRMAN

MICHEL Y. HIRSCH, M.D. - VICE - CHAIRMAN
GLEN ROBERT - TREASURER
A. J. GOMEZ - RECORDING SECRETARY

CORRECTIVE ACTION PLAN

October 14, 1999

Louisiana Legislative Auditor

The West Ascension Parish Hospital Service District respectfully submits the following corrective action plan for the year ended August 31, 1999.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC
P. O. Box 1190
Donaldsonville, LA 70346

Audit Period: September 1, 1998 – August 31, 1999

The findings from October 14, 1999 schedule of findings and questioned costs and the management letter are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – MANAGEMENT LETTER

99-2 Employee Training

Recommendation: Adequate training should be provided to allow another employee to serve as a backup for Jane.

Action Taken: We will begin to train other employees to serve as backup for Jane.

99-3 Accounts Receivable Charge-Offs

Recommendation: It is necessary for the Hospital to receive information from Patient Financial Services relating to uncollectible account balances on a timely basis in order to properly adjust accounts receivable.

Action Taken: We contacted Patient Financial Services and have received updated information relating to uncollectible account balances. We expect to receive such information on a timely basis in the future.

If the Louisiana Legislative Auditor has questions regarding this plan, please call Vince Cataldo (225) 473-7931.

Sincerely,

Vince Cataldo
Administrator



Postlethwaite & Netterville

A Professional Accounting Corporation
CERTIFIED PUBLIC ACCOUNTANTS

108 MEMORIAL DRIVE • POST OFFICE BOX 1190 • DONALDSONVILLE, LOUISIANA 70346 • TELEPHONE (504) 473-4179 • FAX (504) 473-7204

October 14, 1999

Board of Commissioners
West Ascension Parish Hospital Service District
of Ascension Parish, Louisiana
Donaldsonville, Louisiana

In planning and performing our audit of the financial statements of the West Ascension Parish Hospital Service District for the year ended August 31, 1999, we considered the Hospital's internal control over financial reporting to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The following recommendations summarize our comments and suggestions regarding those matters. This letter does not affect our report dated October 14, 1999, on the financial statements of the Hospital.

99-3 Employee Training

Finding

There is no one trained to replace Jane Arboneaux, CFO and Business Office Manager, in the event that she cannot perform her normal duties.

Recommendation

Adequate training should be provided to allow another employee to serve as a back up for Jane.

99-4 Accounts Receivable Charge-offs

Finding

Monthly accounts receivable charge-off information had not been provided to the Hospital by Patient Financial Services for several months during the current fiscal year. Therefore, the Hospital was unable to properly adjust for uncollectible accounts receivable balances from insurance companies and self-pay patients.

Recommendations

It is necessary for the Hospital to receive information from Patient Financial Services relating to uncollectible account balances on a timely basis in order to properly adjust accounts receivable.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with Hospital personnel, and will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

We would also like to take this opportunity to express our appreciation for the cooperation and courtesies extended to us during our audit procedures, and apologize for any inconveniences. We would be pleased to discuss the above matters and help with implementation of procedures at your convenience.

Sincerely,

Porttharacte & Nettwill

