ST. TAMMANY PARISH HOSPITAL DEFINED CONTRIBUTION PLAN

101 JUN 28 AND FOR SUCCESSION OF ST

- - - -

1012

Financial Statements for the Years Ended December 31, 2000 and 1999 and Independent Auditors' Report

Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based Upon the Audit Performed in Accordance with Government Auditing Standards

> 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 Legislich of Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-1-01

.

ST. TAMMANY PARISH HOSPITAL DEFINED CONTRIBUTION PLAN

TABLE OF CONTENTS

.

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999:	
Statements of Net Assets Available for Benefits	2
Statements of Changes in Net Assets Available for Benefits	3
Notes to Financial Statements	4

Deloitte & Touche LLP Suite 3700 One Shell Square 701 Poydras Street New Orleans, Louisiana 70139-3700

7cl: (504) 581-2727 Fax: (504) 561-7293 www.us.deloitte.com

Deloitte & Touche

INDEPENDENT AUDITORS' REPORT

The Pension Administrative Committee St. Tammany Parish Hospital Defined Contribution Plan:

We have audited the accompanying statements of net assets available for benefits of St. Tammany Parish Hospital Defined Contribution Plan as of December 31, 2000 and 1999 and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2000 and 1999 and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2001, on our consideration of St. Tammany Parish Hospital Defined Contribution Plan'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.

Deloitte + Tanche LLP

June 14, 2001



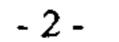


ST. TAMMANY PARISH HOSPITAL DEFINED CONTRIBUTION PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS DECEMBER 31, 2000 AND 1999

ASSETS	2000	1999
Investments at estimated fair value	<u>\$14,855,529</u>	\$14,132,603
NET ASSETS		
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$14,855,529</u>	\$14,132,603

See notes to financial statements.



- · - --··

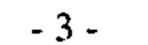
ST. TAMMANY PARISH HOSPITAL DEFINED CONTRIBUTION PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS YEARS ENDED DECEMBER 31, 2000 AND 1999

	2000	1999
ADDITIONS: Investment income Contributions from employer	\$ (317,813) 1,658,892	\$ 1,925,021
Total additions	1,341,079	3,454,342
DEDUCTIONS: Benefit payments	618,153	459,032
NET INCREASE	722,926	2,995,310
NET ASSETS AVAILABLE FOR BENEFITS AT REGINNING OF YEAR	14 132 603	11 137 293

AT BEGINNING OF YEAK	14,132,005	11,157,293
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	<u>\$14,855,529</u>	<u>\$14,132,603</u>

See notes to financial statements.



· - ---

..

· · ·

--

. .

ST. TAMMANY PARISH HOSPITAL DEFINED CONTRIBUTION PLAN

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2000 AND 1999

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements of the St. Tammany Parish Hospital Defined Contribution Plan (the Plan) have been prepared on the accrual basis of accounting.

Investments - The Plan's investments are held by the Plan's trustee, Manulife Financial (Manulife). Under the terms of the trust agreement, the trustee administers the investment transactions of the Plan on behalf of the participants and has discretionary authority over the Plan's assets, which can include investing in the trustee's administered accounts. The investments and changes therein are reported at fair value as determined by the trustee.

All investments are invested in Manulife mutual funds. The mutual funds are managed and administered by the trustee and related entities. As administrator, the trustee is responsible for calculating the per unit market value of the respective funds' net assets. Under the terms of the mutual fund prospectuses, the Plan can divest itself of the investments by reselling them to the respective fund daily at a unit price equal to the per unit interest of the market value of the funds' net assets. The investments in these funds are stated at the Plan's pro rata interest in the market value of the funds' net assets.

Investment Income - Investment income is primarily comprised of realized and unrealized appreciation and depreciation of the fair value of the investments.

Payment of Benefits - Benefits are recorded when paid.

Administrative Expenses - St. Tammany Parish Hospital (the Plan Sponsor) bears most of the administrative costs of the Plan. The trustee fees that are borne by the Plan are treated as an investment expense and are deducted from investment earnings allocated to the participants' accounts.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

2. DESCRIPTION OF THE PLAN

The Plan is a noncontributory, defined contribution pension plan covering all full-time employees (907 and 822 at December 31, 2000 and 1999, respectively) of St. Tammany Parish Hospital (the employer) who have completed the minimum requirement of one year of service. An employee is credited with one year of service for each twelve consecutive months in which the participant has completed 1,000 or more hours of service with the employer.

The Plan requires employer contributions equal to 6% of the aggregate compensation of all participants. Contributions are remitted to the trustee and are invested in accordance with the provisions of the Plan. Participants direct the investment of contributions on their behalf into various investment options offered by the Plan. Employer contributions on behalf of participants are 100% vested after five years of credited service.

- 4 -

Income earned on investments and the net realized and unrealized appreciation in estimated fair value of investments are allocated to participants' accounts in the ratio of each participant's adjusted beginning balance to the adjusted beginning balance for all participants. The adjusted beginning balance is defined as the account balance at the beginning of the period less withdrawals, distributions, forfeitures and other payments made during the period. Forfeitures of terminated employees' nonvested account balances are applied as a reduction of employer contributions. During 2000 and 1999, employer contributions were reduced by \$220,840 and \$12,606, respectively, from forfeited nonvested accounts. At December 31, 2000 and 1999, forfeited nonvested accounts totaled \$106,301 and \$74,027, respectively, which may be used to reduce future employer contributions.

Upon retirement, death, or disability, the participant is entitled to receive the value of his account within 60 days after the close of the plan year in which the event occurred. The participant may elect to receive the vested portion of the account in a lump-sum distribution or in periodic payments. Terminated employees receive benefits no later than 60 days after the end of the first plan year after the break in service occurs.

Additional information regarding the description of the Plan is provided in the Summary of Plan Description of St. Tammany Parish Hospital Defined Contribution Plan which is made available to all participants.

INVESTMENTS 3.

At December 31, 2000 and 1999, the estimated fair values of the Plan's investments were as follows:

	2000	1999
Manulife Lifestyle Fund - Conservative Portfolio	\$ 365,660	\$ 516,809
Manulife Lifestyle Fund - Moderate Portfolio	4,293,248	4,012,065
Manulife Lifestyle Fund - Balanced Portfolio	2,947,282	2,921,241
Manulife Lifestyle Fund - Growth Portfolio	4,278,164	4,539,713
Manulife Lifestyle Fund - Aggressive Portfolio	2,231,230	2,142,775
Other Manulife mutual funds	739,945	
	<u>\$14,855,529</u>	\$14,132,603

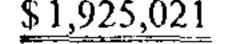
A summary of net realized and unrealized (depreciation) appreciation in value of investments follows for the years ended December 31, 2000 and 1999:

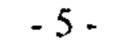
	2000	1999
Manulife Lifestyle Fund - Conservative Portfolio	\$ 20,468	\$ 25,202
Manulife Lifestyle Fund - Moderate Portfolio	96,972	347,461
Manulife Lifestyle Fund - Balanced Portfolio	45,050	349,050
Manulife Lifestyle Fund - Growth Portfolio	(195,853)	765,148
Manulife Lifestyle Fund - Aggressive Portfolio	(179,958)	438,160
Other Manulife mutual funds	(104,492)	-
	-	
Net realized and unrealized (depreciation) appreciation		

in value of investments

.







4. PLAN TERMINATION

Although the Plan Sponsor has not expressed any intent to do so, the Plan Sponsor has the right to modify, suspend, or discontinue contributions to the Plan at any time, and such action shall not be deemed to be a termination of the Plan. The Plan Sponsor also has the right to terminate the Plan subject to the provisions of ERISA.

In the event the Plan terminates, the balance in each participant's or retired participant's account shall become fully vested immediately and nonforfeitable. Each participant, retired participant or beneficiary shall be entitled to receive any amounts then credited to his or her account.

5. INCOME TAX STATUS

The Internal Revenue Service has ruled that the Plan qualifies under Section 401(a) of the Internal Revenue Code (IRC) and is, therefore, not subject to tax under present income tax law. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Pension Administrative Committee is not aware of any course of action or series of events that have occurred that might adversely affect the Plan's qualified status.

- 6 -

Deloitte & Touche H P Suite 3700 One Shell Square 701 Poydias Street New Orleans, Louisiana 70139-3700

Tel: (504) 581-2727 Fax: (504) 561-7293 www.us.deloitte.com

Deloitte & Touche

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED UPON THE AUDIT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Pension Administrative Committee St. Tammany Parish Hospital Defined Contribution Plan:

We have audited the financial statements of St. Tammany Parish Hospital Defined Contribution Plan (the Plan), as of and for the year ended December 31, 2000, and have issued our report thereon dated June 14, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

<u>Compliance</u>

As part of obtaining reasonable assurance about whether the Plan'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 would 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 Plan'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 Pension Administrative Committee, management, and the State of Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte + Touche LLP

June 14, 2001

