

POINTE COUPEE PARISH NURSING HOME
NEW ROADS, LOUISIANA
BALANCE SHEET-PROPRIETARY FUND TYPE-ENTERPRISE FUND
OCTOBER 31, 1996

(WITH COMPARATIVE DATA PRESENTED FOR OCTOBER 31, 1995)

	<u>OCTOBER 31,</u>	
	<u>1996</u>	<u>1995</u>
Cash	\$800,673	\$819,669
Receivables		
Accounts	174,610	193,326
Accrued Interest	836	906
Inventory	2,014	3,219
Prepaid Expenses	-0-	764
RESTRICTED ASSETS:		
Cash	1,402	2,510
Land	8,202	8,202
Buildings	2,626,305	2,620,210
Improvements Other Than Buildings	94,310	94,310
Equipment	642,739	590,319
Vehicles	38,305	38,305
Accumulated Depreciation	(1,650,618)	(1,527,715)
 <u>TOTAL ASSETS</u>	 <u>2,738,778</u>	 <u>2,844,025</u>

LIABILITIES AND FUND EQUITY

<u>LIABILITIES:</u>		
Accounts Payable	\$53,086	\$49,165
Employee Withholdings	24,803	22,232
Accrued Wages	48,801	15,808
Compensated Absences	4,956	4,006
Escrow - Tax Fee	25,991	28,976
PAYABLE FROM RESTRICTED ASSETS:		
Patient Funds	1,402	2,510
 <u>TOTAL LIABILITIES</u>	 <u>159,039</u>	 <u>122,697</u>
 <u>FUND EQUITY:</u>		
Contributed Capital	1,546,254	1,631,111
Retained Earnings		
Unreserved	1,033,485	1,090,217
 TOTAL FUND EQUITY	 <u>2,579,739</u>	 <u>2,721,328</u>
 <u>TOTAL LIABILITIES AND FUND EQUITY</u>	 <u>2,738,778</u>	 <u>2,844,025</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

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MEMBER
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

December 27, 1996

Pointe Coupee Parish Nursing Home
New Roads, Louisiana

I have audited the financial statements of the Pointe Coupee Parish Nursing Home as of and for the year ended October 31, 1996, and have issued my report thereon dated December 27, 1996.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the U.S. General Accounting Office. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Pointe Coupee Parish Nursing Home is the responsibility of the organization's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, I performed tests of the Pointe Coupee Parish Nursing Home's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are to reported under Government Auditing Standards.

This report is intended for the information of the management. However, this report is a matter of public record and distribution is not limited.

Respectfully submitted,



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

December 27, 1996

To the Board of Directors
New Roads, Louisiana

I have audited the financial statements of the Pointe Coupee Parish Nursing Home as of and for the year ended October 31, 1996, and have issued my report thereon dated December 27, 1996.

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

The management of the Pointe Coupee Parish Nursing Home is responsible for establishing and maintaining a system of internal accounting Control. In fulfilling this responsibility, estimates 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 executed 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, projection 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.

In planning and performing my audit of the financial statements of the Pointe Coupee Parish Nursing Home for the year ended October 31, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgement, 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.

See Schedule of Findings.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relative 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.

My 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. However, I believe none of the reportable conditions described in the Schedule of Findings is a material weakness.

This report is intended for the information of the management. However, this report is a matter of public record and distribution is not limited.

Respectfully submitted,



POINTE COUPEE PARISH NURSING HOME
NEW ROADS, LOUISIANA
PRIOR YEAR'S FINDINGS
October 31, 1996

DESCRIPTION: The payroll account had not been reconciled.

STATUS: The payroll account was still not reconciled.

* * * * *

POINTE COUPEE PARISH NURSING HOME
NEW ROADS, LOUISIANA
SCHEDULE OF FINDINGS
October 31, 1996

REPORTABLE CONDITION: The payroll account has not been reconciled for some time. The payroll clerk also has the responsibility to reconcile the account.

CRITERIA: Good accounting control requires that bank accounts are reconciled monthly and by someone independent of the payroll function.

CAUSE: The payroll clerks has other responsibilities that keep her from reconciling the account.

EFFECT: There is no material effect to the financial statements.

RECOMMENDATION: I recommend that someone other than the payroll clerk reconcile the payroll bank account in a timely manner.

* * *

POINTE COUPEE PARISH NURSING HOME
GENERAL PURPOSE FINANCIAL STATEMENTS
YEAR ENDED OCTOBER 31, 1996

(A COMPONENT UNIT OF THE
POINTE COUPEE PARISH POLICE JURY)

POINTE COUPEE PARISH NURSING HOME
NEW ROADS, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE-ENTERPRISE FUND
YEAR ENDED OCTOBER 31, 1996

(WITH COMPARATIVE DATA PRESENTED FOR OCTOBER 31, 1995)

	<u>OCTOBER 31,</u>	
	<u>1996</u>	<u>1995</u>
OPERATING REVENUES		
Charges For Services	\$2,524,303	\$2,590,595
OPERATING EXPENSES		
Personnel Services	1,417,721	1,316,254
Fringe Benefits	208,172	172,205
Contractual Services	243,822	265,453
Supplies	177,470	161,460
Food Cost	178,587	165,079
Heat, Light and Power	133,930	132,043
Depreciation	122,966	122,580
Bad Debts	-0-	513
Tax Fee	160,687	168,517
TOTAL OPERATING EXPENSES	2,643,355	2,504,104
OPERATING INCOME	(119,052)	86,491
NON-OPERATING REVENUE (EXPENSE)		
Interest Revenue	17,347	20,616
Meal Revenue	5,000	5,241
Miscellaneous Revenue	5,117	4,923
Commodity Revenue	-0-	1,841
Workers Compensation Refund	-0-	11,883
Gain on Sale of Fixed Assets	-0-	8
Payment to Affiliate	(50,000)	(100,000)
TOTAL NON-OPERATING REVENUE (EXPENSE)	(22,536)	(55,488)
NET INCOME (LOSS)	(141,588)	31,003
Depreciation on Fixed Assets Acquired		
Externally Capital Contributions	84,856	95,720
Income Transferred to Retained Earnings	(56,732)	126,229
RETAINED EARNINGS, Beginning of Year	1,090,217	963,493
RETAINED EARNINGS, End of Year	1,033,485	1,090,217

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

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INDEPENDENT AUDITOR'S REPORT

December 27, 1996

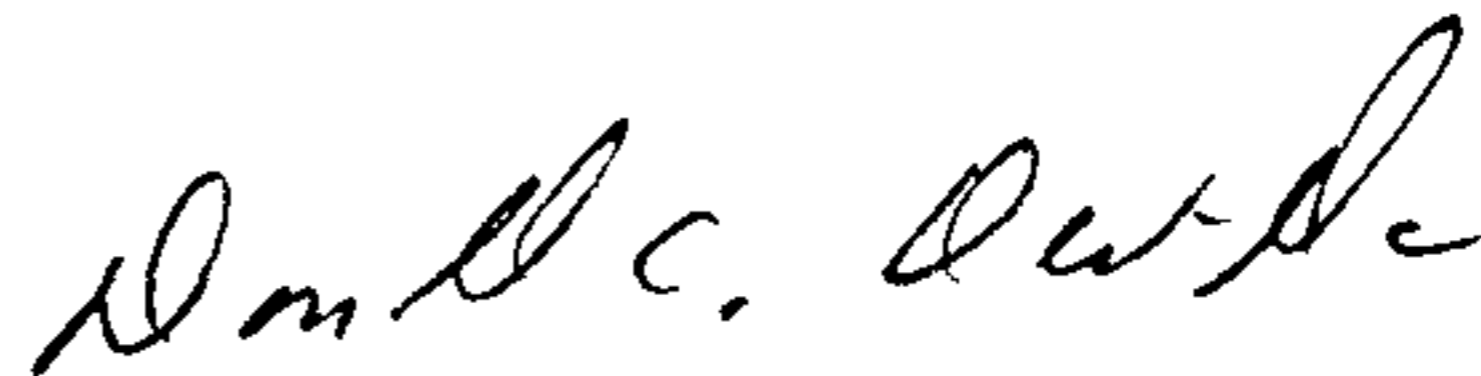
Pointe Coupee Parish Nursing Home
New Roads, Louisiana

I have audited the accompanying general purpose financial statements of the Pointe Coupee Parish Nursing Home, Inc., a component unit of the Pointe Coupee Parish Police Jury, as of October 31, 1996, and the year then ended. These financial statements are the responsibility of the Pointe Coupee Parish Nursing Home's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards for financial audits contained in the Government Audit Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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. I believe that my audit provided a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above presented fairly, in all material respects, the financial position of the Pointe Coupee Parish Nursing Home as of October 31, 1996, and the results of its operations for the year ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated December 27, 1996, on our consideration of Pointe Coupee Parish Nursing Home's internal control structure and a report dated December 27, 1996, on its compliance with laws and regulations.



POINTE COUPEE PARISH NURSING HOME
NEW ROADS, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE-ENTERPRISE FUND
YEAR ENDED OCTOBER 31, 1996

(WITH COMPARATIVE DATA PRESENTED FOR OCTOBER 31, 1995)

	<u>OCTOBER 31,</u>	
	<u>1996</u>	<u>1995</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Cash Received From Patients	\$2,543,019	\$2,609,890
Cash Payments For Goods and Supplies	(1,098,295)	(1,016,583)
Cash Payments To Employees For Services	(1,383,778)	(1,163,380)
Cash Payments To Affiliates	(50,000)	(100,000)
Other Non-Operating Revenues	10,117	22,055
	<hr/>	<hr/>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	21,063	351,982
	<hr/>	<hr/>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Purchase of Equipment	(58,514)	(53,259)
	<hr/>	<hr/>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Interest Earned on Investments	17,347	20,436
	<hr/>	<hr/>
NET INCREASES IN CASH AND CASH EQUIVALENTS	(20,104)	319,159
CASH AND CASH EQUIVALENTS, Beginning of Year	822,179	503,020
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS, End of Year	802,075	822,179
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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

SUPPLEMENTARY INFORMATION

POINTE COUPEE PARISH NURSING HOME
NEW ROADS, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE-ENTERPRISE FUND
YEAR ENDED OCTOBER 31, 1996

(WITH COMPARATIVE DATA PRESENTED FOR OCTOBER 31, 1995)

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POINTE COUPEE PARISH NURSING HOME
NEW ROADS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1996

INTRODUCTION

The Pointe Coupee Parish Nursing Home (Nursing Home) was created as part of the Pointe Coupee Health Service District No. 1 as provided by Article VI, Section 19 of the Louisiana Constitution of 1974, and Chapter 10 of Title 46 of the Louisiana Revised Statutes of 1950, as amended. In October, 1987, pursuant to the long range plan of the Board of Commissioners of the Pointe Coupee Parish Health Service District No. 1, the Nursing Home was removed from the District for the purposes of budgeting, cost control and efficiency.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. PRINCIPLES DETERMINING SCOPE OF REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, Pointe Coupee Parish Police Jury is the reporting entity for the Pointe Coupee Parish. Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining which component units should be considered part of the Pointe Coupee Parish Police Jury for financial reporting purposes. The basic, but not the only, criterion for including a potential general purpose within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant factors of this ability is financial interdependence.

Other factors of the ability to exercise oversight responsibility include, but are not limited to, the selection of or appointment of governing boards, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the Police Jury and/or its residents or whether the activity is conducted within the geographic boundaries of the Police Jury and is generally available to the citizens of the parish. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Police Jury is able to exercise oversight responsibilities.

Based on the previous criteria, the Nursing Home has been determined to be a component unit of the Pointe Coupee Parish Police Jury based on since the Police Jury is the governing board.

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FEB 28 1997

LEGISLATIVE AUDITOR

POINTE COUPEE PARISH NURSING HOME
GENERAL PURPOSE FINANCIAL STATEMENTS
YEAR ENDED OCTOBER 31, 1996

(A COMPONENT UNIT OF THE
POINTE COUPEE PARISH POLICE JURY)

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 4-2-97

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INDEPENDENT AUDITOR'S REPORT

December 27, 1996

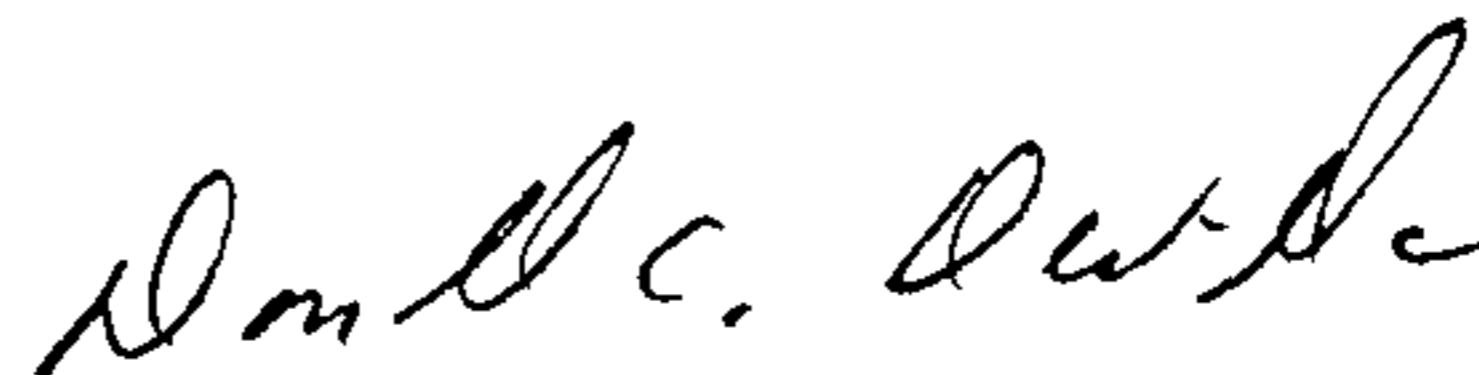
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POINTE COUPEE PARISH NURSING HOME
NEW ROADS, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE-ENTERPRISE FUND
YEAR ENDED OCTOBER 31, 1996

(WITH COMPARATIVE DATA PRESENTED FOR OCTOBER 31, 1995)

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POINTE COUPEE PARISH NURSING HOME
NEW ROADS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1996

B. BASIS OF PRESENTATION - FUND ACCOUNTING

The accompanying financial statements of the Pointe Coupee Parish Nursing Home have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Nursing Home is organized and operated on a fund basis whereby a separate self-balancing set of accounts (Enterprise Fund) is maintained that comprise its assets, liabilities, fund equity, revenues and expenses. These funds are used to account for operations (a) that are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is 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.

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures (or expenses) are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The proprietary funds are accounted for and reported using a flow of economic resources measurement focus whereby all assets and liabilities associated with the operation of these funds are included on the balance sheet and fund equity consists of contributed capital and retained earnings. Additionally, operating statements of this fund present increases and decreases in net total assets.

D. BUDGETS

Proprietary funds are not required to prepare budgets.

POINTE COUPEE PARISH NURSING HOME
NEW ROADS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1996

INTRODUCTION

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POINTE COUPEE PARISH NURSING HOME
NEW ROADS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1996

NOTE 14 - FEDERAL COMPLIANCE CONTINGENCIES

The Nursing Home receives large amounts of Federal and State reimbursements for specific purposes that are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grant. Management fees based on past experience, disallowed cost, if any, for grants will be immaterial.

POINTE COUPEE PARISH NURSING HOME
NEW ROADS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1996

E. ASSETS, LIABILITIES AND FUND EQUITY

CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest bearing demand deposits and money market accounts. Cash equivalents include amounts in time deposits with maturities of 90 days or less. Under state law, the Nursing Home may deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

RECEIVABLES

Receivables include all amounts which have been earned, but have not been collected at October 31. Receivables are shown net of any uncollected amounts. Accounts receivables are written off under the direct write-off method where by bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as revenue. The direct write-off method is used because it does not cause a material departure from GAAP and it approximates the valuation method.

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Insurance and similar services which extend over more than one accounting period have been recorded as prepaid assets except for prepaid licenses for next year.

FIXED ASSETS AND DEPRECIATION

Fixed assets of the enterprise fund are stated at cost, and are reported net of depreciation. Theses assets are depreciated principally on the straight-line basis over the estimated useful lives of the assets, as follows:

Buildings	5-40 Years
Improvements other than buildings	10-25 Years
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POINTE COUPEE PARISH NURSING HOME
NEW ROADS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1996

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POINTE COUPEE PARISH NURSING HOME
NEW ROADS, LOUISIANA
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OCTOBER 31, 1996

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At October 31, 1996, the Nursing Home has cash and cash equivalents (book balances) totaling \$802,075 as follows:

Petty Cash	\$250
Demand Deposits	512
Interest Bearing Demand Deposits	275,906
Money Fund	358,973
Time Deposits	165,032
	<hr/>
	800,673
Restricted Demand Deposits	1,402
	<hr/>
Total	802,075
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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 October 31, 1996, the Nursing Home had \$814,573 in deposits (collected bank balances). All of these deposits are insured from risk by \$331,917 of federal deposit insurance and \$1,163,989 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

POINTE COUPEE PARISH NURSING HOME
NEW ROADS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1996

NOTE 3 - RECEIVABLES AND PAYABLES

A SUMMARY OF RECEIVABLES AS OF OCTOBER 31, 1996, FOLLOWS:

<u>CLASS OF RECEIVABLE</u>	
Accounts:	
Medicaid	\$160,682
Private	13,928
	174,610
Accrued Interest	836
	174,296

NOTE 4 - FIXED ASSETS

A summary of Proprietary fund type property, plant and equipment at October 31, 1996, is as follows:

Land	\$8,202
Buildings	2,626,305
Improvements Other Than Buildings	94,310
Equipment	642,739
Motor Vehicles	38,305
Accumulated Depreciation	(1,650,618)
Total	1,759,243

NOTE 5 - PENSION PLAN AND RETIREMENT COMMITMENTS

Plan Description.

Substantially all Nursing Home's employees are members of the Parochial Employees' Retirement System of Louisiana ("System"), a multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and separate benefit provisions. All employees of the Nursing Home are members of Plan A. All permanent Nursing Home employees working at least 28 hours a week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of credited service, at or

POINTE COUPEE PARISH NURSING HOME
NEW ROADS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1996

NOTE 5 - PENSION PLAN AND RETIREMENT COMMITMENTS (Continued)

after age 55 with 25 years of credited service, or at any age with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final-average salary for each year of creditable service. However, for most employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental plan only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of credited service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employee's Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Funding Policy

Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Nursing Home is required to contribute at an actuarially determined rate. The current rate is 8.0 percent of annual covered payroll. Contributions to the System also include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B, based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Nursing Home are established and may be amended by state statute.

As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Nursing Home's contributions to the System under Plan A for the years ended October 31, 1996, and 1995, were \$83,523, and \$88,852, respectively, equal to the required contributions for each year.

POINTE COUPEE PARISH NURSING HOME
NEW ROADS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1996

NOTE 6 - POST-RETIREMENT BENEFITS

The Nursing Home does not have any retired employees.

NOTE 7 - AMORTIZATION OF CONTRIBUTED CAPITAL

External contributions of capital relating to the acquisition of plant and equipment for the Nursing Home are being amortized over periods equal to the lives of assets acquired with such contributions of capital. Amortization of contributed capital amounts to \$84,856 for the year ended October 31, 1996. Contributed capital is comprised as follows:

Contributed Capital:		
Public		\$3,090,973
Private		16,108
		3,107,081
Less: Accumulated Amortization		(1,560,827)
Total		1,546,254

NOTE 11 - RELATED PARTY TRANSACTION

The Pointe Coupee Parish Nursing Home transferred to the Pointe Coupee Parish Police Jury (oversight unit) \$6,635 for vehicle insurance and \$4,200 for accounting services during the year ended October 31, 1996. The Nursing Home also transferred \$50,000 to the Police Jury.

NOTE 12 - INCOME TAX STATUS

The Nursing Home, a general purpose of the Pointe Coupee Parish Police Jury, is exempt for federal income taxes under Section 501 (C) (1) of the Internal Revenue Code.

NOTE 13 - LITIGATION AND OTHER CONTINGENCIES

The Nursing Home, the Police Jury and its insurance carrier were involved in a couple of petitions for damages concerning patients that were residing at the nursing home. This matter is still pending.

POINTE COUPEE PARISH NURSING HOME
NEW ROADS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1996

NOTE 5 - PENSION PLAN AND RETIREMENT COMMITMENTS (Continued)

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Donald C. DeVille

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

December 27, 1996

To the Board of Directors
New Roads, Louisiana

I have audited the financial statements of the Pointe Coupee Parish Nursing Home as of and for the year ended October 31, 1996, and have issued my report thereon dated December 27, 1996.

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

The management of the Pointe Coupee Parish Nursing Home is responsible for establishing and maintaining a system of internal accounting Control. In fulfilling this responsibility, estimates 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 executed 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, projection 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.

POINTE COUPEE PARISH NURSING HOME
NEW ROADS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1996

G. TOTAL COLUMN ON COMBINED STATEMENTS

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POINTE COUPEE PARISH NURSING HOME
NEW ROADS, LOUISIANA
SCHEDULE OF FINDINGS
October 31, 1996

REPORTABLE CONDITION: The payroll account has not been reconciled for some time. The payroll clerk also has the responsibility to reconcile the account.

CRITERIA: Good accounting control requires that bank accounts are reconciled monthly and by someone independent of the payroll function.

CAUSE: The payroll clerks has other responsibilities that keep her from reconciling the account.

EFFECT: There is no material effect to the financial statements.

RECOMMENDATION: I recommend that someone other than the payroll clerk reconcile the payroll bank account in a timely manner.

* * *

POINTE COUPEE PARISH NURSING HOME
NEW ROADS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1996

B. BASIS OF PRESENTATION - FUND ACCOUNTING

The accompanying financial statements of the Pointe Coupee Parish Nursing Home have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Nursing Home is organized and operated on a fund basis whereby a separate self-balancing set of accounts (Enterprise Fund) is maintained that comprise its assets, liabilities, fund equity, revenues and expenses. These funds are used to account for operations (a) that are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is 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.

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures (or expenses) are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The proprietary funds are accounted for and reported using a flow of economic resources measurement focus whereby all assets and liabilities associated with the operation of these funds are included on the balance sheet and fund equity consists of contributed capital and retained earnings. Additionally, operating statements of this fund present increases and decreases in net total assets.

D. BUDGETS

Proprietary funds are not required to prepare budgets.

In planning and performing my audit of the financial statements of the Pointe Coupee Parish Nursing Home for the year ended October 31, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgement, 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.

See Schedule of Findings.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relative 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.

My 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. However, I believe none of the reportable conditions described in the Schedule of Findings is a material weakness.

This report is intended for the information of the management. However, this report is a matter of public record and distribution is not limited.

Respectfully submitted,



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BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

December 27, 1996

Pointe Coupee Parish Nursing Home
New Roads, Louisiana

I have audited the financial statements of the Pointe Coupee Parish Nursing Home as of and for the year ended October 31, 1996, and have issued my report thereon dated December 27, 1996.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the U.S. General Accounting Office. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Pointe Coupee Parish Nursing Home is the responsibility of the organization's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, I performed tests of the Pointe Coupee Parish Nursing Home's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are to reported under Government Auditing Standards.

This report is intended for the information of the management. However, this report is a matter of public record and distribution is not limited.

Respectfully submitted,



SUPPLEMENTARY INFORMATION

POINTE COUPEE PARISH NURSING HOME
NEW ROADS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1996

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POINTE COUPEE PARISH NURSING HOME
NEW ROADS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1996

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NEW ROADS, LOUISIANA
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POINTE COUPEE PARISH NURSING HOME
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NEW ROADS, LOUISIANA
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Improvements other than buildings	10-25 Years
Equipment	4-20 Years

POINTE COUPEE PARISH NURSING HOME
NEW ROADS, LOUISIANA
PRIOR YEAR'S FINDINGS
October 31, 1996

DESCRIPTION: The payroll account had not been reconciled.

STATUS: The payroll account was still not reconciled.

* * * * *