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WEST CALCASTLE-CATHERON HOSPITAL
Cathartes-Cameron
Hospital Service District
Bolivar, Louisiana

Financial Statements
December 31, 1935 and 1934

Under provisions of state law, this report is a public document. A copy of this report has been sent to the auditor, or comptroller, city and other appropriate public officials. This 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 8-21-96

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BROUSSARD & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

A Registered Corporation

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
West Calcasieu-Cameron Hospital
Calcasieu-Cameron Hospital Service District
Lakechar, Louisiana

We have audited the accompanying balance sheets of West Calcasieu-Cameron Hospital as of December 31, 1993 and 1994, and the related statements of revenue and expenses, fund balances, 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 generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the West Calcasieu-Cameron Hospital as of December 31, 1993 and 1994, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

May 21, 1995
l/gh

MET CALCASIEU-CROFFORD HOSPITAL
Bossier, Louisiana

Balance Sheets
December 31,

	1999	1998
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,356,175	\$ 997,641
Assets whose use is limited -		
- retained for current disabilities	136,800	139,687
- Certificates of deposit	99,860	99,860
Accounts receivable from patients	18,034,972	18,137,000
Less allowances for uncollectible accounts	(2,068,887)	(2,476,120)
Due from Medicare and Medicaid -		
- Cost report	68,711	133,974
- Insurance receivable	64,345	138,285
- Insurance	927,344	927,344
Prepaid expenses	128,880	112,948
Grant expenditures receivable	302,438	-
- Total Current Assets	<u>16,832,388</u>	<u>20,968,329</u>
ASSETS WHOSE USE IS LIMITED		
By bond indentures	1,008,000	1,008,000
By bond for self-insurance	1,008,000	1,473,459
By bond for capital improvements	4,580,781	24,822,444
By bond for cash required for operations	4,979,929	3,861,978
By bond for deferred compensation	28,489	-
Certificates of deposit held in escrow by State Treasurer	128,000	128,000
- Restricted Assets Whose Use is Limited	<u>22,632,679</u>	<u>28,492,881</u>
PROPERTY, PLANT AND EQUIPMENT		
Construction-in-progress	281,120	2,281,294
Buildings and improvements	21,729,918	22,823,688
Equipment	28,131,853	28,999,722
Less allowance for depreciation	(18,880,998)	(12,999,951)
Land and improvements	2,420,228	2,887,378
- Net Property, Plant and Equipment	<u>22,651,853</u>	<u>23,982,231</u>
OTHER ASSETS		
Cost of bonds issued that of amortization totaling \$18,000 and \$87,385	87,385	71,200
- Total Other Assets	<u>87,385</u>	<u>71,200</u>
TOTAL ASSETS	\$19,552,821	\$48,322,230

The accompanying notes are an integral part of these financial statements.

LIABILITIES AND FUND BALANCE

	<u>1988</u>	<u>1987</u>
CURRENT LIABILITIES		
Accounts payable	\$ 400,000	\$ 2,180,248
Notes payable - current	-	80,809
Accrued compensation	774,646	885,878
Accrued health insurance benefits	178,837	48,513
Accrued benefits payable	-	28,704
Accrued interest payable	30,017	43,806
Other accrued expenses	6,000	-
Refundable security deposit	27,124	78,284
Retainage payable	2,800	247,483
Current installments on bonds payable	1,000,000	1,000,000
Current installments on capital lease obligations	473,877	280,204
Total Current Liabilities	<u>3,863,291</u>	<u>5,844,102</u>
LONG-TERM DEBT		
Notes payable - net of current portion	-	181,511
Hospital revenue bonds payable	4,000,000	7,000,000
Capital lease obligations	380,000	84,000
Total Long-Term Debt	<u>4,380,000</u>	<u>7,265,511</u>
Total Liabilities	<u>8,243,291</u>	<u>13,109,613</u>
FUND BALANCE	<u>18,183,281</u>	<u>20,844,442</u>

TOTAL LIABILITIES AND FUND BALANCE

\$18,026,571

\$23,974,055

WEST CALCAPIEU-CARRON HOSPITAL
Sulphur, Louisiana

EXHIBIT B

Statements of Revenue and Expenses
Years Ended December 31,

	1988	1987
NET PATIENT SERVICE REVENUE	558,581,120	525,275,884
OTHER REVENUE (EXPENSES)		
Caterers and vending machines	345,343	(594,433)
Rented rooms and miscellaneous	22,382	49,317
Total Other Revenue (Expenses)	367,725	(545,116)
TOTAL REVENUE	561,948,845	524,730,768
OPERATING EXPENSES		
Nursing expenses (Schedule B-1)	9,482,194	10,406,182
Other professional services expenses (Schedule B-4)	11,268,787	10,383,283
General services expenses (Schedule B-3)	3,413,282	3,412,993
Plans and administrative services expenses (Schedule B-6)	7,487,088	7,480,073
Provision for bad accounts (cash of recoveries)	1,583,045	1,280,875
Interest expense on loans	388,428	485,808
Interest expense on leases	28,842	188,283
Total Operating Expenses	33,880,669	33,186,604
INCOME (LOSS) FROM OPERATIONS	(2,931,824)	(7,455,836)
NON-OPERATING REVENUE AND (EXPENSES)		
Sale of surplus	5,368	2,558
Bond income	228,428	188,284
Interest income	1,224,472	1,420,245
(Loss) on disposal of equipment	-	(1,808)
Gain (loss) on sale of investments	(42,788)	(231,279)
Gain on sale of land	-	380,800
Grant awards	510,318	-
Miscellaneous	87,888	78,832
Total Non-Operating Revenue and (Expenses)	1,583,268	1,658,312
NET LOSS OF REVENUE OVER (UNDER) EXPENSES	(1,348,556)	(8,797,524)

The accompanying notes are an integral part of these financial statements.

WEST CALIFORNIA-COLUMBIA HOSPITAL
 Higher, California

EXHIBIT B

Statement of Cash Flows
 December 31.

	1994	1993
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$12,648,000	\$1,789,870
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation and amortization	1,468,708	1,422,401
Provision for losses on accounts receivable, net	(608,019)	1,023,893
Interest expense	684,775	638,881
Decrease (increase) in receivables	305,349	13,396,190
Increase (decrease) in other receivables	(303,498)	-
Increase (decrease) in inventory	18,702	17,493
Increase (decrease) in prepaid expenses	(13,943)	139,420
Increase (decrease) in accounts payable and other accrued expenses	(1,810,878)	(588,520)
Total Adjustments	120,508	2,688,868
Net Cash (Used) Provided by Operating Activities	\$12,768,508	\$4,478,738
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase) sale of assets whose use is limited, net	8,821,878	4,944,315
Proceeds from sale of equipment, lease, and land	4,340	302,160
Proceeds from sale of building	480,800	-
Interest received	1,156,473	1,428,145
Bank proceeds	220,830	178,158
Net Cash Provided by Investing Activities	\$11,684,321	\$6,852,778
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for capital expenditures	(3,136,404)	(6,396,192)
Proceeds from borrowings	-	283,888
Principal payments on bonds	(3,080,800)	(1,808,080)
Principal payments on borrowings	-	(13,395)
Principal payments under capital lease obligations	(473,216)	(565,981)
Interest paid	(484,385)	(812,481)
Cash dividends	(20,320)	-
Other	71,828	18,182
Net Cash (Used) by Capital and Related Financing Activities	\$-742,597	\$-893,138
Net Increase in Cash	188,834	375,600
Cash and Cash Equivalents at Beginning of Year	902,641	527,041
Cash and Cash Equivalents at End of Year	\$1,091,475	\$902,641

Continued

B

WEST CALIFORNIA-CAMERON HOSPITAL
RIVERSIDE, CALIFORNIA

EXHIBIT D

Statements of Cash Flows (Continued)
December 31,

Supplemental Disclosures:

West California-Cameron Hospital entered into capital lease obligations of \$1,000,000 for new equipment in 1988.

Cash paid for interest (net of amount capitalized) in 1988 and 1989 was \$485,000 and \$432,451, respectively.

The accompanying notes are an integral part of these financial statements. 7

WEST CALCASIEU-CAMERON HOSPITAL
Bajoué, Louisiana

Notes to Financial Statements
December 31, 1995 and 1994

Note 3 - Organization and Summary of Significant Accounting Policies

The West Calcasieu-Cameron Hospital is owned and operated by the Calcasieu-Cameron Hospital Service District. It is operated as a nonprofit corporation organized by the Calcasieu and Cameron Parish Police Juris under the provisions of Chapter 98 of Title 46 of the Louisiana revised statute of 1950. The governing authority of the Hospital Service District is a Board of Commissioners appointed to office by the Calcasieu and Cameron Parish Police Juris.

Reporting Entity - As more fully detailed in the paragraph above, the Hospital Service District is a component unit of the Calcasieu and Cameron Parish Police Juris.

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. Retrospective adjustments are recorded on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

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 consult 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.

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.

Property, Plant, and Equipment - Property, plant, and equipment of the hospital is recorded at cost. Depreciation is recorded using the straight-line method in amounts sufficient to amortize the cost of the assets over their estimated useful lives. Depreciation amounted to \$1,455,049 and \$1,410,754 for the years ended December 31, 1995 and 1994, respectively.

Continued
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WEST CALGASIE-CRIBBON HOSPITAL
Lafayette, Louisiana

Notes to Financial Statements (Continued)
December 31, 1988 and 1987

Note 3 - Depreciation and Summary of Significant Accounting Policies (Continued)

The estimated useful lives of the various assets follow guidelines established by the American Hospital Association, and are categorized as follows:

	Life
Hospital equipment	4 - 25 years
Buildings and improvements	5 - 50 years
Parking lots	15 - 25 years
Land improvements	15 - 25 years

The costs of maintenance and repair of property and equipment are charged to expense as incurred. Expenditures for additions, improvements and replacements are capitalized. The cost and related accumulated depreciation of property and equipment retired are removed from the accounts and any resulting gain or loss is recognized.

Inventory - Inventories are valued at the lower of cost (first-in, first-out) or market. Inventory consists primarily of medical products and medicines.

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.

Amortization of Debt Issuance Costs - Debt issuance costs are deferred and amortized using the straight-line method over the term of the related debt.

Capitalization of Interest - FAS-34 (Capitalization of Interest Costs) requires that interest expenditures incurred during construction of assets be capitalized. FAS-42 (Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants) concluded that consolidated assets financed with the proceeds of tax-exempt debt (if those funds are otherwise restricted to finance the acquisition of the asset or used to service the related debt) should include capitalized interest only to the extent that interest cost exceeds interest earned on related interest-bearing investments acquired with proceeds of the related tax-exempt borrowing. Net interest costs capitalized totaled \$43,388 and \$70,427 during 1988 and 1987, respectively.

Note 4 - Assets Whose Use is Limited

Assets whose use is limited include investments set aside by the Board for capital improvements, self-insurance, required liquidity for operations and other liabilities. Also, included are assets held by Louisiana under bond indenture agreements and malpractice insurance arrangements.

The composition of assets whose use is limited is set forth in the following table at amortized costs, if applicable.

Continued
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WEST CALCASIEU-CARRON'S HOSPITAL
 Bogalusa, Louisiana

NOTE 1 - Financial Statements (Continued)
 December 31, 1994 and 1993

NOTE 2 - Assets Where Use is Limited (Continued)

Market value at December 31, 1993 totaled \$13,734,744, resulting in unutilized fees of \$42,823.

	1994	1993
Cash	\$ 179,712	\$ 129,493
Certificate of Deposit	3,178,719	7,623,493
U.S. Treasury obligations	4,948,482	10,082,314
Government mortgage backed securities	4,527,831	4,988,288
	\$13,734,744	\$22,823,588

NOTE 3 - Hospital Revenue Bonds Payable

\$19,000,000 Calcasieu-Carron Hospital Service District Hospital Revenue Bonds, 1992 Series, due in semi-annual installments of \$224,000 on \$180,000 through December 31, 2002; interest at 5.75%

\$ 7,600,000

The annual installments to amortize all debt outstanding as of December 31, 1994 are as follows:

	Principal	INTEREST	Total
1996	\$ 1,000,000	\$ 338,000	\$ 1,338,000
1997	1,000,000	322,000	1,322,000
1998	1,000,000	306,000	1,306,000
1999	1,000,000	290,000	1,290,000
2000	1,000,000	274,000	1,274,000
Thereafter	2,000,000	180,000	2,180,000
	\$ 7,000,000	\$ 1,470,000	\$ 8,470,000

NOTE 4 - Compliance with Bond Restrictions

All reserve, contingency, and debt service funds as required by the revenue bond issue of December 1, 1992 have been established and properly maintained.

NOTE 5 - Hospital Insurance

Effective April 1, 1978, the hospital became a member of the Louisiana Hospital's Compensation Fund of the Louisiana Hospital Insurance Company for the purpose of obtaining hospitalization insurance. The hospital has pledged \$128,000 on deposit under the custody of the Louisiana State Treasurer. All participating hospitals share proportionately in the expense of the fund.

NOTE 6 - Contingencies

The hospital is self-insured for employee medical benefits. Under this arrangement, the employees contribute a portion of the cost with the hospital paying the difference to the Louisiana Hospital Association Employee Benefit Trust. A portion of the monthly contributions is used to purchase a reinsurance contract that covers individual claims exceeding \$50,000. The hospital's reserve balance in the trust is an overdraft of \$18,181 at December 31, 1993 and a balance of \$179,323 at December 31, 1994.

Continued

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WEST CALCASIEU-CANON HOSPITAL
Lafayette, Louisiana

Notes to Financial Statements (Continued)
December 31, 1993 and 1994

NOTE 5 - Contingencies (Continued)

Effective the last payroll in 1993, the hospital amended the sick leave policy to allow for an adjustment to the maximum hours of sick leave available for carryforward purposes. Additionally, sick leave will no longer be a vested benefit and will no longer be payable in cash upon retirement for employees meeting the plan vesting criteria.

Employees accrue a maximum of 320 hours sick leave for years beginning subsequent to December 31, 1994. Estimated accumulated sick pay totaling \$1,344,807 and \$1,606,480 for the years ended December 31, 1993 and 1994, respectively, is not a vested benefit and is, therefore, improbable that payment of the compensation will ever be made. The above sick pay balances are presented for informational purposes only and are not accrued for financial statement presentation.

NOTE 7 - Compensation of the Board of Directors

The members of the Board of Directors of West Calcasieu-Canon Hospital were without pay, and accordingly, received no compensation during 1993 and 1994.

NOTE 8 - Cash and Cash Equivalents

The Hospital considers all short-term investments with an original maturity of three months or less to be cash equivalents, excluding amounts whose use is limited.

NOTE 9 - Accrued Compensation

accrued payroll for the years ended December 31, 1993 and 1994, paid in the subsequent year, totaled \$288,821 and \$261,790, respectively. Accrued compensation totaling \$185,885 and \$264,328 for the years ended December 31, 1993 and 1994, respectively, has also been accrued at the employees' present salary levels for vacation time earned, but unpaid as of the end of the year.

NOTE 10- LEASES

The hospital has entered into several lease agreements as lessee for financing the acquisition of medical equipment and buildings. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the lower of the present value of the future minimum lease payments or the fair value of the assets. The assets are depreciated over the lesser of their lease terms or their estimated productive lives, depending on the capital lease criteria met. The accumulated depreciation on such leases under capital lease obligations was \$413,081 as December 31, 1993 and \$5,881,680 as December 31, 1994. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments as of December 31, 1993:

Continued

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WEST CHICAGO-CAMERON HOSPITAL
Molport, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 1993 and 1994

Note 10- Leases (Continued)

Year Ending December 31-	
1993	\$ 838,291
1994	450,243
1995	375,319
1996	379,456
2000	<u>82,824</u>
Total Minimum Lease Payments	3,046,833
Less: Amount Representing Interest	<u>143,750</u>
Present Value of Future Minimum Lease Payments	<u><u>\$ 2,903,083</u></u>

The hospital leases part of the hospital facilities under an initial two year operating lease to a provider of long-term acute care services. The lease, under the original lease agreement, is granted the option to renew the lease for three successive renewal terms of twenty-four months each, commencing immediately upon the expiration of the initial lease term, October, 1995. The lessee exercised its option to renew the lease for another two year period effective October, 1996. At December 31, 1995, future minimum lease payments were as follows:

Year Ending December 31,	
1995	\$ 317,008
1997	<u>300,000</u>
	<u><u>\$ 617,008</u></u>

Note 11- Litigation

Litigation claims have been asserted against West Chicago-Cameron Hospital by various claimants. The claims are in various stages of processing, and some may ultimately be brought to trial. In the opinion of counsel, the outcome of these actions will not have a significant effect on the financial position or the results of operations of West Chicago-Cameron Hospital. Incidents occurring through December 31, 1995 may result in the assertion of additional claims. Other claims may be asserted arising from past services provided. Management is unable to estimate the ultimate cost, if any, of the resolution of such potential claims and, accordingly, no accrual has been made for them. However, management believes that these claims, if asserted, may result in a maximum out-of-pocket expense of approximately \$10,000 to \$100,000. Management believes all other asserted claims would be settled within the limits of insurance coverage.

Note 12- Fund Balances

Following is a composition of fund balances at December 31, 1993 and 1994:

	1993	1994
Reserved for bond retirement	\$ 83,728	\$ 83,724
Designated for self-insurance, construction, future expansion, plant assets	7,857,370	37,830,800
Unreserved-undesignated	<u>28,802,342</u>	<u>28,580,376</u>
	<u><u>\$ 29,643,440</u></u>	<u><u>\$ 29,494,900</u></u>

Continued

WEST CHICKENS-BAHNSON HOSPITAL
Bajoué, Louisiana

NOTES TO Financial Statements (Continued)
December 31, 1993 and 1994

Note 13- Retirement Commitments

Full-time employees of the Hospital are members of the Parochial Employees' Retirement System of Louisiana, a multi-employer (multi-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 benefit provisions. Eligible employees of the Hospital are members of Plan A.

Under Plan A, employees who retire at or after age 60 with at least 18 years of creditable service, or at or after age 55 with at least 28 years of creditable service, are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to 3% 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 creditable 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.

Contributions to the System include 1/4 of 3% of the taxes shown to be collectible by the tax rolls of each parish, namely 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. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised State Code (1980), the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. Data concerning the actuarial status of the System are not available for 1994.

The pension benefit obligation as of December 31, 1994 follows:

RETIREMENT OBLIG	Plan A	Plan B
Net Assets	\$ 897,633,388	\$ 48,418,783
Pension Benefit Obligation	1,691,658,585	1,33,783,783
Unfunded Pension Benefit \$913,025,197	\$ 794,025,197	
Excess Assets		\$ 14,635,000

CONTINUED
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WEST CALVERTON-DARDON HOSPITAL
Baytown, Louisiana

Notes to Financial Statements (Continued)
December 31, 1993 and 1994

Note 13- PENSION COMMITMENTS (CONTINUED)

The pension benefit obligation is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases and anticipated benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERM and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employees.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's December 31, 1994, Comprehensive Annual Financial Report. The district does not guarantee the benefits granted by the System.

Contributions to the system are made by both employees and the hospital as a percentage of salaries. The payroll for the hospital employees covered by the system for the year ended December 31, 1993 was 103,442,637. The hospital's total payroll was 212,224,873. Covered employees are required to contribute 9.30%. The hospital contributed 22,075,650 (10.0% of covered payroll) to this system during the year as its share.

Note 14- Cash, Cash Equivalents and Certificates of Deposit

At December 31, 1994, the hospital had cash, cash equivalents and certificates of deposit (cash balances) totaling 26,249,486.

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 agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1994, the hospital has 28,287,628 in deposits (collected bank balances). These deposits are secured from risk by 2200,000 of federal deposit insurance and 26,087,628 of pledged securities held by the custodial bank in the name of the fiscal agent bank (SSSB Category 3). Refer to the Independent Auditor's Report on Compliance based on a financial statement audit performed in accordance with government auditing standards for additional disclosure of secured deposits on a financial institution basis.

Even though the pledged securities are considered collateralized (Category 3) under the provisions of SSAB Statement 3, Louisiana Revised Statute 28:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the hospital that the fiscal agent has failed to pay deposited funds upon demand.

Continued

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WEST CALCASIEU-CARRON HOSPITAL
 Sulphur, Louisiana

Notes to Financial Statements (Continued)
 December 31, 1994 and 1993

Note 14- Construction in Progress

The hospital is entering the final stages of a multi-year plan to renovate and construct various health and medical facilities. The total estimated cost to complete the construction and modernization program is approximately \$7,000,000. At December 31, 1995, the Hospital had incurred or was committed to approximately \$381,331 of the total estimated amount. Estimated completion dates are from 1996 through 1997.

Note 15- Future Year Balances

Certain prior year amounts have been reclassified to conform with current year presentation.

Note 17- Concentrations of Credit Risk

The hospital is located in Sulphur, Louisiana. The hospital grants credit without collateral to its patients. Most of them are local residents and are insured under third-party payer agreements. The mix of receivables from patients and third-party payors was as follows:

	1994	1993
Medicare	\$15	\$14
Medicaid	0	4
Other	\$0	\$1
	\$15	\$19

The hospital routinely invests its funds in money market mutual funds. The funds generally invest in highly liquid U.S. government and agency obligations. Investments in money market funds are not insured or guaranteed by the U.S. Government; however, management believes that credit risk related to these investments is minimal.

Note 18- Notes Payable

The hospital was obligated to the following notes payable as of December 31:

	1995	1994
Calcasieu Marine National Bank, with interest at 5.82% and monthly payments of \$875, maturing July 7, 1997, secured by automobile	\$	\$ 16,144
Calcasieu Marine National Bank, with interest at 5.41% and monthly payments of \$1,175, maturing July 7, 1997, secured by medical equipment	-	33,000
Calcasieu Marine National Bank, with interest at 5.61% and monthly payments of \$1,200, maturing November 15, 1997, secured by automobile	-	81,750

Continued
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WEST CALCASIEU-CADDOUS HOSPITAL
 Natchitoches, Louisiana

Notes to Financial Statements (Continued)
 December 31, 1993 and 1994

Note 16- Notes Payable (Continued)

	1993	1994
Calcasieu Marine National Bank, with interest at 8.51% and monthly payments of \$2,928, maturing November 15, 1997, secured by equipment	\$ -	\$ 94,827
Calcasieu Marine National Bank, with interest at 8.51% and monthly payments of \$2,928, maturing November 15, 1997, secured by medical equipment	-	24,822
Calcasieu Marine National Bank, with interest at 8.51% and monthly payments of \$1,298, maturing December 25, 1997, secured by real estate	-	62,258
Total Debt	-	181,907
Less Current Portion	-	60,822
Long-Term Debt	\$ -	\$ 121,085

Subsequent to December 31, 1994, the hospital paid off all notes payable.

Note 17- Post Retirement Benefits

The hospital provides post retirement health care benefits to all employees who retire and meet the retirement criteria of the Fereday Employees' Retirement System of Louisiana. Currently, 55 retirees meet these qualifying requirements. Expenditures for post retirement health care benefits are recognized as retirees report claims incurred, and include a provision for estimated claims incurred, but not yet reported to the hospital. During the year, expenditures of \$221,548 were recognized for post retirement health care. Of the \$221,548 post retirement expenditures, the hospital provided in-house services totaling \$80,722.

S U P P L E M E N T A R Y I N F O R M A T I O N



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NEW ORLEANS, LA

SEPTEMBER 14, 1986

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

Board of Commissioners
West Calcasieu-Cameron Hospital
Calcasieu-Cameron Hospital Service District
Opalheim, Louisiana

Our report on our audits of the basic financial statements of West Calcasieu-Cameron Hospital as of December 31, 1985 and 1984, and for the years then ended appears on page 1. The audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied to the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Aug 21, 1986
/s/

WEST CALCASIEU-CARRON HOSPITAL
Bossier, Louisiana

Attachment B-1

Schedule of Nursing Services
Years Ended December 31.

	1958	1959
REGULAR PATIENTS		
Revenues from daily patient services		
Medical and surgical	\$ 828,784	\$ 1,150,004
Intensive care	278,218	320,743
ICU	237,128	287,445
Nursery	138,788	159,943
Operating rooms	2,293,142	2,128,808
Delivery and labor rooms	797,742	782,463
Recovery rooms	808,467	824,799
Central services and supply	2,228,428	2,242,834
Emergency room services	328,028	480,200
Total Regular Patients	<u>11,208,121</u>	<u>12,807,141</u>
MEDICARE PATIENTS		
Revenues from daily patient services		
Medical and surgical	\$ 284,145	\$ 2,824,138
Intensive care	792,487	844,704
ICU	88,566	112,248
Operating rooms	2,048,322	1,824,483
Recovery rooms	288,142	278,324
Central services and supply	2,242,021	2,411,564
Emergency room services	188,180	321,242
Total Medicare Patients	<u>8,122,323</u>	<u>9,807,293</u>
MEDICAID PATIENTS		
Revenues from daily patient services		
Medical and surgical	\$ 252,163	\$ 228,821
Intensive care	124,818	94,071
ICU	84,451	112,480
Nursery	13,788	27,821
Operating rooms	282,828	262,564
Delivery and labor rooms	88,323	102,128
Recovery rooms	47,120	77,128
Central services and supply	228,228	262,567
Emergency room services	128,228	148,728
Total Medicaid Patients	<u>2,482,222</u>	<u>2,482,222</u>
TOTAL NURSING SERVICES	\$12,222,222	\$18,104,663

WEST CALCASIEU-CHENIERE HOSPITAL
Bogalusa, Louisiana

Schedule B-2

Schedule of Other Professional Service Revenues
Years Ended December 31,

	1975	1974
REGULAR PATIENTS		
Anesthesiology	1 193,381	\$ 290,314
Radiology	1,800,428	1,712,289
Laboratory	1,642,381	1,708,881
Cardiology, EKG, EEG	208,988	221,429
Physical Therapy	842,380	1,100,815
Orthopedic	78,648	78,820
Nuclear Medicine	122,189	122,188
Pharmacy	2,424,781	2,621,200
Oxygen and Inhalation Therapy	1,513,797	1,424,178
Dialysis - long-term care	224,941	249,268
Ambulance service	248,882	282,871
Emergency room physicians - professional fees	1,068,565	882,128
Occupational Therapy	278,489	582,668
Home health care	42,873	42,618
Wound Dressing	224,862	272,738
Day Care	322,320	322,942
Therapeutic riding	128,418	94,889
Wellness Center	668,517	282,121
Long-term care - other	-	1,024
off site clinics	184,824	224,728
Total Regular Patients	12,822,882	12,822,882
MEDICARE PATIENTS		
Anesthesiology	254,420	218,882
Radiology	1,427,787	1,368,178
Laboratory	2,289,882	2,224,882
Cardiology, EKG, EEG	464,788	628,222
Physical Therapy	288,882	292,882
Orthopedic	32,822	32,882
Nuclear Medicine	242,218	188,882
Pharmacy	1,242,212	1,078,478
Oxygen and Inhalation Therapy	2,218,482	2,282,882
Ambulance service	227,178	212,288
Emergency room physicians - professional fees	282,224	222,222
Occupational Therapy	28,228	22,882
Home health care	1,418,028	2,488,481
Wound Dressing	8,822	2,429
Therapeutic riding	2,228	2,228
Total Medicare Patients	11,022,647	11,112,882

Total Inad
20

WEST CALCASIEU-GERRARD HOSPITAL
Bossier, Louisiana

Schedule B-1

Schedule of Other Professional Service Revenues (continued)
Years Ended December 31.

	1999	1998
HISTORIC PATIENTS		
Anesthesiology	\$ 28,383	\$ 48,245
Radiology	228,823	302,358
Laboratory	344,646	426,137
Cardiology, EEG, ECG	56,748	68,212
Physical therapy	48,147	58,854
Ophthalmic	18,050	7,884
Nuclear medicine	13,337	14,053
Pharmacy	204,488	285,871
Crypsis and inhalation therapy	217,843	284,608
Ambulance service	48,500	41,508
Emergency room physicians - professional fees	304,063	382,383
Occupational therapy	26,404	24,210
Home health care	27,272	43,843
Work hardening	-	1,694
Therapeutic riding	10,888	8,288
Total Medical Patients	<u>1,817,613</u>	<u>2,428,255</u>
TOTAL OTHER PROFESSIONAL SERVICE REVENUES	<u>622,650,113</u>	<u>618,921,426</u>

WEST CALIFORNIA-GARDNER HOSPITAL
 Redding, California

Exhibit B-5

Schedule of Nursing Expenses
 Year Ended December 31,

	<u>1955</u>	<u>1954</u>
Nursing services - salaries	\$ 2,318,385	\$ 2,454,212
Nursing services - administrative salaries	780,381	826,663
Nursing services - expenses	238,188	473,625
Central supply - salaries	282,897	286,264
Central supplies and expenses	3,482,381	1,491,900
Operating room - salaries	682,328	666,076
Operating room - expenses	448,892	608,821
Delivery room - salaries	322,407	286,569
Delivery room - expenses	33,321	53,728
Recovery - salaries	182,822	112,288
Recovery - expenses	31,380	33,145
Recovery room - salaries	122,252	112,087
Recovery room - expenses	8,758	3,364
Intensive care - salaries	822,217	688,347
Intensive care - expenses	32,871	176,857
CICU - salaries	221,294	246,843
CICU - expenses	212,098	75,756
Emergency room - salaries	724,497	732,987
Emergency room - expenses	26,626	24,680
Emergency room - professional fees	221,128	228,282
TOTAL NURSING EXPENSES	\$ 6,501,254	\$ 6,121,282

WEST CALVERTON-DANFORD HOSPITAL
Salisbury, Louisiana

Schedule B-4

Schedule of Other Professional Service Expenses
Years Ended December 31,

	1995	1994
Anesthesiology - expenses	\$ 518,170	\$ 479,200
Radiology - salaries	522,428	509,208
Radiology - expenses	732,428	731,818
Laboratory - salaries	732,885	709,473
Laboratory - expenses	929,188	849,423
Cardiology, EKG and EEG - salaries	182,188	179,808
Cardiology, EKG and EEG - expenses	82,192	82,513
Physical Therapy - salaries	518,478	525,528
Physical therapy - expenses	218,128	204,273
Cytopathic room - expenses	24,222	25,428
Pharmacy - salaries	322,128	325,288
Pharmacy - supplies	1,182,488	1,181,843
Inhalation therapy - salaries	288,842	309,224
Inhalation therapy - expenses	172,072	201,528
Respiratory services - salaries	908,148	829,828
Respiratory services - expenses	54,248	62,228
Medical Records - salaries	212,064	204,548
Medical Records - expenses	78,282	102,428
Nuclear medicine - salaries	18,722	22,208
Nuclear medicine - expenses	122,222	109,272
Ultrasound - salaries	82,182	72,408
Ultrasound - expenses	18,792	28,884
Home health care - salaries	618,224	732,422
Home health care - expenses	228,064	192,222
Work Sampling salaries	168,772	182,422
Work Sampling expenses	8,472	21,224
Dry Care salaries	292,082	278,222
Dry Care expenses	28,082	25,282
Occupational therapy salaries	288,188	271,228
Occupational therapy expenses	22,142	19,202
Off site clinic salaries	982,288	107,222
Off site clinic expenses	702,128	428,224
Malware Center salaries	262,128	148,222
Malware Center expenses	158,728	78,424
Therapeutic riding salaries	48,792	67,222
Therapeutic riding expenses	22,822	28,222
TOTAL OTHER PROFESSIONAL SERVICE EXPENSES	\$11,212,782	\$12,242,222

WEST CALCASIEU-CARRIERS HOSPITAL
 Bogalusa, Louisiana

Exhibit B-3

Schedule of General Service Expenses
 Year Ended December 31,

	<u>1955</u>	<u>1954</u>
Dietary - salaries	\$ 400,979	\$ 411,740
Dietary - food	218,788	250,873
Dietary - expenses	78,722	74,000
Housekeeping - salaries	243,490	238,910
Housekeeping - expenses	58,504	88,434
Laundry - salaries	88,923	81,644
Laundry - expenses	82,488	78,900
Operating and maintenance of plant - salaries	318,941	324,538
Operating and maintenance of plant - expenses	<u>728,180</u>	<u>752,382</u>
TOTAL GENERAL SERVICE EXPENSES	<u>\$ 3,413,322</u>	<u>\$ 3,413,000</u>

WEST CALCAKIEU-CAMERON HOSPITAL
 Sulphur, Louisiana

Schedule of Fiscal and Administrative Service Expenses
 Years Ended December 31,

	<u>1974</u>	<u>1973</u>
administrative - salaries	\$ 1,441,762	\$ 1,481,511
Administrative - general expenses	1,863,976	2,422,825
Paper, linen and benefits	2,070,718	1,988,824
Insurance and liability claims	510,740	592,581
Amortization of bond costs	11,445	12,445
Depreciation - buildings/equipment	1,427,860	1,618,758
TOTAL FISCAL AND ADMINISTRATIVE SERVICE EXPENSE	<u>\$ 7,582,602</u>	<u>\$ 7,637,944</u>



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INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Board of Commissioners
West Calcasieu-Cameron Hospital
Calcasieu-Cameron Hospital Service District
Bayou, Louisiana

We have audited the financial statements of West Calcasieu-Cameron Hospital, as of and for the year ended November 30, 1994, and have issued our report thereon dated May 21, 1995. The financial statements are the responsibility of the West Calcasieu-Cameron Hospital's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of OMB Circular A-328, "Audits of State and Local Governments". These standards and OMB Circular A-328 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 audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the financial statements of West Calcasieu-Cameron Hospital, taken as a whole. The accompanying schedule of Federal financial assistance is presented for purposes of additional analysis and is not a required part of the financial statements. The information in that schedule 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.

May 21, 1995
JDF

WEST CALOUMIER-CAMERON HOSPITAL
Bossier, Louisiana

Schedule of Federal Financial Assistance
December 31, 1985

<u>Federal Sponsor/Pass Through Agency/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Grant Number</u>	<u>Amount</u>	<u>Balance</u>
Energy Conservation for Institutional Buildings Financed through State of Louisiana Department of Natural Resources	83.082	FWCPL-78-14	\$ 318,322	\$ 318,322
TOTAL FEDERAL ASSISTANCE			\$ 318,322	\$ 318,322

* Denotes a Major Program



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON A FINANCIAL STATEMENT AUDIT
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
West Calcasieu-Cameron Hospital
Calcasieu-Cameron Hospital Service District
Bogalusa, Louisiana

We have audited the financial statements of West Calcasieu-Cameron Hospital, as of and for the year ended December 31, 1998, and have issued our report thereon dated May 15, 1999.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

The management of West Calcasieu-Cameron Hospital is responsible for establishing and maintaining an internal control structure. 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 our audit of the financial statements of West Calcasieu-Cameron Hospital, for the year ended December 31, 1998, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Board of Commissioners
West Galveston-Cameron Hospital
Galveston, Louisiana

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize and report financial data in a manner that is consistent with the assertions of management in the financial statements.

Monthly reconciliations of bank accounts and subsidiary ledgers were not reconciled to the general ledger totals -

- Criteria:** Accurate, reconciled bank reconciliations and subsidiary ledgers are essential in order to prepare reliable financial statements.
- Condition:** The Hospital has not reconciled bank accounts and subsidiary ledgers to the general ledger.
- Effect:** Adjustments were made at year-end to balance bank accounts and subsidiary ledgers to the general ledger.
- Recommendation:** We recommend the Hospital expedite efforts to reconcile monthly bank accounts and subsidiary ledgers to the general ledger.
- Management Response:** Hospital management noted they would insure proper reconciliations are performed in 1986.

We consider this deficiency in the internal control structure to be a reportable condition and a material weakness with no unadjusted impact on the financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in accounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

This report is intended for the information of the management of West Galveston-Cameron Hospital. However, this report is a matter of public record and its distribution is not limited.

May 21, 1986
Jgk



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON A FINANCIAL STATEMENT AUDIT
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

BOARD OF COMMISSIONERS

West Calcasieu-Cameron Hospital
Calcasieu-Cameron Hospital Service District
Bayou, Louisiana

We have audited the financial statements of West Calcasieu-Cameron Hospital, as of and for the year ended December 31, 1999, and have issued our report thereon dated May 23, 2000.

We conducted our 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 we 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 West Calcasieu-Cameron Hospital, is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of West Calcasieu-Cameron Hospital's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed the following instances of noncompliance that is required to be reported herein under Government Auditing Standards. Under state law, state, local regulations and certification of deposit may be secured by federal deposit insurance or the pledge of securities owned by the federal agent bank. As December 31, 1999, the Hospital had funds on deposit with a financial institution in excess of federal deposit insurance limits and/or pledged securities of the federal agent bank in the amount of \$58,628. Subsequent to year-end, the federal agent bank pledged securities in the amount of \$80,000 in favor of the Hospital. This rectifying the pledged shortfall 81 year end.

This report is intended for the information of the management of West Calcasieu-Cameron Hospital. However, this report is a matter of public record and its distribution is not limited.

May 23, 2000
Jgm



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INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Commissioners
West Calcasieu-Cameron Hospital
Calcasieu-Cameron Hospital Service District
Bayham, Louisiana

We have audited the financial statements of West Calcasieu-Cameron Hospital, as of and for the year ended December 31, 1985, and have issued our report thereon dated May 21, 1986. We have also audited the compliance of West Calcasieu-Cameron Hospital, with requirements applicable to major federal financial assistance programs and have issued our report thereon dated May 21, 1986.

We conducted our audits in accordance with generally accepted auditing standards; government auditing standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circulars A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether West Calcasieu-Cameron Hospital complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audit for the year ended December 31, 1985, we considered the internal control structure of West Calcasieu-Cameron Hospital, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements of West Calcasieu-Cameron Hospital, and on the compliance of West Calcasieu-Cameron Hospital, with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated May 21, 1986.

The management of West Calcasieu-Cameron Hospital, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, evaluation 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, that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, omissions, irregularities, or instances of noncompliance 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.

Board of Commissioners
West Calcasieu-Cameron Hospital
Deinger, Louisiana

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering Federal financial assistance programs in the following categories.

Accounting Requirements

Billing
Receivables
Cash Receipts
Purchasing and Receiving
Accounts Payable
Cash Disbursements
Payroll
Inventory Control
Property and Equipment
General Ledger

General Requirements

Political Activity
Lobbying/Grass Root
Civil Rights
Cash Management
Federal Financial Reports
Allowable Cost/Cost Principles
Drug-Free Workplace Act
Administrative Requirements

Special Requirements

Eligibility
Matching Level of Effort, or Benchmarking
Reporting (Federal Financial and Special Reporting)
Special Requirements, if any
Claims for Advances and Reimbursements

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended December 31, 1995, West Calcasieu-Cameron Hospital, expended 200% of its total Federal financial assistance under major Federal financial assistance programs.

We performed tests of controls, as required by SAS Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances that are applicable to the major program of West Calcasieu-Cameron Hospital. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention pointing to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize and report financial data in a manner that is consistent with the assertions of management in the financial statements.

Board of Commissioners
West Calcasieu-Caney Hospital
Bossier, Louisiana

Monthly reconciliations of bank accounts and subsidiary ledgers were not reconciled to the general ledger totals -

Criteria: Accounts, reconciled bank reconciliations and subsidiary ledgers are essential in order to prepare reliable financial statements.

Condition: The Hospital has not reconciled bank accounts and subsidiary ledgers to the general ledger.

Effect: Adjustments were made at year-end to balance bank accounts and subsidiary ledgers to the general ledger.

Recommendation: We recommend the Hospital expedite efforts to reconcile monthly bank accounts and subsidiary ledgers to the general ledger.

Management Response: Hospital management noted they would insure proper reconciliations are performed in 1984.

We consider this deficiency in the internal control structure to be a reportable condition and a material weakness with no undetected impact on the financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in accounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

This report is intended for the information of the management of West Calcasieu-Caney Hospital. However, this report is a matter of public record and its distribution is not limited.



May 15, 1984
J/nc



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS**

Board of Commissioners
West Calcasieu-Cameron Hospital
201 Calcasieu-Cameron Hospital Service District
Bogalusa, Louisiana

We have audited the financial statements of West Calcasieu-Cameron Hospital, as of and for the year ended December 31, 1998, and have issued our report thereon dated May 21, 1999.

We have also audited West Calcasieu-Cameron Hospital's compliance with the requirements governing eligibility; matching level of earmarking reporting special requirements, if any; and claims for advances and reimbursements that are applicable to the major federal financial assistance program, which is identified in the accompanying schedule of Federal Financial Assistance, for the year ended December 31, 1998. The management of West Calcasieu-Cameron Hospital is responsible for the West Calcasieu-Cameron Hospital's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-108, "Standards of State and Local Governments". Those standards and OMB Circular A-108 require that we plan and perform the audit to obtain sufficient evidence about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about West Calcasieu-Cameron Hospital's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our tests disclosed the following instance of noncompliance that is required to be reported herein under Government Auditing Standards. Under state law, cash, cash equivalents and certificates of deposit must be secured by Federal deposit insurance or the pledge of securities owned by the fiscal agent bank. As December 31, 1998, the Hospital had funds on deposit with a financial institution in excess of federal deposit insurance limits and/or pledged securities of the fiscal agent bank in the amount of \$28,528. Subsequent to year-end, the fiscal agent bank pledged securities in the amount of \$28,000 in favor of the Hospital.

This report is intended for the information of the management of West Calcasieu-Cameron Hospital. However, this report is a matter of public record and its distribution is not limited.

May 21, 1999
jghc



BROUSSARD & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

A Professional Corporation

MEMPHIS

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SULPHUR, LA 70681

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Commissioners
West Calcasieu-Cameron Hospital
Calcasieu-Cameron Hospital Service District
Sulphur, Louisiana

We have audited the financial statements of West Calcasieu-Cameron Hospital, as of and for the year ended December 31, 1995, and have issued our report thereon dated May 23, 1996.

We have applied procedures to test West Calcasieu-Cameron Hospital's compliance with the following requirements applicable to the Federal financial assistance program, which is identified in the Schedule of Federal Financial Assistance, for the year ended December 31, 1995: political activity, Davis-Bacon Act, Civil Rights, such management, Federal financial reports, allowable costs/cost principles, Drug-Free Workplace Act and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments". Our procedures were substantially done in scope that we audit, the objective of which is the expression of an opinion of West Calcasieu-Cameron Hospital's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that West Calcasieu-Cameron Hospital, had not complied, in all material respects, with those requirements.

This report is intended for the information of the management of West Calcasieu-Cameron Hospital. However, this report is a matter of public record and its distribution is not limited.

Broussard & Co

May 23, 1996

/s/