

Marvin H. Baskin, CPA  
Bobby G. Lester, CPA  
John S. Wells, CPA  
Robert G. Wilson, CPA

Linda L. Wright, CPA  
Paul A. DeLoach, CPA

**EASLEY, LESTER AND WELLS**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS  
NEW BASKIN BARRACADE ROAD  
ALEXANDRIA, LOUISIANA 71304

Telephone (504) 485-1400  
Teletype (504) 485-0200

Members  
American Institute of CPAs  
AICPA Division for CPA Firms —  
Private Companies Practice Section  
Society of Louisiana CPAs

Headquarters Address:  
P.O. Box 8700  
Monroe, LA 70001-0700

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL  
STATEMENTS AUDIT CONDUCTED IN ACCORDANCE WITH  
COMMERCE REGULATORY STANDARDS**

Board of Commissioners  
Bastichewah Parish Hospital Service District  
Bastichewah, Louisiana

We have audited the general purpose financial statements of the Bastichewah Parish Hospital Service District (the District) for the years ended June 30, 1994, June 30, 1993 and June 30, 1992, and have issued our report thereon dated October 29, 1994.

We conducted our audits in accordance with generally accepted auditing standards and Commerce Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the District 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 recorded in accordance with management's authorizations 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 audits of the financial statements of the District for the periods ended June 30, 1994, June 30, 1993, and June 30, 1992, 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 general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

NATCHITOCHEE PARISH HOSPITAL SERVICE DISTRICT  
 COMBINED SCHEDULE OF BOND PAYABLE  
 JUNE 30, 1994

ACCOUNTS PAYABLE DEBT	2000	FUTURE YEARS	2000 2001	2002 2003	2004 2005	2006				
						2006	2007	2008	2009	
Revenue bonds	2,100,000	100,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
					200,000	200,000	200,000	200,000	200,000	200,000
					200,000	200,000	200,000	200,000	200,000	200,000
					200,000	200,000	200,000	200,000	200,000	200,000
					200,000	200,000	200,000	200,000	200,000	200,000
					200,000	200,000	200,000	200,000	200,000	200,000
					200,000	200,000	200,000	200,000	200,000	200,000
					200,000	200,000	200,000	200,000	200,000	200,000

MEMPHIS REGIONAL HOSPITAL SERVICE DISTRICT  
 SCHEDULE OF PER DIEM  
 OR OTHER AMOUNTS PAID TO OR ON BEHALF OF COMMISSIONERS  
 FOR THE THREE MONTHS ENDED JUNE 30, 1966

<u>Board Member:</u>	<u>Other Amounts Paid on Behalf of Commissioners</u>	<u>Per Diem Amounts Paid on Behalf of Commissioners</u>
John Luster, Sr., Chairman	\$ 445	\$ -0-
Ronald Corbett	440	-0-
Mark Lintach, Jr.	480	-0-
Walter Valise	480	-0-
Clay Gahagan	480	-0-
Sam Parker	350	-0-
Sam Holland	\$ -0-	\$ -0-

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 entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. The schedule that accompanies this letter summarizes our comments and suggestions regarding this matter.

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

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. However, we noted three matters involving internal control structure and its operation that we consider to be material weaknesses as defined above. The schedule that accompanies this letter summarizes our comments and suggestions regarding these matters. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of the District for the year ended June 30, 1998.

This report is intended for the information of management and the office of the legislative auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Easley, Lester & Wells*  
Certified Public Accountants

October 28, 1998

Hutchinson Family Hospital Service District  
Auditors' Comments and Recommendations  
For the Twelve Months Ended June 30, 1986

**General**

We were pleased to see improvement in most checking account reconciliations and cash receipts. However, several conditions still exist as year end 1986 as follows:

**Material Weaknesses**

**1. Cash Receipts**

**\*\* Condition:** There are late postings of cash receipts. We found a \$90 receipt for amounts received on January 28, 1986, that was not posted until March 14, 1986. Two checks in the amounts of \$4,389.28 and \$10,287.83 were received in February 1986, but not deposited or posted until July 1986.

**Recommendation:** These problems could be reduced if all receipts, including mail receipts, were given receipt numbers and were accounted for on a weekly basis with a log system, as previously recommended. Use the new computer system to account for receipt numbers and provide monthly reports for review.

**Response:** The \$90 receipt was for a bad debt payment which was vague and held by accounting until the proper account could be identified. Management will look at setting up a miscellaneous clearing account to post all receipts until research can be done. The two larger checks were refunds from the 1979 bond trust accounts and held by the business office manager, who was instructed to pass them. The new business office manager found the checks in the Hospital safe and deposited them.

**\*\* Condition:** The cash/check breakdown on the cash receipts journal does not agree to the cash/check breakdown on the deposit ticket. We found one instance where a \$100 check was cashed in full, properly no cash receipt was issued, but because a patient number was included on the cash receipts register it was keyed as a payment on account, and later required a correcting entry. Cashing checks increases the risk of loss due to returned checks or inappropriate credits to accounts.

**Recommendation:** Daily deposits should be made in-full, as received. No checks should be cashed from daily receipts.

**Response:** Not cashing checks causes problems for patients and family members. Management will monitor all returned checks and if there are other problems, the practice of cashing checks will be discontinued.

Washkitchew Parish Hospital Service District  
Auditors' Comments and Recommendations (Continued)  
For the Twelve Months Ended June 30, 1996

Material Weaknesses (Continued)

1. Cash Receipts (Continued)

## Condition: The turnover for cashiers is excessive.

Recommendation: Hire cashiers with enough training, experience, and maturity to handle the job. Pay them enough to encourage them to stay, once hired. The constant state of turnover costs the Hospital because of duplicate training time and mistakes while training.

Response: Management has hired individuals in the past with the experience necessary to handle the job of cashier. They have left for various reasons including the pay scale. Management is currently evaluating a revised pay scale for positions similar to the cashier.

## Condition: There are \$1,000 in miscellaneous cash receipts for which the correct classification is unknown. Not enough information was recorded at the time of receipt.

Recommendation: Accumulate and provide timely, adequate documentation to accounting for proper classification of receipts.

Response: The cashier will be instructed to document all information on checks received in order that accounting may make proper classification for accurate posting.

2. Bad Debt Write-offs

## Condition: Because of turnover of personnel in the business office, the bad debt reconciliations of write-offs were discontinued and approval signatures are not on all documentation. As a continuing problem, once accounts are written off, there is no record of collection efforts as all this information is kept in the computer system and lost once the account is written-off.

Recommendation: Move the new computer system either retain collection effort information after write-off in the bad debt system, or print collection information to retain in paper files prior to write-off. Accrual write-offs prepared by the business office to those passed by data processing. Issue write-off documents include proper approvals.

Response: The new computer system will have a complete collection system and will eliminate many manual duties. Turnover has created some backlog in processing and documenting bad debt write-offs. Management believes through hard work last year, progress has been made.

Waukesha Parish Hospital Service District  
Auditors' Comments and Recommendations (Continued)  
For the Twelve Months Ended June 30, 1986

Material Weaknesses (Continued)

3. Reconciliations

\* Condition: Checking account reconciliations were much improved this year. The business office manager is in charge of the reconciliation of the employee check cashing account and in updating procedures to fully reconcile this general ledger account each month. All accounts with supporting subsidiary records or balances must be reconciled to the general ledger control accounts each month. LTD accounts with offsetting liabilities are not reconciled timely. Payroll liability accounts were not reconciled during the year to insure amounts withheld were properly remitted. Some of the reconciliations that needed correction at June 30, 1986, have not been corrected. These included some payroll corrections that were not posted to the payroll system. The accounts payable subsidiary records do not agree with the general ledger by \$7,172 and there had been no reconciliations during the year.

Recommendation: Insure that all accounts are promptly reconciled to control accounts or amounts each month.

Response: Turnover of employees in May 1986 created a gap that delayed management from completing the reconciliation of all accounts for year end. This area is being reviewed and all accounts will be reconciled prior to next year end.

4. Contracts

\* Condition: The wording in the enrollment contracts for the three medical students is ambiguous. The contracts state that the recipients should begin paying interest of \$1,800 per year commencing on designated dates and continue for 8 years, until the collections of the promissory note begins. Management states their intent is to collect the interest if the students fail to come to work at the Hospital as required in the contracts. If the physician works at the hospital as required by the contracts, the interest will be forgiven as payment for serving the community.

Recommendation: The contract wording should be corrected to be consistent with the intent.

Response: This matter has been referred to the Hospital attorney for review.

Manisteeches Parish Hospital  
Reportable Noncompliance  
For the Twelve Months Ended June 30, 1998

Investments

**Condition:** There is no written investment policy as required by  
GAO-R.S. 35:2903.

**Recommendation:** Prepare a written investment policy, have the Board approve  
it, and follow the approved policy.

**Response:** A policy dealing with investments will be written in meet all  
requirements covering governmental agencies.



Board of Commissioners  
Swishingtons Parish Hospital Service District  
Page Two

This report is intended for the information of management and the office of the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

*Earley, Lester & Wells*

Certified Public Accountants

October 28, 1986

Ketchikan Area Health Hospital Service District  
Auditors' Comments and Recommendations (Continued)  
For the Twelve Months Ended June 30, 1986

Other Recommendations to Management (Continued)

1. Bad Reporting (Continued)

•• Condition: No bad debts were claimed in the cost report for HSP or being bad debts. By not recording bad debts accurately, the Hospital is losing reimbursements, dollar for dollar. This failure probably results from not keeping up with the reportable bad debt on a monthly basis.

Recommendation: We recommend that bad debt write-offs for Medicare be developed on a monthly basis in accordance with Medicare reporting requirements.

Response: The new computer system will give management more capabilities in this area which will allow monthly writeoff of accounts. However in the business office manager's position has delayed the writeoff procedure.

2. IRS Reporting

•• Condition: Gross salaries reported to the IRS on Forms W-2 and W-3 as of December 31, 1985 did not reconcile to the VHA's previously sent to the IRS or to the general ledger. The outside service sent this information in to the IRS and apparently no one reviewed the information for accuracy. This will cause problems in the future when the IRS begins to match gross salaries to VHA's, etc. Penalties may be imposed.

Recommendation: Do not allow a service to report such information without review by the taxpayer. All payroll information is prepared at the District and the management is responsible for accuracy.

Response: Installation of the new computer system will eliminate this problem.

3. Wending-Gross-Profits

•• Condition: Wending gross profits have decreased substantially.

Recommendation: The cost of wending supplies has gone up several times since the last price increase. We recommend an increase in wending prices. We also recommend ongoing tests of wended supplies using the cost and number of items sold and related pricing. We further recommend reviewing controls over collections/uses and supplies.

Response: We will review this area. In lieu of increasing prices we will review the ability to purchase in larger quantities to see if management can

Washkietches Parish Hospital Service District  
Auditors' Comments and Recommendations (Continued)  
For the Twelve Months Ended June 30, 1996

Other Recommendations to Management:

1. Cost Reporting

•• Condition: To maximize third party cost report reimbursement, it is necessary to maintain current and accurate allocation statistics each year. Allocation statistics for several departments are and have been outdated. We have previously recommended current statistics be kept and the fiscal intermediary (Trispan) made a similar recommendation in its correspondence of September 18, 1995. Some of the statistics needed include NP housekeeping staff hours by departments cleaned, hospital housekeeping staff hours by departments cleaned, data processing hours by departments served, and telephone operator time spent in telephone duties versus others. Medical records time studies were completed for 1994, but it did not include any hours for the psychiatric department.

Recommendation: Current and accurate cost reporting statistics must be maintained to calculate accurate cost reporting settlements and minimize retrospective cost reporting adjustments.

Response: Quarterly time studies will be maintained in the future. Management was under the impression revenue and square footage was used as the basis of allocation for these areas.

•• Condition: In order to receive periodic interim payments (PIP) from Medicare, billing to the intermediary must be 85% current. Management has frequently received warnings they are not meeting these requirements. In March 1996, billing was 7.1% current. The late billing also affects the amount of each PIP payment. In April 1996, Trispan withheld \$368,000 as a PIP overpayment because processed claims were less than the year-to-date PIP total. Upon processing all pending claims and completion of the annual cost report the District will receive amounts it is due, but long after amounts could have been deposited and earning interest.

Recommendation: Management must regularly monitor and take action to insure timely completion of charts by physicians and medical records, as well as billing by the business office to meet Medicare's minimum standards.

Response: This has been discussed with the medical staff on several occasions. We billing can be completed until physicians complete their records. Management is working with physicians to have them complete their records on a more timely basis.

Wichita Falls Parish Hospital Service District  
Auditors' Comments and Recommendations (Continued)  
For the Twelve Month Ended June 30, 1996

Reportable Conditions

1. Property, Plant, and Equipment

**Condition:** The depreciation program used by the accounting department computed depreciation erroneously for the year. Some of the errors were corrected manually, but others remained undetected at year end. The depreciation system is outdated and cannot be updated.

**Recommendation:** Obtain and initiate a new, reliable depreciation program. Recalculate and record current year depreciation using lives and methods consistent with past practices so that current year statements are accurate.

**Response:** The new system should eliminate this problem.

2. Payroll

**Condition:** The number of employees in the department processing payroll is so low that the same person might have to perform incompatible functions in case of absence(s).

**Recommendation:** We recommend that either report running and check printing be transferred to another department or contingency processing procedures be implemented to prevent incompatible duties being performed by the same person.

**Response:** The report running after checks are made will be transferred to accounting.

3. Inventories

**Condition:** Inventory was counted on June 30, 1996, but final inventory amounts were not available until October 15, 1996.

**Recommendation:** We recommend management implement procedures that will provide inventory entries in July, prior to year end closing and providing internal financial statements to the Board.

**Response:** The new accounting system should allow management to take physical inventory in a more timely manner by providing an automated fixed inventory system, complete with cost rate capabilities.

SEACRESTONER PACIFIC HOSPITAL SERVICE DISTRICT

HISTORY (Continued)

Effective July 1, 1995, the Hospital's geriatric psychiatric unit received "Distinct Part" status which provides for reasonable cost reimbursement of necessary services to Medicare patients. In February 1996 the cooperative endeavor with Northwest Psychiatric, Inc. ended as Wellpoint, the primary payor source for the adolescent facility, tightened its admission and length of stay criteria. The result was an inadequate census and the unit was closed.

Mankato/Dodge Parish Hospital Service District  
Auditors' Comments and Recommendations (Continued)  
For the Twelve Months Ended June 30, 1994

Material Weaknesses (Continued)

4. Contracts (Continued)

**\*\* Condition:** No one is responsible for reviewing payments due the Hospital under physician recruitment contract terms. Accordingly, related receivable information is not recorded accurately or timely. It was several months after year end before Hospital staff could furnish balances believed due from physicians under recruiting contracts.

**Recommendation:** As recommended previously, someone must maintain subsidiary records and be responsible for timely and accurate recordkeeping of these physician accounts. We suggest the accounting department be responsible for recordkeeping and control of these accounts.

**Response:** This is an area that management is working to resolve. However, due to key turnover was unable to implement. Management is currently working on setting up these subsidiary accounts and will immediately complete.

3. Accounts Receivable

**\*\* Condition:** There are quite a few Medicare patient deductible and coinsurance accounts that have not been billed to the responsible party. Additionally, secondary insurance for many accounts, which in some cases are over one year old, have not been billed.

**Recommendation:** Every effort must be made to process these accounts to a current billing status. Procedures should be implemented to monitor accounts on a regular basis to prevent failures to bill and collect.

**Response:** These accounts are currently being worked in Administration in conjunction with the Business Office. Most of these accounts have been billed. After reasonable collection efforts, remaining deductible and coinsurance accounts will be written off and included for reimbursement in future year end cost reports.

**\*\* Condition:** Patient accounts in which payments are minimal amounts of \$5- or \$10 per month have not been reclassified to a separate financial classification so that bad debt calculations can be revised to more effectively estimate the collectibility of other accounts.

**Recommendation:** As recommended in the prior year, reclassification of these receivables will allow improved accuracy in estimating bad debts.

**Response:** The new accounting system will allow management to reclassify these accounts and report them by date of last payment for more accurate estimates of bad debts.

Metropolitan Parish Hospital Service District  
Auditors' Comments and Recommendations (Continued)  
For the Twelve Months Ended June 30, 1988

Material Weaknesses (Continued)

3. Accounts Receivable (Continued)

**Condition:** All commercial insurance is reported in one financial classification. This accounting does not allow the Hospital to identify and report separately each carrier and/or group so that related contractual allowances can be properly estimated.

**Recommendation:** Separate each commercial carrier and/or group as a financial class for revenue and accounts receivable reporting. This will allow more accurate estimates of collectibility and cash flow projections.

**Response:** The new computer system will allow management the opportunity to classify each commercial insurance carrier separately, to report payments and contractual adjustments. This will allow management to monitor all third party payment activity.

4. Computer Tape Back-ups

**Condition:** The computer tape back-ups are stored in the accounting office. In the case of fire, the data entry clerk is instructed to take the tapes when leaving the building. If the fire occurs after three during the normal work day or if the clerk is disabled, all tapes could be destroyed.

**Recommendation:** Store back-up tapes off site.

**Response:** Management will store the tapes in a fire proof cabinet at an off-site hospital location.

7. Investments

**Condition:** There is no written investment policy as required by IS&R.S. 33:2826.

**Recommendation:** Prepare a written investment policy, have the Board approve it, and follow the approved policy.

**Response:** A policy dealing with investments will be written to meet all requirements covering governmental agencies.

Martin H. Kasher, CPA  
Bobby G. LeBlanc, CPA  
John M. Wells, CPA  
Robert G. Miller, CPA

Leola L. Wright, CPA  
Paul A. Delaney, CPA

**BASLEY, LESTER AND WELLS**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS  
2000 BAYOU RAPIDS ROAD  
ALEXANDRIA, LOUISIANA 71304

Telephone (504) 467-1440  
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American Institute of CPAs  
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Society of Louisiana CPAs

Mailing Address  
P.O. Box 8708  
Alexandria, LA 71306-1708

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
BASED ON AN AUDIT OF GENERAL PURPOSE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
COMMERCE REGULATING STANDARDS**

Board of Commissioners  
Bachikouche Parish Hospital Service District  
Bachikouche, Louisiana

We have audited the general purpose financial statements of the Bachikouche Parish Hospital Service District (the District) as of and for the years ended June 30, 1986, June 30, 1985, and June 30, 1984, and have issued our report thereon dated October 29, 1986.

We conducted our audits in accordance with generally accepted auditing standards and Commerce Regulating Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

While performing our audits, we read the responses to the questions in the attached Systems Survey and Compliance Questionnaire completed by management and adopted by the Board of Commissioners and found no evidence that would indicate that the District had not answered the questions correctly. However, it should be noted that our audit was not directed primarily towards the answers to the questions in the questionnaire.

Compliance with laws, regulations, contracts and grants applicable to the Bachikouche Parish Hospital Service District is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. The schedule that accompanies this letter summarizes our findings of the reportable noncompliance. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.



MASSACHUSETTS PARISH HOSPITAL SERVICE DISTRICT  
 MASSACHUSETTS PARISH HOSPITAL OPERATING FUND  
 SCHEDULE OF OPERATING EXPENSES - NONLINE SERVICES (Continued)  
 FOR THE PERIODS ENDED JUNE 30, 1994, 1995 AND 1996

	1994	1995	1996
General services			
*Salaries	\$ 11,870	\$ 12,487	\$ 12,479
*Other	<u>169,413</u>	<u>176,892</u>	<u>169,416</u>
Total	<u>179,383</u>	<u>189,379</u>	<u>171,895</u>
Emergency room			
*Salaries	390,088	428,878	425,798
*Other	<u>880,023</u>	<u>663,325</u>	<u>690,682</u>
Total	<u>1,270,111</u>	<u>1,092,203</u>	<u>1,116,480</u>
Total Nursing Services			
*Salaries	3,318,787	3,284,260	2,893,268
*Other	<u>3,806,382</u>	<u>1,889,365</u>	<u>1,889,812</u>
Total	<u>\$ 7,125,169</u>	<u>\$ 5,173,625</u>	<u>\$ 4,783,080</u>

NACHTSCHKER PARISH HOSPITAL SERVICE DISTRICT  
 GENERAL LONG-TERM DEBT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE PERIODS ENDING JUNE 30, 1996, 1995 AND 1994

**NOTE 1 - FUNDS TO BE PROVIDED FOR INTEREST ACCRUALS IN FUTURE PERIODS**

Under normal conditions, various bond issues are not retired prior to their maturity. Although for accounting purposes, interest coupons issued in connection with the sale of various bond issues become obligations/expenditures of the hospital service district only with the passage of time, for all practical purposes they constitute fixed and determinable obligations which must be retired from dedicated revenues. The following table indicates unamortized interest coupons outstanding at June 30, 1996, 1995 and 1994, and amounts which can be provided to be repaid in future years for retirement of both outstanding bonds and interest coupons which will become due and payable over the remaining life of the bond issue. As of February 1995 the bonds are completely defeased, all liabilities and related securities being to the trust.

	June 30, 1996	June 30, 1995	June 30, 1994
Amount to be provided per financial statements	\$ -0-	\$ -0-	\$ (219,345)
Unamortized interest coupons	<u>          0-</u>	<u>          0-</u>	<u>      718,080</u>
Total	\$ <u>          0-</u>	\$ <u>          0-</u>	\$ <u>    498,735</u>

MACHODOCHES PARISH HOSPITAL SERVICE DISTRICT

HISTORY

The Machodoches Parish Hospital was built by the people of the Parish of Machodoches, Louisiana, in cooperation with the United States Government, and is operated by the Machodoches Parish Hospital Service District as created by the Police Jury of Machodoches Parish, Louisiana.

In consideration of an agreement between the Police Jury of Machodoches Parish, Louisiana, and the Machodoches Parish Hospital Service District whereby the Police Jury agreed to construct, complete and equip a hospital in Machodoches Parish, the Hospital Service District agrees to do and perform the following:

1. To operate the District for the duration of this twenty-year agreement as a non-profit institution in accordance with an agreement entered into by and between the Parish and the United States.
2. To maintain and operate the District and assume and pay the expenses of operations and maintenance to the extent of the income and revenues derived therefrom.
3. To have full and complete charge of the management and operation of the District and conduct and operate said District as well upon its accordance with acceptable standards of hospital practice.

The Parish covenants to do and perform, in consideration for this agreement, the following:

1. To equip the hospital building for hospital purposes with modern equipment sufficient to meet the needs of present day hospital practice. If, however, the District desires to replace said equipment with new equipment, it may do so, and said new equipment shall be and remain the property of the Parish if paid for out of the income resulting from the operation of the District. It is understood and agreed, however, that the Parish shall not be responsible for the acquiring of additional equipment other than that already purchased or installed when the District takes possession of the premises.
2. To levy the special tax of one mill on the dollar of all property subject to state taxation in the Parish for a period of three years beginning with the year 1926, as authorized by the special election held in the Parish on November 19, 1925, and the Parish shall pay to the District the net proceeds of said tax, as when collected. Said net proceeds shall be used by the District solely to defray the costs of operating and maintaining the District described herein, and proceeds at such intervals as the Parish may require.

**LEWISTOWN PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATE  
OPERATING FUND  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED JUNE 30, 1996, 1995 AND 1994**

**NOTE 12 - PROFESSIONAL LIABILITY RISK (Continued)**

The District's membership in the Louisiana Hospital Association Trust Fund provides additional coverage for professional medical malpractice liability. The trust fund bills members in advance, based upon an estimate of their exposure. An policy year-end, premium are predetermined utilizing actual losses of the District. The trust fund program to be a "Grander Trust" and, accordingly, income and expenses are prorated to member hospitals. The District has only included those allocations or equity amounts assigned to the District by the Trust Fund in its financial statements.

**NOTE 13 - WORKMEN'S COMPENSATION RISK**

The District participates in the Louisiana Hospital Association Self Insurance Workmen's Compensation Trust Fund. Should the fund's assets not be adequate to cover claims made against it, the District may be assessed the pro rata share of the resulting deficit. It is not possible to estimate the amount of additional assessments, if any. The trust fund program to be a "Grander Trust" and, accordingly, income and expenses are prorated to member hospitals. The District has only included those allocations or equity amounts assigned to the District by the Trust Fund in its financial statements.

**NOTE 14 - CHARITY CARE**

The Hospital has a policy of providing charity care to indigent patients in emergency situations. The amount of charity care is \$30,880, \$115,479 and \$77,640 for the years ended June 30, 1996, 1995 and 1994, respectively.

**NOTE 15 - NET CONTRIBUTIONS**

Contributions and related fund raising expenses are reflected in the following table:

	1996	1995	1994
Contributions	\$ 34,498	\$ 30,806	\$ 31,343
Interest Earned on Contributions	1,718	1,573	1,788
Less: Fund Raising Expenses	<u>(3,618)</u>	<u>(3,511)</u>	<u>(3,368)</u>
Net Contributions	<u>\$ 32,598</u>	<u>\$ 28,868</u>	<u>\$ 29,763</u>

**NOTE 16 - SELF-INSURED BENEFITS PLAN**

The District maintains a self-funded medical/dental benefits plan. The District entered into an agreement on or July 1993, with Employee Benefit Services, Inc., for reinsurance of the Plan. The Hospital purchases "excess" insurance coverage that provides for payment of 100% of claims in excess of \$50,000 per year up to specific individual maximums of \$1,000,000.

MICHIGAN STATE HOSPITAL SERVICE DISTRICT AND AFFILIATE  
OPERATING FUND  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED JUNE 30, 1996, 1995 AND 1994

**NOTE 17 - COOPERATIVE AGREEMENT**

The District entered into a cooperative endeavor with Northwest Psychiatric, Inc. ("Northwest") to expand healthcare services and make available adolescent psychiatric services and beds to the community and the public at large. The adolescent psychiatric program was established in space leased by the District for two years at \$26,000 per month and subleased to the Northwest under the same terms. The District also loaned working capital in a maximum of \$1,320,000 and provided hospital related services and insurance. Northwest subleased property, operated the adolescent psychiatric hospital, staffed the program and administered the services. Interest revenue was recorded on the outstanding loan balance in the amount of \$106,037 and \$50,828 in 1996 and 1995, respectively.

At June 30, 1995, the working capital loan balance was \$1,518,963 and interest receivable was \$50,828. Northwest depended on maintaining certain patient day levels in order to generate cash flow for continued operations. The audited financial statements for Northwest Psychiatric, Inc. contained a going concern disclosure at March 31, 1995. Northwest discontinued operations in February 1996. The District recorded a loss in the amount of \$3,034,459, as a result of Northwest's inability to meet its obligations. This amount is net of the fair value of assets in the amount of \$470,400 received from Northwest as partial payment of amounts due the District.

**NOTE 18 - FAIR VALUE OF FINANCIAL INSTRUMENTS**

The following methods and assumptions were used by the District in estimating the fair value of its financial statements:

Cash and cash equivalents: The carrying amount reported in the balance sheet for cash and cash equivalents approximates its fair value.

Investments: Fair values are estimated using quoted market prices.

Assets limited as to use: The fair values are estimated using quoted market prices.

Accounts payable and accrued expenses: The carrying amount reported in the balance sheet for accounts payable and accrued expenses approximates its fair value.

Non-patient accounts receivable: The carrying amount reported in the balance sheet for non-patient accounts receivable approximates its fair value.

Revenue bonds: Fair value of the District's revenue bonds are based on current market value.

NATCHITOCHEES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATE  
 OPERATING FUND  
 NOTES TO COMBINED FINANCIAL STATEMENTS  
 FOR THE PERIODS ENDING JUNE 30, 1998, 1995 AND 1994

**NOTE 18 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)**

The carrying amounts and fair values of the District's financial instruments at June 30, 1998, are as follows:

	1998	
	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 1,128,895	\$ 1,128,895
Investments	16,035	16,000
Assets limited as to use	3,387,455	3,387,455
Accounts payable and accrued expenses	1,288,883	1,288,883
Due patient accounts receivable	881,982	881,982
Revenue bonds	3,115,000	3,185,821

**NOTE 19 - CONTINGENCIES**

The District evaluates contingencies based upon the best available evidence. The District believes that its allowances for loss contingencies are considered necessary. To the extent that resolution of contingencies results in amounts which vary from the District's estimates, future earnings will be charged or credited.

The principal contingencies are described below:

Third Party Cost-Based Reimburse (Note 1) - Cost reimbursements are subject to enactment by agencies administering the programs. Effective October 1, 1993, the Medicare program discontinued its cost-based reimbursement system for hospital services with the exception of reimbursement for capital cost (primarily depreciation and interest expense). Under the program, the District receives a fixed fee for each patient. The fee is determined by the government. The District is contingently liable for retroactive adjustments made by the Medicare and Medicaid programs as the result of their enactments as well as retroactive changes in interpretations applying statutes, regulations, and general instructions of those programs. The amount of such adjustments cannot be determined.

Federal and state budget restraints are increasing the time period taken to pay Medicare and Medicaid claims and the Medicaid program is delaying payment of year-end statements.

LACROIXE PATIENT HOSPITAL SERVICE DISTRICT AND AFFILIATE  
OPERATING FUND  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED JUNE 30, 1998, 1999 AND 1994

NOTE 13 - CONTINGENCIES (Continued)

In order to continue receiving reimbursement from the Medicare and Medicaid programs, the District entered into an agreement with an agent of the Healthcare Financing Administration (HFA) which allowed the government access to its Medicare patient medical records for purposes of making medical necessity and appropriate level of care determinations. The agent has the ability to deny reimbursement for Medicare patient claims which have already been paid by the fiscal intermediary. The amount of such adjustments cannot reasonably be determined.

Professional Liability Risk (Note 12) - The District is contingently liable for losses from professional liability not underwritten by the Louisiana Patient's Compensation Fund or the Louisiana Hospital Association Trust Fund as well as for assessments by the Louisiana Hospital Association Trust Fund.

Malpractice Compensation Risk (Note 13) - The District is contingently liable for assessments by the Louisiana Hospital Association Trust Fund.

Hill-Burton Uncompensated Service and Community Service Obligations - As a result of the District receiving a Federal Hill-Burton program grant, the District is required to provide a reasonable volume of uncompensated services to patients who are unable to pay for their medical care. Additionally, the District is obligated to provide community services.

Litigation and Other Matters - Various claims in the ordinary course of business are pending against the District. In the opinion of management, insurance is sufficient to cover adverse legal determinations in those cases where a liability can be measured.

BATCHINGORR FARMER HOSPITAL SERVICE DISTRICT  
DEBT SERVICE FUND  
BALANCE SHEETS  
JUNE 30, 1964, 1965 AND 1966

ASSETS	1964	1965	1966
Cash and cash equivalents	\$ 47,134	\$ 44,098	\$ 709,448
U. S. Treasury Securities and accrued interest in irrevocable trust (Note 4)	-0-	-0-	1,932,145
Cash of depositories with paying agents for payment of matured coupons	-0-	-0-	10,415
<b>Total Assets</b>	<u>\$ 47,134</u>	<u>\$ 44,098</u>	<u>\$ 2,652,008</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities:</b>			
Matured interest coupons - unaccrued	\$ -0-	\$ -0-	\$ 10,415
<b>Fund Balance:</b>			
Available for debt retirement	47,134	44,098	2,631,178
<b>Total Liabilities and Fund Balance</b>	<u>\$ 47,134</u>	<u>\$ 44,098</u>	<u>\$ 2,652,008</u>

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



NATCHITOCHEE PARISH HOSPITAL SERVICE DISTRICT  
DENT SERVICE FUND  
STATEMENTS OF REVENUES AND EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE PERIODS ENDED JUNE 30, 1994, 1995 AND 1996

	1994	1995	1996
<b>Revenues:</b>			
Ad valorem taxes	\$ 80	\$ 413	\$ 372,864
Interest income	<u>928</u>	<u>212,866</u>	<u>213,816</u>
<b>Total revenues</b>	<u>1,008</u>	<u>213,279</u>	<u>586,680</u>
<b>Expenditures:</b>			
Interest payments	-0-	66,183	147,885
Paying agency fees	-0-	349	264
Tax assistance and collection fees	-0-	17	11,510
Payment of bonds	-0-	-0-	280,000
Bank service charge	<u>11</u>	<u>12</u>	<u>56</u>
<b>Total expenditures</b>	<u>11</u>	<u>66,561</u>	<u>489,715</u>
<b>Excess of revenues over expenditures</b>	1,897	146,718	96,965
<b>Fund balance, beginning of period</b>	46,898	3,634,585	3,437,949
Transfer to general fund	-0-	(600,000)	-0-
Transfer securities to trust	<u>60</u>	<u>12,129,217</u>	<u>-0-</u>
<b>Fund balance, End of period</b>	<u>\$ 47,136</u>	<u>\$ 2,854,802</u>	<u>\$ 2,854,949</u>

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

MATCHBEECHER PARISH HOSPITAL SERVICE DISTRICT  
FIRST SERVICE FUND  
NOTES TO FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED JUNE 30, 1994, 1995 AND 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The modified accrual basis of accounting is used in record revenues and expenditures. Expenditures are recorded at the time liabilities are incurred and revenues are recorded when they become measurable and available. Available includes those tax receivables expected to be collected within 60 days after year-end.

NOTE 2 - DEPOSITS

All amounts that are included in cash and cash equivalents and cash on deposits with paying agent are deposits with financial institutions that are fully insured by the financial institutions.

NOTE 3 - PUBLIC IMPROVEMENT BONDS

During 1978, the Matchbeecher Parish Hospital Service District sold public improvement hospital bonds in the amount of four million five hundred thousand dollars (\$4,500,000). The first interest payment was made April 1, 1979, with payments of interest semi-annually thereafter. The first principal payment was April 1, 1980.

Public Improvement Hospital Bonds dated April 1, 1978, constitute general obligations of Matchbeecher Parish Hospital Service District of the Parish of Matchbeecher, State of Louisiana, and the Full Faith and Credit of said Hospital Service District is pledged in the payment of the bond. Said bonds are secured by a special tax to be imposed and collected annually in excess of all other taxes on all the property subject to taxation within the territorial limits of said Hospital Service District under the Constitution and Laws of Louisiana, sufficient in amount to pay the principal of this bond, the interest of which it forms a part and the interest thereon as they severally mature.

NATCHITOCHEE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATE  
 OPERATING FUND  
 NOTES TO COMBINED FINANCIAL STATEMENTS  
 FOR THE PERIODS ENDED JUNE 30, 1976, 1975 AND 1974

NOTE 5 - REVENUE BONDS PAYABLE (Continued)

Additionally, the Hospital has covenanted to set aside so that revenues after paying all reasonable and necessary expenses of operating and maintaining the Hospital in each year, an amount equal 100% of the largest amount of principal and interest accruing on the Bonds in any future fiscal year and on any past years additional bonds hereafter issued.

Other requirements under the terms of indebtedness are as follows:

- \* Sale or disposition of Hospital property, plant and equipment is limited. Future debt agreements may not take priority over this series of debt.
- \* Make monthly deposits equal to the pro-rata portion of the next principal and/or interest payment, which are to be maintained in fully backed or government securities investments, with market value greater than invested dollars.
- \* Collect payment on all services rendered, except for an undisclosed, reasonable amount of charity care.
- \* Maintain all assets in good working order.
- \* Carry full insurance coverage with a reputable licensed Louisiana company.
- \* Maintain complete and accurate records and have an annual audit.
- \* Maintain cash on hand of not less than 45 days of operating expenses net of depreciation and amortization.
- \* Provide quarterly statements to the purchaser.
- \* Prohibit tax exempt status and refrain from activities that would require payment of arbitrage to the IRS.

The Series 1974 Hospital Revenue Bonds, bearing interest at 7.75 to 8.50% per annum, have scheduled maturities in future fiscal years as follows:

1976	\$	325,000
1977		345,000
1982		368,000
1989		388,000
1990		398,000
Later years		<u>1,313,000</u>
		3,113,000
Less current liability		<u>325,000</u>
Total		<u>\$ 2,788,000</u>

WATKINSONS PARISH HOSPITAL SERVICE DISTRICT  
 STATEMENTS OF GENERAL LONG-TERM DEBT  
 JUNE 30, 1990, 1991 AND 1992

	1990	1991	1992
<u>AMOUNT AVAILABLE AND TO BE PROVIDED FOR</u>			
<u>THE PAYMENT OF GENERAL LONG-TERM DEBT</u>			
Amount available in Debt Service Fund for debt retirement	\$ -0-	\$ -0-	\$ 2,464,550
Amount to be provided from all valuations taken and interest on U. S. Treasury Securities (Note 1)	_____0-	_____0-	_____000,000
Total	\$ _____0-	\$ _____0-	\$ 2,464,550
<u>GENERAL LONG-TERM DEBT PAYABLE</u>			
Bonds payable	\$ _____0-	\$ _____0-	\$ 2,464,550

MADRIDITES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATE  
 OPERATING FUND  
 NOTED TO COMBINED FINANCIAL STATEMENTS  
 FOR THE PERIODS ENDED JUNE 30, 1994, 1993 AND 1992

**NOTE 7 - OTHER ASSETS**

Bond issue costs of \$193,279 related to the 1992 Revenue Bonds were being amortized over the 29 year life of the bonds beginning in 1993 until the 1994 refinancing. Bond issue costs of \$63,871 were incurred for the 1994 Revenue Bonds and are being amortized over the remaining life of the bonds (9 years) beginning in 1994.

Construction interest of \$815,560 is being amortized over the estimated useful life of the new hospital plant and equipment (13 years) beginning August 1991, when put into service.

Silver bars consisting of 184.64 ounces of silver with a value of approximately \$1,396 were on hand at June 30, 1994, 1993 and 1992.

**NOTE 8 - ACCRUED EXPENSES**

A summary of accrued expenses is presented below:

	1994	1993	1992
Accrued interest	\$ 49,156	\$ 44,500	\$ 76,237
Accrued salaries	271,166	246,807	203,512
Accrued vacation pay	<u>282,380</u>	<u>256,493</u>	<u>236,830</u>
<b>Total</b>	<b>\$ 592,702</b>	<b>\$ 547,800</b>	<b>\$ 516,579</b>

Management elected to accrue vested vacation benefits. Management elected not to accrue non-vested compensated absence cost of sick pay which was deemed undeterminable.

**NOTE 9 - REVENUE BONDS PAYABLE**

On May 9, 1994, the Series 1994 Hospital Revenue Bonds were issued. The bonds are secured by the full faith and credit of the Hospital as well as a lien and privilege on its revenues.

The Hospital has covenanted to set rates so that revenues in each year are sufficient to pay the reasonable and necessary expenses of operating and maintaining the Hospital, the principal and interest maturing on the Series 1994 Bonds in each year, all sinking funds or called payments required for such year by the Resolution, and all other obligations or indebtedness payable out of the revenues of the Hospital for such year.

**EXPLEMENTARY INFORMATION**

WASHINGTON PARISH HOSPITAL SERVICE DISTRICT  
 WASHINGTON PARISH HOSPITAL OPERATING FUND  
 SCHEDULE OF NET PATIENT SERVICE REVENUE  
 FOR THE PERIODS ENDED JUNE 30, 1996, 1995 AND 1994

	1996	1995	1994
<b>DAILY PATIENT SERVICES</b>			
Routine nursing	\$ 1,028,491	\$ 1,817,978	\$ 1,568,814
Intensive care	441,568	474,688	548,483
Nursery	147,420	64,673	38,760
Long-term care	2,342,788	2,651,354	2,534,671
Skilled nursing	28,215	30,439	3,393
Geriatric psychiatric	<u>3,137,863</u>	<u>4,168</u>	<u>0</u>
<b>Total Daily Patient Services</b>	<b><u>5,386,305</u></b>	<b><u>5,189,271</u></b>	<b><u>4,985,831</u></b>
<b>OTHER PROFESSIONAL SERVICES</b>			
Operating and recovery room			
*Inpatient	708,363	639,594	497,400
*Skilled nursing services	18	46	0
*Outpatient	<u>865,825</u>	<u>715,219</u>	<u>389,508</u>
<b>Total</b>	<b><u>1,684,198</u></b>	<b><u>1,384,859</u></b>	<b><u>886,908</u></b>
Labor and delivery			
*Inpatient	381,448	166,431	37,508
*Outpatient	<u>64,234</u>	<u>28,898</u>	<u>1,102</u>
<b>Total</b>	<b><u>445,682</u></b>	<b><u>195,329</u></b>	<b><u>38,610</u></b>
Central services			
*Inpatient	1,589,049	1,447,084	1,863,038
*Skilled nursing services	285,080	367,364	316,387
*Outpatient	<u>325,856</u>	<u>203,218</u>	<u>198,453</u>
<b>Total</b>	<b><u>2,199,985</u></b>	<b><u>2,017,670</u></b>	<b><u>2,377,880</u></b>
Emergency room			
*Inpatient	185,228	305,244	292,190
*Skilled nursing services	2,171	118	3,958
*Outpatient	<u>2,188,320</u>	<u>2,895,808</u>	<u>1,648,595</u>
<b>Total</b>	<b><u>2,475,719</u></b>	<b><u>3,201,170</u></b>	<b><u>1,944,743</u></b>
Pharmacy			
*Inpatient	2,880,936	2,472,564	2,180,317
*Skilled nursing services	115,344	118,061	117,484
*Outpatient	<u>329,243</u>	<u>345,422</u>	<u>489,868</u>
<b>Total</b>	<b><u>3,325,523</u></b>	<b><u>3,336,047</u></b>	<b><u>2,887,669</u></b>

**SAATCHITCHES PARISH HOSPITAL SERVICE DISTRICT**  
**SAATCHITCHES PARISH HOSPITAL OPERATING FUND**  
**STATEMENT OF NET PATIENT SERVICE REVENUE (Continued)**  
**FOR THE PERIODS ENDED JUNE 30, 1996, 1995 AND 1994**

	1996	1995	1994
<b>Anesthesia</b>			
*Inpatient	\$ 441,289	\$ 214,969	\$ 150,918
*Skilled nursing services	641	-	-
*Outpatient	<u>382,426</u>	<u>267,142</u>	<u>179,338</u>
<b>Total</b>	<u>824,356</u>	<u>482,111</u>	<u>330,256</u>
<b>Radiology, ultrasound &amp; CT scan</b>			
*Inpatient	665,566	635,366	503,887
*Skilled nursing services	27,142	28,328	23,899
*Outpatient	<u>1,562,182</u>	<u>1,732,216</u>	<u>1,029,896</u>
<b>Total</b>	<u>2,254,890</u>	<u>2,395,910</u>	<u>1,557,682</u>
<b>Laboratory</b>			
*Inpatient	1,642,828	1,424,898	1,387,556
*Skilled nursing services	113,321	141,829	144,883
*Outpatient	<u>1,212,312</u>	<u>865,128</u>	<u>673,668</u>
<b>Total</b>	<u>2,968,461</u>	<u>2,431,855</u>	<u>2,206,107</u>
<b>Blood</b>			
*Inpatient	42,342	45,266	52,787
*Skilled nursing services	1,368	1,752	1,688
*Outpatient	<u>2,286</u>	<u>12,652</u>	<u>18,426</u>
<b>Total</b>	<u>45,996</u>	<u>59,670</u>	<u>72,901</u>
<b>Inhalation therapy</b>			
*Inpatient	1,007,389	948,000	916,255
*Skilled nursing services	86,504	144,086	118,486
*Outpatient	<u>321,108</u>	<u>89,088</u>	<u>71,885</u>
<b>Total</b>	<u>1,415,001</u>	<u>1,181,174</u>	<u>1,106,626</u>
<b>Physical therapy</b>			
*Inpatient	38,790	37,471	25,490
*Skilled nursing services	6,644	22,314	21,859
*Outpatient	<u>16,627</u>	<u>26,821</u>	<u>28,728</u>
<b>Total</b>	<u>62,061</u>	<u>86,606</u>	<u>76,077</u>
	<b>\$ 121,331</b>	<b>\$ 136,806</b>	<b>\$ 122,621</b>



MACHDOUGHER PARISH HOSPITAL SERVICE DISTRICT  
 MACHDOUGHER PARISH HOSPITAL OPERATING FUND  
 SCHEDULE OF NET PATIENT SERVICE REVENUE (Continued)  
 FOR THE PERIODS ENDING JUNE 30, 1994, 1993 AND 1992

	1994	1993	1992
<b>Electrocardiology</b>			
*Inpatient	\$ 125,896	\$ 166,966	\$ 85,649
*Skilled nursing services	1,870	1,925	1,450
*Outpatient	<u>113,200</u>	<u>78,227</u>	<u>58,662</u>
<b>Total</b>	<u>340,966</u>	<u>347,118</u>	<u>245,761</u>
<b>Cardiac rehab</b>			
*Inpatient	2,178	2,448	1,595
*Skilled nursing services	480	8,581	44
*Outpatient	<u>165,255</u>	<u>156,328</u>	<u>286,755</u>
<b>Total</b>	<u>167,913</u>	<u>167,357</u>	<u>298,394</u>
<b>Observation</b>			
*Outpatient	<u>75,255</u>	<u>56,360</u>	<u>32,628</u>
<b>Ambulance</b>			
*Outpatient	<u>151,801</u>	<u>308,381</u>	<u>422,832</u>
<b>Home Health</b>			
*All disciplines	<u>788,398</u>	<u>812,028</u>	<u>781,343</u>
<b>Total Other Professional Services</b>	<u>28,643,320</u>	<u>27,568,320</u>	<u>27,386,346</u>
<b>Total Patient Service Charges</b>	<u>28,021,818</u>	<u>27,668,381</u>	<u>28,069,190</u>
<b>contractual adjustments - Medicare, Medicaid</b>	7,670,613	5,865,677	4,327,661
<b>Contractual adjustments - Other</b>	266,160	28,391	1,867
<b>Disproportionate share payment - Medicaid</b>	-0-	(1,945,837)	-0-
<b>Free care</b>	25,668	38,981	125,660
<b>Other adjustments</b>	<u>7,808</u>	<u>8,635</u>	<u>21,230</u>
<b>Total Allowances</b>	<u>7,975,629</u>	<u>3,986,927</u>	<u>4,475,628</u>
<b>Net Patient Service Revenue</b>	<u>\$ 20,046,189</u>	<u>\$ 18,681,454</u>	<u>\$ 13,593,562</u>

BAYCHITOCHEE PARISH HOSPITAL SERVICE DISTRICT  
 BAYCHITOCHEE PARISH HOSPITAL OPERATING FUND  
 SCHEDULE OF OTHER REVENUE  
 FOR THE PERIODS ENDED JUNE 30, 1995, 1994 AND 1993

	1995	1994	1993
Other Revenues:			
*Rental Income	\$ 274,088	\$ 252,043	\$ 59,021
*Dietary sales	378,891	383,643	515,959
*Parking revenue	41,329	43,938	43,062
*Ambulance tax	190,990	208,175	115,304
*Life Trust	51,815	12,388	47,425
*Other	<u>43,142</u>	<u>43,738</u>	<u>50,018</u>
 Total Other Revenue	 <u>\$ 1,802,253</u>	 <u>\$ 1,868,885</u>	 <u>\$ 813,787</u>

MAYFIELDWOOD PARISH HOSPITAL SERVICE DISTRICT  
MAYFIELDWOOD PARISH HOSPITAL OPERATING FUND  
SCHEDULE OF OPERATING EXPENSES - WORKING SERVICES  
FOR THE PERIODS ENDED JUNE 30, 1998, 1999 AND 2000

	1998	1999	2000
<b>Administrative</b>			
*Salaries	\$ 141,819	\$ 143,443	\$ 143,098
*Other	<u>77,688</u>	<u>73,789</u>	<u>72,589</u>
<b>Total</b>	<u>219,507</u>	<u>217,232</u>	<u>215,687</u>
<b>Routine nursing</b>			
*Salaries	1,388,479	1,099,429	977,348
*Other	<u>88,219</u>	<u>158,865</u>	<u>223,282</u>
<b>Total</b>	<u>1,476,698</u>	<u>1,258,294</u>	<u>1,200,630</u>
<b>Intensive care</b>			
*Salaries	271,692	247,697	217,321
*Other	<u>34,303</u>	<u>53,122</u>	<u>128,227</u>
<b>Total</b>	<u>306,005</u>	<u>300,819</u>	<u>345,548</u>
<b>Bariatric</b>			
*Salaries	71,317	182,506	34,251
*Other	<u>28,485</u>	<u>21,826</u>	<u>5,222</u>
<b>Total</b>	<u>99,802</u>	<u>204,332</u>	<u>39,473</u>
<b>Long-term care</b>			
*Salaries	1,008,654	894,851	894,271
*Other	<u>612,525</u>	<u>426,828</u>	<u>420,291</u>
<b>Total</b>	<u>1,621,179</u>	<u>1,321,679</u>	<u>1,314,562</u>
<b>Geriatric</b>			
*Salaries	35,212	-0-	-0-
*Other	<u>1,913,528</u>	<u>66,024</u>	<u>-0-</u>
<b>Total</b>	<u>1,948,740</u>	<u>66,024</u>	<u>-0-</u>
<b>Operating and recovery room</b>			
*Salaries	338,694	176,836	168,823
*Other	<u>388,616</u>	<u>262,365</u>	<u>271,736</u>
<b>Total</b>	<u>727,310</u>	<u>439,201</u>	<u>440,559</u>
<b>Laboer and delivery</b>			
*Salaries	244,826	25,981	8,493
*Other	<u>39,218</u>	<u>28,682</u>	<u>8,925</u>
<b>Total</b>	<u>284,044</u>	<u>54,663</u>	<u>17,418</u>

MIDCHESHIRE PARISH HOSPITAL SERVICE DISTRICT  
 MICHIGAN PARISH HOSPITAL OPERATING FUND  
 SCHEDULE OF OPERATING EXPENSES - GENERAL SERVICES  
 FOR THE PERIODS ENDED JUNE 30, 1994, 1993 AND 1992

	1994	1993	1992
Plant maintenance			
*Salaries	\$ 96,518	\$ 100,680	\$ 83,177
*Other	<u>162,895</u>	<u>170,688</u>	<u>121,880</u>
Total	<u>259,413</u>	<u>271,368</u>	<u>205,057</u>
Utilities - other	<u>813,818</u>	<u>780,865</u>	<u>828,389</u>
Laundry			
*Salaries	88,319	100,811	85,580
*Other	<u>55,182</u>	<u>50,242</u>	<u>48,692</u>
Total	<u>143,501</u>	<u>151,053</u>	<u>134,272</u>
Housekeeping			
*Salaries	291,190	248,043	243,803
*Other	<u>65,113</u>	<u>32,113</u>	<u>60,898</u>
Total	<u>356,303</u>	<u>280,156</u>	<u>304,701</u>
Dietary and cafeteria			
*Salaries	448,885	430,818	449,813
*Other	<u>585,378</u>	<u>560,313</u>	<u>611,831</u>
Total	<u>1,034,263</u>	<u>991,131</u>	<u>1,061,644</u>
Sealing - other	<u>33,895</u>	<u>32,018</u>	<u>30,638</u>
Total General Salaries			
*Salaries	954,854	887,149	878,378
*Other	<u>1,875,881</u>	<u>1,618,162</u>	<u>1,887,262</u>
Total	<u>\$ 2,830,735</u>	<u>\$ 2,505,311</u>	<u>\$ 2,765,640</u>

HANCOCK COUNTY PARISH HOSPITAL SERVICE DISTRICT  
 HANCOCK COUNTY PARISH HOSPITAL OPERATING FUND  
 SCHEDULE OF OPERATING EXPENSES - FINANCIAL AND ADMINISTRATIVE (Continued)  
 FOR THE PERIODS ENDED JUNE 30, 1994, 1993 AND 1992

	1994	1993	1992
Payroll taxes - other	\$ 326,898	\$ 407,800	\$ 378,829
Employee benefits - other	184,516	188,388	218,826
Patients days tax	188,312	156,751	151,244
Total Financial and Administrative			
*Salaries	619,615	481,389	484,491
*Other	2,498,683	2,308,652	2,058,791
<b>Total</b>	<b>\$ 3,118,109</b>	<b>\$ 2,851,861</b>	<b>\$ 2,392,885</b>

MICHIGANES PARISH HOSPITAL SERVICE DISTRICT  
 PEST SERVICE FUND  
 NOTES TO FINANCIAL STATEMENTS (Continued)  
 FOR THE PERIODS ENDED JUNE 30, 1994, 1993 AND 1992

NOTE A - B - 5. TREASURY SECURITIES WITH ESCROW AGENT

On October 1, 1985, \$784,364 was deposited in an irrevocable trust and zero coupon United States of America Treasury securities were purchased. The securities have a face value of \$7,690,000 and earn effective rates between 10.64 and 11.28. The purchased securities began maturing in February 1995, and will be used to pay interest and principal due from April 1, 1995, until the 1978 bond issue is paid in full. An accounting defeasance occurred in February 1993. Since the bonds are not completely defeased, no accounting is required on the District Books.

	<u>1994</u>	<u>1993</u>	<u>1992</u>
Securities at face value	\$           0-	\$           0-	\$ 7,690,000
Less: Unearned revenue	<u>          -0-</u>	<u>          -0-</u>	<u>(1,337,833)</u>
<b>B. B. Treasury Securities and accrued interest in irrevocable trust</b>	<u>\$          -0-</u>	<u>\$          -0-</u>	<u>\$ 6,352,167</u>

**EXHIBITION FARM SERVICE SERVICE COMPANY AND AFFILIATE  
OPERATING UNIT**  
**CONDENSED STATEMENTS OF FINANCE IN UNITS OF MILLIONS OF DOLLARS FOR PERIODS ENDING MARCH 31, 1993, 1992 AND 1991**

	CASH FROM OPERATIONS		CASH FROM FINANCING		CASH FROM INVESTING		CASH FROM DISPOSALS		SPECIAL DISPOSALS		TOTAL
<b>Cash &amp; Cash Equivalents, June 30, 1992</b>	\$	-0-	\$	208,151	\$	58,188	\$	157,444	\$	754,411	\$ 4,288,589
<b>Receipts:</b>											
Inquiry, contract or investment		-0-		10,000		1,188		1,000		21,188	29,200
Transfer from fixed investment account		177,447		-0-		-0-		-0-		177,447	1,000,207
Transfer from fixed investment account		216,184		-0-		-0-		-0-		1,188	277,184
Transfer from fixed revenue account		-0-		-0-		-0-		-0-		10,000	25,000
Transfer from savings fund account		-0-		-0-		-0-		-0-		1,244	5,244
Transfer from general operating fund		-0-		-0-		126,188		10,000		-0-	208,151
Total Cash Available		<u>208,151</u>		<u>208,151</u>		<u>127,188</u>		<u>126,188</u>		<u>218,188</u>	<u>4,288,589</u>
<b>Disbursements:</b>											
Transfer to working capital		-0-		-0-		208,151		100,000		-0-	318,200
Transfer to special depreciation account		-0-		10,000		1,188		-0-		-0-	11,188
Transfer to reserve		-0-		-0-		20,188		-0-		5,000	25,188
Dividend payments		276,184		-0-		-0-		-0-		-0-	276,184
Bond payments		<u>100,188</u>		-0-		-0-		-0-		-0-	100,188
Other disbursements		<u>208,151</u>		<u>10,000</u>		<u>127,188</u>		<u>100,000</u>		<u>5,000</u>	<u>430,338</u>
<b>Cash &amp; Cash Equivalents</b>		-0-		208,151		-0-		-0-		208,188	1,011,600
Transfer of Cash to Special depreciation		<u>-0-</u>		<u>100,151</u>		<u>-0-</u>		<u>-0-</u>		<u>100,151</u>	<u>11,611,600</u>
<b>Cash &amp; Cash Equivalents, June 30, 1991</b>	\$	-0-	\$	-0-	\$	-0-	\$	-0-	\$	-0-	\$ -0-

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

WACHTICOCKER PARISH HOSPITAL SERVICE DISTRICT  
 HEDGECOCKS PARISH HOSPITAL OPERATING FUND  
 SCHEDULE OF OPERATING EXPENSES - OTHER PROFESSIONAL SERVICES (Continued)  
 FOR THE PERIODS ENDED JUNE 30, 1994, 1993 AND 1992

	1994	1993	1992
Kinesiotherapy - other	\$ 3,182	\$ 2,183	\$ 2,087
Cardiac Rehab			
*Salaries	95,503	100,585	133,379
*Other	3,868	5,823	3,287
Total	<u>99,371</u>	<u>106,408</u>	<u>136,666</u>
Podiatry			
*Salaries	192,354	205,220	170,187
*Other	49,213	59,373	38,325
Total	<u>241,567</u>	<u>264,593</u>	<u>208,512</u>
Spine Health			
*Salaries	313,301	399,514	336,860
*Other	80,255	85,583	85,380
Total	<u>393,556</u>	<u>485,097</u>	<u>422,240</u>
Total Other Professional Services			
*Salaries	2,046,639	2,028,209	1,778,214
*Other	1,488,888	1,465,883	1,357,336
Total	<u>\$ 3,535,527</u>	<u>\$ 3,494,092</u>	<u>\$ 3,135,550</u>



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Release Date **DEC 18 1996**

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Harvie H. Bentley, CPA  
Robby G. Lasser, CPA  
John S. Wells, CPA  
Robert E. Miller, CPA

Linda L. Wright, CPA  
Paul A. Delaney, CPA

**BENTLEY, LESTER AND WELLS**  
A CORPORATION OF LICENSED PUBLIC ACCOUNTANTS  
ONE BAYOU SUITES Bldg.  
ALEXANDRIA, LOUISIANA 71304

Telephone (504) 835-1300  
Telex 51 50 40-1 184

Members  
American Institute of CPAs  
AICPA, Division for CPA Firms  
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Mailing Address:  
P.O. Box 8758  
Alexandria, LA 71304-1158

Independent Auditors' Report

Board of Commissioners  
Machitoches Parish Hospital Service District  
Machitoches, Louisiana

We have audited the accompanying general purpose financial statements of the debt service fund and account group of the Machitoches Parish Hospital Service District, a component unit of the Machitoches Parish Police Jury, Machitoches, Louisiana, and the combined general purpose financial statements of the operating fund of Machitoches Parish Hospital Service District, Machitoches, Louisiana, and its affiliates for the years ended June 30, 1996, 1995 and 1994, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audits 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 general purpose financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly in all material respects, the financial position of the various funds and account group of the Machitoches Parish Hospital Service District, Machitoches, Louisiana, and its affiliates at June 30, 1996, 1995 and 1994, and the results of operations and cash flows of each fund and account group for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated October 29, 1996 on our consideration of Machitoches Parish Hospital Service District's internal control structure and a report dated October 29, 1996 on its compliance with laws and regulations.

Board of Commissioners  
Hatchitoches Parish Hospital Service District  
Page Two

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information as listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the Hatchitoches Parish Hospital Service District. Such information has been subjected to auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

*Easley, Lester & Wells*

Certified Public Accountants

October 19, 1976

WATKINSON FARMER HOSPITAL SERVICE DISTRICT AND AFFILIATE  
 OPERATING FUND  
 COMBINED BALANCE SHEETS  
 JUNE 30, 1994, 1993 AND 1992

ASSETS	1994	1993	1992
<b>CURRENT:</b>			
Cash and cash equivalents	\$ 1,138,895	\$ 2,353,419	\$ 92,438
Assets limited as to use (Note 3)	292,361	284,317	88,189
Investments	18,005	18,005	18,005
Accounts receivable, net (Note 3)	4,147,066	4,373,145	1,205,372
Interest receivable	15,161	49,600	43,031
Inventory	598,156	579,247	618,991
Prepaid expenses	462,185	402,993	392,884
Notes receivable - current	38,332	18,888	57,540
Total Current Assets	<u>8,679,189</u>	<u>7,993,568</u>	<u>3,679,398</u>
<b>Other:</b>			
Assets limited as to use (Note 3)	1,088,316	2,889,143	6,284,059
Property, plant and equipment, net (Note 6)	11,138,861	11,849,158	11,602,684
Unamortized bond issue cost (Note 7)	43,884	52,804	68,882
Unamortized capitalized construction (Notes 8 & 9)	501,000	360,793	408,511
Notes receivable (Note 10)	28,080	1,569,963	15,008
Other fees (Note 3)	1,184	1,396	1,584
Investment in equipment	382,435	9,314	9,324
Start-up costs (net of amortization)	1,382	6,632	17,382
Total Assets	<u>\$ 23,679,031</u>	<u>\$ 26,790,682</u>	<u>\$ 22,727,358</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>CURRENT:</b>			
Accounts payable	\$ 633,374	\$ 756,185	\$ 1,278,742
Payroll taxes withheld	21,489	17,937	73,298
Accrued expenses (Note 8)	618,180	567,598	464,719
Unearned revenue	1,900	33,000	-
Current portion of revenue bonds	325,000	315,000	328,000
Total Current Liabilities	<u>1,811,833</u>	<u>1,689,720</u>	<u>1,876,759</u>
<b>Long-Term Liabilities:</b>			
Revenue bonds (Note 9)	3,748,000	3,215,000	3,630,000
Less deferred issue on bonds	<u>(82,322)</u>	<u>(76,834)</u>	<u>(88,128)</u>
Total Liabilities	<u>4,737,511</u>	<u>4,228,886</u>	<u>4,228,731</u>
Fund Balance	<u>19,315,688</u>	<u>22,823,366</u>	<u>17,481,092</u>
Total Liabilities and Fund Balance	<u>\$ 23,679,031</u>	<u>\$ 26,790,682</u>	<u>\$ 22,727,358</u>

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

**AUTHORITIES INDIAN HOSPITAL SERVICE DISTRICT AND AFFILIATE**  
**OPERATING FUND**  
**COMBINED STATEMENTS OF REVENUES AND EXPENSES**  
**FOR THE PERIODS ENDED JUNE 30, 1986, 1985 AND 1984**

	1986	1985	1984
Net Patient Service Revenue	\$ 20,054,148	\$ 18,886,544	\$ 19,797,731
Other Operating Revenue	<u>3,662,481</u>	<u>1,848,863</u>	<u>812,067</u>
Total Operating Revenue	<u>23,716,629</u>	<u>20,735,407</u>	<u>20,609,798</u>
Operating Expenses			
Nursing services	7,427,869	6,188,189	6,795,082
Other professional services	3,288,667	3,498,482	3,123,360
General services	2,809,703	2,505,380	2,559,271
Physical and administrative services	2,318,104	2,813,641	2,942,890
Retirement	97,576	81,000	85,773
Depreciation and amortization	1,190,486	1,189,287	1,116,150
Insurance	275,872	187,418	311,307
Provision for bad debt	<u>2,808,302</u>	<u>2,550,327</u>	<u>1,879,261</u>
Total Operating Expenses	<u>21,468,965</u>	<u>17,977,000</u>	<u>18,630,125</u>
Profit (Loss) From Operations	<u>2,247,664</u>	<u>2,758,407</u>	<u>1,979,673</u>
Nonoperating Gains and Losses			
Interest income	258,689	67,126	13,365
Interest income from state whose use is limited	217,831	263,988	443,650
Net contributions (Note 15)	26,587	28,448	17,327
Gain (Loss) on investment in joint venture (Note 17)	(1,404,859)	-	-
Gain (Loss) on sale of equipment	-	(14,680)	6,000
Gain (Loss) on investments	<u>(22,122)</u>	<u>(152,367)</u>	<u>(128,382)</u>
Total Nonoperating Gains and Losses	<u>(181,713)</u>	<u>129,381</u>	<u>101,060</u>
Excess of Revenues and Gains Over Expenses and Losses	<u>\$ 2,065,951</u>	<u>\$ 2,887,788</u>	<u>\$ 2,080,733</u>

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

SACRETTORES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATE  
 OPERATING FUNDS  
 COMBINED STATEMENTS OF CHANGES IN FUND BALANCE  
 FOR THE PERIODS ENDED JUNE 30, 1995, 1995 AND 1994

	1995	1995	1994
Balance at Beginning of Period	\$ 20,029,365	\$ 17,481,897	\$ 18,128,208
Transfer from Baby Service Fund	-	800,000	-
Excess of Revenues and Gains Over Expenses and Losses	<u>682,883</u>	<u>1,942,860</u>	<u>(677,462)</u>
Balance at End of Period	<u>\$ 20,712,248</u>	<u>\$ 20,224,757</u>	<u>\$ 17,450,746</u>

COMPOSITION OF FUND BALANCE

<b>Distributed Capital</b>			
Mill-Bonding	\$ 307,000	\$ 307,000	\$ 307,000
Public improvement bonds	3,475,000	3,475,000	4,875,000
Hospital plant fund	2,385,109	2,385,109	2,385,109
Individuals	<u>179,353</u>	<u>179,353</u>	<u>179,353</u>
Total Distributed Capital	<u>6,346,462</u>	<u>6,346,462</u>	<u>7,776,462</u>
<b>Accumulated Excess of Revenues and Gains over Expenses and Losses, Net of Transfers to and from Restricted Funds</b>			
	7,708,717	8,577,768	8,481,708
<b>Amounts Owed Due to Limited, Net of Transfers to and from Accumulated Excess of Revenues and Gains over Expenses and Losses</b>			
	<u>3,735,069</u>	<u>3,183,380</u>	<u>4,203,519</u>
<b>Fund Balance</b>	<u>\$ 18,789,248</u>	<u>\$ 18,827,210</u>	<u>\$ 17,450,746</u>

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

MACHIBITCHEE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATE  
 OPERATING FUND  
 NOTES TO COMPANED FINANCIAL STATEMENTS  
 FOR THE PERIODS ENDED JUNE 30, 1994, 1993 AND 1992

**NOTE 10 - AD VALOREM TAXES**

An ambulance maintenance tax is collected by the Machibitchee Parish Police Jury. This tax was approved by the voters in 1976 and 1986 for a term of ten years. Prior to passage of this tax, the Police Jury made annual contributions of approximately \$20,000 for ambulance service. This tax is scheduled to expire in December 1994. The District has made a request to the Police Jury that the tax be renewed.

	<u>1994</u>	<u>1993</u>	<u>1992</u>
Ad Valorem Taxes Paid to the District	\$ <u>199,192</u>	\$ <u>184,379</u>	\$ <u>115,376</u>

In July 1994, the ambulance maintenance tax failed to be renewed by the voters of Machibitchee Parish.

**NOTE 11 - RETIREMENT PROGRAM**

Employees may participate in a qualified defined contribution retirement plan. Each employee is eligible to join the plan immediately upon employment. Under terms of the plan, each participating employee must make contributions of 4% and may make additional voluntary contributions. The District must make contributions of 1%.

Total Payroll	\$ 7,119,849
Total Covered Payroll	5,971,456
Employee Contributions	281,163
Employer Contributions	57,574
Percentage Employee Contributions	4%
Percentage Employer Contributions	1%

Employees become vested in the employer's contribution 25% per year until 100% vested at 4 years of employment.

**NOTE 12 - PROFESSIONAL LIABILITY RISK**

The District participates in the Louisiana Patients' Compensation Fund established by the State of Louisiana to provide medical professional liability coverage to health care providers. The Fund provides for \$400,000 in coverage per occurrence above the first \$180,000 per occurrence for which the District is at risk. The Fund places no limitation on the number of occurrences covered. In connection with the establishment of the Patient's Compensation Fund, the State of Louisiana enacted legislation limiting the amount of settlement for professional liability to \$500,000 per occurrence. Legal action is an attempt to overturn this legislation on constitutional grounds is in process.



WATERBURY PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATE  
 OPERATING FUND  
 COMBINED STATEMENTS OF CASH FLOWS (Continued)  
 FOR THE PERIODS ENDED JUNE 30, 1998, 1995 AND 1994

	1998	1995	1994
Cash flows from financing activities:			
Interest expense	\$ _____-0-	\$ _____-0-	\$ _____122,850
Net cash used by financing activities	_____0-	_____0-	_____122,850
Cash flows from capital and related financing activities:			
Transfers from Debt Service Fund	-0-	400,000	-0-
Proceeds from 1994 bonds	-0-	-0-	3,360,000
Payments of 1979 bonds	-0-	-0-	(3,400,000)
Refurred loss on refinancing 1979 bonds	-0-	-0-	(17,875)
Bond issue costs	-0-	8,283	(57,873)
Interest expense	(168,989)	(178,486)	(297,926)
Payments on bonds	(315,000)	(130,000)	(285,000)
Acquisition of property, plant and equipment	(628,284)	(1,308,194)	(1,473,863)
Contributions	38,387	28,458	27,324
Proceeds from sale of assets	_____0-	_____0-	_____8,000
Net cash used by capital and related financing activities	_____ (873,328)	_____ (1,180,100)	_____ (2,301,432)
Net increase (decrease) in cash and cash equivalents	(1,234,324)	2,360,881	(221,014)
Beginning cash and cash equivalents	_____ 2,303,612	_____ 92,638	_____ 313,712
Ending cash and cash equivalents	\$ _____ 1,069,288	\$ _____ 2,353,519	\$ _____ 92,698
Schedule of non-cash transactions:			
Receipt of patient accounts receivable on note receivable	\$ 70,881	\$ -0-	\$ -0-
Receipt of property and equipment on note receivable	355,508	-0-	-0-
Write-off of notes receivable	1,034,859	-0-	-0-
Loss on amortization due to early return of principal	27,473	-0-	-0-
Supplemental disclosures of cash flow information:			
Cash paid during the period for interest	\$ 170,111	\$ 168,004	\$ 385,876

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

**BATONROUGE PARISH HOSPITAL SERVICE DISTRICT**  
**BATONROUGE PARISH HOSPITAL OPERATING FUND**  
**SCHEDULE OF OPERATING EXPENSES - FISCAL AND ADMINISTRATIVE**  
**FOR THE PERIODS ENDING JUNE 30, 1986, 1985 AND 1984**

	1986	1985	1984
communications - other	\$ 43,881	\$ 46,058	\$ 43,354
Data processing			
*Salaries	13,194	15,798	11,788
*Other	24,687	29,683	21,000
Total	37,881	45,481	32,788
admitting			
*Salaries	23,843	28,518	28,512
*Other	2,708	1,815	1,268
Total	26,551	30,333	29,780
business office and collections			
*Salaries	149,880	144,297	154,218
*Other	83,868	37,182	73,662
Total	233,748	181,479	227,880
accounting			
*Salaries	120,378	48,198	33,300
*Other	19,283	18,683	18,738
Total	139,661	66,881	52,038
insurance - other	588,218	413,131	458,135
Administrative			
*Salaries	280,318	198,726	194,181
*Other	538,588	808,053	518,278
Total	818,906	1,006,779	712,459
Advertising - other	31,818	45,453	55,080
Purchasing			
*Salaries	41,563	44,356	49,145
*Other	8,142	1,182	1,980
Total	49,705	45,538	51,125

MASSACHUSETTS PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATE  
OPERATING FUND  
NOTICE TO CREDITORS FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED JUNE 30, 1998, 1999 AND 1994

NOTE 1 - THE ORGANIZATION AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Legal Organization

The Massachusetts Parish Hospital Service District (referred to as "the District" or "the Hospital") was created by an ordinance of the Massachusetts Parish Police Jury (the "Jury") on October 15, 1949.

Legal Organization

The governing board of the District consists of seven members appointed by the Jury. Because the Jury appoints all commissioners of the Massachusetts Parish Hospital Service District, the Jury is considered to have the ability to impose its will on the District and therefore the District is a component unit of the Massachusetts Parish Police Jury, which is the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

An affiliate, Massachusetts Hospital Foundation (referred to as "the Foundation"), was incorporated June 25, 1987, as a Louisiana nonprofit corporation. The Foundation has one class of members, consisting of one member, the District.

Nature of Business

The District provides outpatient, ambulatory, emergency and acute services through its hospital unit. The District also provides inpatient intermediate and skilled nursing services through its Long Term Care Unit and "Sewing-Room". In September 1987, the District added home health services to its operations. In June 1995, the District opened a unit to provide geriatric psychiatric services and was recognized as a "distinct part" unit effective July 1, 1995.

The Foundation's purpose is to engage in the solicitation, receipt and administration of funds and property and free time in time to disburse such funds or property and the income therefrom, to or for the benefit of the District.

BATCHELOR'S PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATE  
OPERATING FUND  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED JUNE 30, 1986, 1985 AND 1984

NOTE 1 - THE ORGANIZATION AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

Method of Accounting

The combined financial statements of the District and Foundation are prepared using the accrual method of accounting. Hospital accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:313 and to the guide set forth in the Louisiana Environmental Health Code, and the AICPA Hospital Audit Guide, published by the American Institute of Certified Public Accountants, and standards set by the Governmental Accounting Standards Board (GASB), which is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Combination Policy

The accompanying financial statements include the accounts of the District combined with its affiliate, Batchelor Hospital Foundation. The District has control of the Foundation. All intercompany transactions and balances have been eliminated.

Property, Plant and Equipment

Purchased fixed assets are recorded at cost and donated fixed assets, if received, at fair market value on the date of any donation. Depreciation is calculated over estimated useful lives, using the straight-line method. Land was initially donated for hospital use, and it is recorded at the fair market value at the time of donation. Additional land was purchased, and it is recorded at cost.

Bank and Cash Equivalents

Cash represents coin, currency, bank demand deposits and other negotiable instruments that are readily acceptable in lieu of currency. Cash equivalents are time deposits, certificates of deposit, Treasury Bills and mortgage backed securities purchased with a maturity of three months or less.

Inventories

Inventories are stated at the lower of cost determined by the first-in, first-out method, or market basis.

Investments

Investments are classified as held-to-maturity securities and are therefore reported at amortized cost as market declines are deemed to be temporary.

WATCHITOCHEE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATE  
OPERATING FUND  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED JUNE 30, 1986, 1985 AND 1984

NOTE 1 - THE ORGANIZATION AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The District is a political subdivision of the State of Louisiana and exempt from taxation.

The Foundation is exempt from income taxes under Section 501(c)(3) of the United States Internal Revenue Code. Accordingly, no provision for income taxes has been recorded.

Credit Risk

The Hospital provides medical care primarily to Watchitochee Parish residents and grants credit to patients, substantially all of whom are local residents.

The Hospital's estimate of collectibility is based on an evaluation of historical collections compared to gross charges and an analysis of aged accounts receivable to establish an allowance for uncollectible accounts.

Third-Party Cost-Based Revenues

Contractual agreements with governmental agencies (Medicare, Medicaid, etc.) provide for reimbursement based on combinations of the lesser of reasonable cost (subject to certain limits) or charges and prospective rates (initially set based upon costs of services to patients). These reimbursements are subject to audit and retroactive adjustments by each payer.

NOTE 2 - LIABILITIES

All demand deposits in checking accounts with financial institutions are fully insured by the Federal Deposit Insurance Corporation. Though bank balances exceeded FDIC limits throughout the year, the bank holds pledged securities for the District to cover all coverage. The year-end pledged securities are \$367,470, which covers bank balances of \$388,183 at year end. All amounts invested in investment companies are fully covered by Securities or are fully backed by the U. S. Government.

SUNSHINE HOSPITAL SERVICE DISTRICT AND AFFILIATE  
 OPERATING FUND  
 NOTES TO COMBINED FINANCIAL STATEMENTS  
 FOR THE PERIODS ENDED JUNE 30, 1994, 1993 AND 1992

**NOTE 2 - DEPOSITS (Continued)**

A breakdown of security types at June 30, 1994 follows:

	Amortized Cost	Fair Value
Mortgage backed securities	\$ 2,280,848	\$ 2,312,429
Debt Securities issued by the U.S. Treasury and other U.S. Government Corporations and Agencies	<u>850,738</u>	<u>843,734</u>
	\$ <u>3,131,586</u>	\$ <u>3,156,163</u>

A breakdown of security types at June 30, 1993 follows:

	Amortized Cost	Fair Value
Mortgage backed securities	\$ 2,748,487	\$ 2,702,757
Debt Securities issued by the U.S. Treasury and other U.S. Government Corporations and Agencies	<u>2,488,353</u>	<u>2,487,196</u>
	\$ <u>5,236,840</u>	\$ <u>5,189,953</u>

Fair values are based upon quoted market prices.

**NOTE 3 - ACCOUNTS RECEIVABLE**

A summary of accounts receivable is presented below:

	1994	1993	1992
Patient accounts receivable	\$ 8,374,885	\$ 7,670,683	\$ 4,533,106
Other accounts receivable	276,007	338,063	873,388
Physician receivables	40,205	85,524	33,880
Employer accounts receivable	<u>65,218</u>	<u>81,222</u>	<u>28,324</u>
	10,756,475	8,185,472	5,383,598
Less provision for uncollectibles	<u>(1,321,810)</u>	<u>(1,820,132)</u>	<u>(2,369,799)</u>
Total Accounts Receivable	\$ <u>9,434,665</u>	\$ <u>6,365,340</u>	\$ <u>3,013,800</u>

NATCHITOCHEE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATE  
OPERATING FUND  
NOTES TO COMPANED FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED JUNE 30, 1996, 1995 AND 1994

**NOTE 3 - MEDICARE AND MEDICAID PROGRAMS**

The District receives a substantial portion of its revenues from the Medicare and Medicaid programs at discounted rates. During the periods ended June 30, 1996, 1995 and 1994, the following revenues were obtained from these programs:

	1996	1995	1994
Medicare and Medicaid gross patient charges			
Contractual adjustments	\$ 19,834,008	\$ 15,488,881	\$ 12,647,685
Patient Service Revenues	<u>21,834,372</u>	<u>19,325,831</u>	<u>19,328,908</u>
	\$ <u>41,668,374</u>	\$ <u>34,754,712</u>	\$ <u>31,976,593</u>
Percent of Total Net Patient Revenues	88%	87%	89%

**NOTE 5 - ASSETS LIMITED AS TO USE**

	1996	1995	1994
Cash with paying agent - interest and principal due 10/01 (expires 1996 bonds)	\$ 282,361	\$ 284,377	\$ 40,748
By Board			
Repair and replacement - cash and cash equivalents	367,583	398,189	122,648
Repair and replacement - investments	1,618,103	2,468,714	4,580,403
IR trust deposits	181,178	70,104	203,048
Less assets limited as to use required for current liabilities	<u>(182,862)</u>	<u>(284,377)</u>	<u>(188,759)</u>
Net-current assets limited as to use	\$ <u>1,061,302</u>	\$ <u>1,888,187</u>	\$ <u>4,580,403</u>

The 1994 assets limited as to use required for current liabilities have been reduced to reflect a change in presentation consistent with terms of the 1994 bond refinancing.

NATHANIEL PARRISH HOSPITAL SERVICE DISTRICT AND AFFILIATE  
OPERATING FUND  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED JUNE 30, 1996, 1995 AND 1994

**NOTE 6 - PROPERTY, PLANT AND EQUIPMENT**

The following is a summary of property, plant and equipment and related accumulated depreciation for the year ended June 30, 1996.

	<u>AMOUNTS</u>			
	<u>June 30, 1995</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 1996</u>
Land and land improvements	\$ 383,613	\$ -0-	\$ -0-	\$ 383,613
Buildings	17,948,488	175,578	-0-	18,089,026
Furniture, fixtures and equipment	<u>6,873,838</u>	<u>282,088</u>	<u>-0-</u>	<u>7,180,106</u>
Total	<u>\$ 25,205,939</u>	<u>\$ 457,666</u>	<u>\$ -0-</u>	<u>\$ 25,628,242</u>
		<u>ACCUMULATED DEPRECIATION</u>		
	<u>June 30, 1995</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 1996</u>
Buildings	\$ 8,577,154	\$ 843,575	\$ -0-	\$ 9,199,879
Furniture, fixtures and equipment	<u>6,181,630</u>	<u>608,128</u>	<u>-0-</u>	<u>6,777,221</u>
Total	<u>\$ 14,758,784</u>	<u>\$ 1,451,703</u>	<u>\$ -0-</u>	<u>\$ 16,578,628</u>



SANTITUCHE'S PUBLIC HOSPITAL SERVICE DISTRICT AND AFFILIATE  
OPERATING FUND  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED JUNE 30, 1996, 1995 AND 1994

**NOTE 5 - PROPERTY, PLANT AND EQUIPMENT (Continued)**

The following is a summary of property, plant and equipment and related accumulated depreciation for the year ended June 30, 1995.

	ASSET COST			
	June 30, 1994	Additions	Reductions	June 30, 1995
Land and land improvements	\$ 388,384	\$ 13,030	\$ -0-	\$ 401,414
Buildings	15,853,804	3,113,694	-0-	18,967,498
Furniture, fixtures and equipment	6,578,302	511,344	34,400	6,875,018
Construction in progress	<u>3,113,888</u>	<u>-0-</u>	<u>3,113,888</u>	<u>-0-</u>
<b>Total</b>	<b><u>\$ 23,334,378</u></b>	<b><u>\$ 3,698,068</u></b>	<b><u>\$ 3,148,288</u></b>	<b><u>\$ 23,884,158</u></b>
	ACCUMULATED DEPRECIATION			
	June 30, 1994	Additions	Deductions	June 30, 1995
Buildings	\$ 7,948,887	\$ 636,457	\$ -0-	\$ 8,585,344
Furniture, fixtures and equipment	<u>4,317,873</u>	<u>483,668</u>	<u>-0-</u>	<u>4,801,541</u>
<b>Total</b>	<b><u>\$ 12,266,760</u></b>	<b><u>\$ 1,120,125</u></b>	<b><u>\$ -0-</u></b>	<b><u>\$ 13,386,885</u></b>

WACHITOCHEE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATE  
 OPERATING FUND  
 NOTES TO COMBINED FINANCIAL STATEMENTS  
 FOR THE PERIODS ENDED JUNE 30, 1994, 1993 AND 1992

**NOTE 3. PROPERTY, PLANT AND EQUIPMENT (Continued)**

The following is a summary of property, plant and equipment and related accumulated depreciation for the year ended June 30, 1994.

	<u>ASSET COST</u>			
	<u>June 30, 1993</u>	<u>additions</u>	<u>Reductions</u>	<u>June 30, 1994</u>
Land	\$ 387,389	\$ 3,194	\$ -0-	\$ 390,583
Buildings	14,997,258	838,548	-0-	15,835,806
Furniture, fixtures and equipment	6,393,394	587,318	180,383	6,799,329
Contributions in progress	488,826	1,668,613	393,661	1,763,778
Total	<u>\$ 22,367,867</u>	<u>\$ 2,697,673</u>	<u>\$ 573,944</u>	<u>\$ 23,491,596</u>
				<u>ACCUMULATED DEPRECIATION</u>
	<u>June 30, 1993</u>	<u>additions</u>	<u>Reductions</u>	<u>June 30, 1994</u>
Buildings	\$ 7,544,370	\$ 596,737	\$ -0-	\$ 8,141,107
Furniture, fixtures and equipment	3,949,848	468,188	383,383	4,034,653
Total	<u>\$ 11,494,218</u>	<u>\$ 1,064,925</u>	<u>\$ 383,383</u>	<u>\$ 12,175,860</u>

Depreciation was calculated using the straight-line method. Useful lives for the purpose of calculating depreciation by class are:

Buildings 10 - 40 years

Furniture, fixtures and equipment 3 - 15 years

These assets were obtained in part with funds from a Hill-Burton program grant of \$207,000.

**MACHIGONCHER PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATE**  
**OPERATING FUND**  
**COMBINED STATEMENTS OF CASH FLOWS**  
**FOR THE PERIODS ENDED JUNE 30, 1994, 1993, AND 1992**

	1994	1993	1992
Cash flow from operating activities and gains and losses:			
Profit (loss) from operations:	\$ (186,115)	\$ 1,758,709	\$ (1,029,357)
Adjustments to reconcile profit (loss) from operations to net cash provided by operating activities and gains and losses:			
Depreciation and amortization	1,190,684	1,150,767	1,118,190
Amortization of premium on investments	9,438	25,864	8,954
Amortization of loss on refinancing of '79 Bonds	9,304	9,304	1,158
Use of investment assets	1,387	0-	0-
LRA allocation of income	(11,819)	(13,388)	(47,623)
Adjustment for physician loan	0-	27,500	0-
Interest income	58,322	67,124	11,385
Interest expense	(184,949)	(178,484)	(209,979)
(Increase) decrease in accounts receivable	(2,681,818)	(1,844,873)	451,877
(Increase) decrease in interest receivable	52,664	(26,334)	(2,179)
(Increase) decrease in inventories	(17,939)	57,744	28,185
(Increase) decrease in prepaid expense	(59,823)	(56,018)	(94,177)
Increase (decrease) in accounts payable	(189,811)	(475,117)	217,583
Increase (decrease) in payroll taxes withheld	3,332	(51,533)	68,582
Increase (decrease) in accrued expense	62,522	80,869	119,033)
Increase (decrease) in unearned revenue	(20,820)	22,000	0-
(Increase) decrease in assets limited as to use - cash and cash equivalents	(258,680)	(200,668)	376,136
Net cash provided by operating and nonoperating activities	<u>(820,595)</u>	<u>1,318,111</u>	<u>3,388,325</u>
Cash flow from investing activities:			
Collections on physician loans	17,750	8,000	17,000
Cash invested in assets limited as to use - investment	(559,132)	(494,582)	(3,618,064)
Redemptions of investments/principal return	183,826	3,758,321	2,988,940
Loan to Northwest Psychiatry, Inc.	(2,000,396)	(1,515,963)	0-
Payments from Northwest Psychiatry, Inc.	1,088,899	0-	0-
Loans to physicians	0-	(18,889)	(62,580)
Interest income	323,618	282,888	293,821
Net cash used by investing activities	<u>\$ 481,665</u>	<u>\$ 1,322,815</u>	<u>\$ 786,696</u>

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

MADISONVILLE PARKER HOSPITAL SERVICE DISTRICT  
MADISONVILLE PARKER HOSPITAL OPERATING FUND  
SCHEDULE OF OPERATING EXPENSES - OTHER PROFESSIONAL SERVICES  
FOR THE PERIODS ENDED JUNE 30, 1994, 1993 and 1992

	1994	1993	1992
Pharmacy			
*Salaries	\$ 148,588	\$ 135,434	\$ 141,407
*Other	<u>501,731</u>	<u>382,892</u>	<u>507,293</u>
Total	<u>650,319</u>	<u>518,326</u>	<u>648,700</u>
Medical records			
*Salaries	138,761	127,807	116,838
*Other	<u>22,783</u>	<u>22,925</u>	<u>36,865</u>
Total	<u>161,544</u>	<u>150,732</u>	<u>153,703</u>
Anesthesia			
*Salaries	128,328	117,210	268,063
*Other	<u>45,388</u>	<u>80,329</u>	<u>36,452</u>
Total	<u>173,716</u>	<u>197,539</u>	<u>304,515</u>
Radiology, ultrasound & CT scans			
*Salaries	341,333	312,288	201,692
*Other	<u>472,322</u>	<u>379,683</u>	<u>363,112</u>
Total	<u>813,655</u>	<u>691,971</u>	<u>564,804</u>
Laboratory			
*Salaries	321,831	296,840	202,888
*Other	<u>187,866</u>	<u>282,229</u>	<u>262,656</u>
Total	<u>509,697</u>	<u>579,069</u>	<u>465,544</u>
Blood - other	<u>36,873</u>	<u>38,360</u>	<u>32,328</u>
Inhalation therapy			
*Salaries	282,143	260,608	146,148
*Other	<u>67,808</u>	<u>67,611</u>	<u>33,582</u>
Total	<u>349,951</u>	<u>328,219</u>	<u>179,730</u>
Physical therapy			
*Salaries	71,668	71,206	70,123
*Other	<u>6,861</u>	<u>7,228</u>	<u>6,121</u>
Total	<u>78,529</u>	<u>78,434</u>	<u>76,244</u>
	\$ 80,530	\$ 78,136	\$ 36,482

## WATCHITOCHEE PARISH HOSPITAL SERVICE DISTRICT

### HISTORY (Continued)

On November 22, 1985, the District's Commissioners resolved to donate a portion of land to the Watchitoches Parish Police Jury so they may construct a parish health clinic. The act of donation was made by resolution of the Board of Commissioners on October 23, 1987. The District's basis in the donated land was \$2,352.

An ambulance service tax is collected by the Watchitoches Parish Police Jury. The tax money is forwarded to the District upon submitting ambulance cost for the year. A two-year renewal was passed in 1986.

Effective January 30, 1987, the Long-Term Care Unit qualified as a Medicare participating skilled nursing facility. As of September 15, 1987, a home health program was begun.

Beginning December 1, 1988, the District began renting office space for four physicians in a newly constructed physician office building.

During the year ended June 30, 1989, the District purchased approximately ten acres of land on Noyes Avenue. The state of Louisiana appropriated one quarter acre for road right-of-way.

During the year ended June 30, 1991, the District began an \$860,000 renovation of the fourth and fifth floors of the Hospital which include two additional elevators and a rehabilitation fitness center. The Hospital began redecorating and refurbishing 84 patient rooms.

During the year ended June 30, 1992, the District completed renovations of the cardiac rehabilitation fitness center and 84 patient rooms. The renovation of the fourth and fifth floors was near completion by fiscal year end. The Hospital began replacing the chiller which was expected to be completed in the following year.

During the year ended June 30, 1993, the District completed replacement of the chillers. The Hospital began and nearly completed a building to be used as a dialysis center.

During the year ended June 30, 1994, the District completed construction of the dialysis center and began construction of rental facilities for a mental health unit and an obstetrics/gynecology doctors' office. The District also refinanced \$3,480,000 of Revenue Bonds. As with the 1979 series, the \$3,480,000 of Series 1994 Bonds, dated May 19, 1994, are obligations of the District which are payable from revenues derived by the District from its operation of the Hospital. The interest rates start at 1.96% and go to 3.5%.

During the year ended June 30, 1995, the District completed construction of the mental health unit, the obstetrics/gynecology doctor's office, senior care center and remodeling of the labor and delivery rooms. A cooperative endeavor with Northwest Psychiatry, Inc. resulted in the establishment of an adolescent psychiatric program in Watchitoches Parish. Additionally, the Hospital began its own psychiatric psychiatric program as the Hospital campus just prior to year end.

## WICHITOCHEE PARISH HOSPITAL SERVICE DISTRICT

### HISTORY (Continued)

The Series 1979 Revenue Bonds are also subject to redemption in whole, at any time, or in part, at any interest payment date, at the option of the District upon the occurrence of any of the following conditions or events: (1) if title to, or the permanent use of, or use for a limited period of, substantially all of the District is surrendered; or (2) if the title to substantially all of the District is found to be deficient to the extent that the Hospital is unreasonable or the efficient utilization of the District by the District is substantially impaired; or (3) if substantially all of the District is damaged or destroyed by fire or other casualty; or (4) if as a result of any changes in the Constitution of the United States of America or of the State of Louisiana or of legislative or administrative action, or failure of administrative action, by the United States or the State of Louisiana, or any agency or political subdivision thereof, or by reason of any judicial decision, (i) the Resolution becomes void or unenforceable or impossible to perform without unreasonable delay or (ii) unreasonable burdens or excessive liabilities are imposed on the District, including without limitation Federal, state or other ad valorem property, income or other taxes being imposed on the property of the District. In the event of such redemptions, the Bonds shall be subject to redemption at the principal amount thereof plus accrued interest to the date of redemption, but without premium.

The Series 1978 Bonds are issued pursuant to a Resolution, under which payment of the principal of, redemption premium, if any, and interest on the Series 1978 Bonds is secured by a pledge of the income, revenues, receipts and amounts receivable derived by, payable or accruing to the District by reason of its operation of the District, subject to payment of the operating expenses of the District.

The Series 1978 Bonds are limited obligations of the District which are payable solely from Revenues derived by the District from its operation of the Hospital. The Series 1978 Bonds are not an indebtedness or pledge of the general credit of the State of Louisiana, the Parish or City of Zachary or the District.

Neither the District nor any of the assets of the District are pledged or encumbered as security for the Series 1979 Revenue Bonds.

On February 28, 1980, the Louisiana State Bond Commission approved a notice of intention to issue not exceeding \$350,000 of Hospital Revenue Bonds to bear interest at rates not exceeding 7 1/8% per annum, the proceeds of which will be used for the purpose of continuing improvements to the existing facilities or to provide additional facilities, said bonds are to be covered by and payable solely from the District from operations, to mature at such time not exceeding 10 years from date of issuance, and subject further to the approval of the Natchitoches Parish Police Jury. In lieu of issuing these bonds the District made an application for the approval of the State Bond Commission to issue \$300,000 of Certificates of Indebtedness at an interest rate not to exceed eleven and one-half percent per annum. This application was approved on September 1, 1981. The \$300,000 in Certificates of Indebtedness were issued on April 8, 1982. Certificates totaling \$150,000 were issued in cash of these bonds to Natchitoches. These Certificates of Indebtedness were paid in full on September 28, 1984.

WATCHBOGHEUS PARISH HOSPITAL, BOSSIERE, LOUISIANA

HISTORY (Continued)

During the year ended September 30, 1945, the Watchbogue Parish Hospital was enlarged by the addition of a nursing home, an autopsy room, new patient rooms and additional administrative and storage space. The new construction was financed by: (1) a grant from the United States Government under the Hill-Burton Act in the amount of \$187,000; (2) proceeds of a \$400,000 bond issue; and, (3) revenues of the Watchbogue Parish Hospital. The \$400,000 of Watchbogue Parish, Louisiana, Hospital Improvement Revenue Bonds, 3 1/2%, Series 1945, were purchased by the United States of America, Housing and Home Finance Agency. These bonds were retired in 1958.

On June 24, 1977, a seven million dollar (\$7,000,000) bond issue was passed by the people of Watchbogue Parish. The seven million dollars (\$7,000,000) consisted of four million five hundred thousand dollars (\$4,500,000) of Public Improvement Bonds to be paid by ad valorem taxes. Two million five hundred thousand dollars (\$2,500,000) were to be Revenue Bonds and were to be paid off out of the general operating revenues of the District. Pursuant to a public hearing held on March 6, 1979, the District was authorized to issue \$4,500,000 of Hospital Revenue Bonds in lieu of the \$7,000,000 of Hospital Revenue Bonds.

On May 22, 1978, the Public Improvement Bonds were sold. The Public Improvement Hospital Bonds are dated April 1, 1978, and are in denominations of five thousand dollars (\$5,000) each, and bear interest at a rate or rates not exceeding six and one-half percent (6 1/2%) per annum on any bond to any interest payment period. Said interest to be payable April 1, 1979, and semi-annually thereafter on April 1st and October 1st of each year. Bonds numbered 204 to 800, inclusive, are callable for redemption by the District in the reverse order of their maturities, and if less than a full maturity, then by lot within each maturity, on any interest payment date on or after April 1, 1988, at the principal amount thereof and accrued interest to the date fixed for redemption, provided that official notice of such call of any of the bonds for redemption, date by means of publication of an appropriate notice one time in a financial newspaper or journal published in the City of New York, or in the City of New Orleans, Louisiana, and sent by registered mail to the place of payment of the bonds. Bonds of this issue numbered 1 to 185, inclusive, are not callable for redemption prior to their stated dates of maturity. The bonds are secured by a special tax to be imposed and collected annually in excess of all other taxes on all the property subject to taxation within the territorial limits of the District.

In May, 1979, the Hospital Revenue Bonds were sold. These bonds are dated April 1, 1979, and are in denominations of five thousand dollars (\$5,000) each, and bear interest at a rate or rates not exceeding seven and seven-eighths percent (7 7/8%) per annum on any bond to any interest period. Said interest to be payable October 1, 1979, and semi-annually thereafter on April 1st and October 1st of each year.

The Series 1979 Revenue Bonds maturing on October 1, 1983, are subject to redemption at the option of the District, either in whole or in part at any time, not earlier than April 1, 1983, (in the reverse order of maturities and by lot within a maturity) from any monies available therefore, at redemption prices expressed as a percentage of the principal amount being redeemed ranging from 103% in 1983 and decreasing to 100% in 1985 and thereafter.