

HOSPITAL SERVICE DISTRICT WARDS 3, 4 AND 50  
 OF THE PROVINCE OF LOUISIANA, STATE OF LOUISIANA  
 TRI-COUNTY GENERAL HOSPITAL AND CLINIC  
 HOSPITAL RESTRICTED FUND  
 STATEMENTS OF EXPENSES - MEDICAL, PROFESSIONAL AND CONTRACT SERVICES  
 YEARS ENDED DECEMBER 31, 1983, 1985 and 1984

	1983	1985	1984
Radiology	\$ 10,852	\$ 8,005	\$ 8,988
Laboratory	19,184	19,317	18,784
Cardiovascular	1,128	882	3,085
Rural Health Clinic	9,808	12,789	8,855
Emergency room	<u>317,838</u>	<u>128,266</u>	<u>148,778</u>
 Total medical professional and contract services	 \$ <u>358,802</u>	 \$ <u>169,259</u>	 \$ <u>188,490</u>

HOSPITAL SERVICE DISTRICT NUMBER 3, 4 AND 10  
OF THE PARISH OF UNION, STATE OF LOUISIANA  
THE GRAND CENTRAL HOSPITAL AND CLINIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 1994, 1993 AND 1992

NOTE 14 - CONTINGENCIES AND COMMITMENTS (Continued)

**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.

**Worker's Compensation Risk** - The District carries worker's compensation insurance through the Louisiana Hospital Association Trust Fund. Should the Fund's assets not be adequate to cover claims made against it, the District may be assessed its pro rata share of the resulting deficit. It is not possible to estimate the amount of additional assessments, if any.

Accordingly, the District is contingently liable for assessments by the Louisiana Hospital Association Trust Fund. The District has included these allocations of equity in the trust in its financial statements as prepaid insurance and insurance expense or a reduction thereof. Any return of equity reduces the prepaid balance.

NOTE 15 - GRANT REVENUE

The District was awarded emergency room operational grants under Act 600 of the State of Louisiana for \$90,714 and 75,000 during 1994 and 1993, respectively. In 1995, the Louisiana Department of Health and Hospitals awarded the District a \$50,000 physician's grant. A Rural Health Transition Grant was awarded in 1994 for \$50,000 of which \$12,000 was received but unexpended at December 31, 1994. The unexpended amount is shown as temporarily restricted fund balance.

NOTE 16 - GOING CONCERN DUBB

The financial statements have been prepared on the assumption that the District is a going concern. The District has experienced numerous years where operating expenses have exceeded operating revenues. The District's significant operating losses have been due to its inability to recruit and retain physicians. To provide additional revenues and further utilize space, the District began leasing a portion of the hospital (including 14 beds) to Red River Health Care for a community rehab hospital in August, 1994. During 1995, the district contracted with two physicians and established a rural health clinic. A \$100,000 Primary Care Clinic Grant was received in May 1995 for this purpose. Subsequent to year end, one of the District's two staff physicians resigned.

HOSPITAL SERVICE DISTRICT WARD 3, A AND D  
 OF THE PARISH OF WISDOM, STATE OF LOUISIANA  
 TRI-WARD GENERAL HOSPITAL AND CLINIC  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 1994, 1993 AND 1992

**NOTE 8 - ACCRUED EXPENSES AND WITHHOLDINGS PAYABLE**

Accrued expenses and withholdings payable on December 31, 1994, 1993 and 1992, consist of the following:

	1994	1993	1992
Accrued payroll taxes	\$ 1,754	\$ 1,357	\$ 1,250
State and Federal Income taxes payable	1,718	8,215	6,878
Social security tax payable	-0-	4,171	3,780
State unemployment tax payable	1,465	1,269	6,807
Accrued vacation, holiday & sick	44,288	45,036	45,409
Accrued payroll	28,813	22,882	18,320
Total	\$ 78,038	\$ 83,927	\$ 76,444

**NOTE 9 - COMPENSATED ABSENCES**

Employees of the District are entitled to paid vacation and sick days depending on job classification, length of service and other factors. It is impracticable to estimate the amount of accrued compensation for future accrued sick days and, accordingly, no liability has been recorded in the accompanying financial statements. However, vested vacation and paid days off have been recorded as a liability in the accompanying financial statements at employee earning rates in effect at the balance sheet date.

**NOTE 10 - NOTES AND BONDS PAYABLE**

The following is a summary of notes and bonds payable on December 31, 1994, 1993 and 1992:

	1994	1993	1992
7.0 percent mortgage note, due February 2003, collateralized by a mortgage on property and house.	\$ 10,189	\$ 11,473	\$ 12,670
Less: Current maturities	(12,308)	(11,280)	(11,150)
Long-term maturities	\$ (2,119)	\$ 1,193	\$ 1,520

A table of total debt service requirements follows:

Financial Year	Estimated	Interest	Total
1997	\$ 1,338	\$ 670	\$ 2,008
1998	1,438	570	2,008
1999	1,582	664	2,246
2000	1,687	349	2,036
2001	1,820	228	2,048
2002	1,951	85	2,036
2003	2,182	2	2,184
	\$ 12,106	\$ 2,578	\$ 14,684

HOSPITAL SERVICE DISTRICT WARD 5, 4 AND 10  
OF THE PARISH OF UNION, STATE OF LOUISIANA  
DCI-WARD GENERAL HOSPITAL AND CLINIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 1994, 1993 AND 1994

NOTE 11 - NET PATIENT SERVICE REVENUE

The District has agreements with third-party payers that provide for payments to the District at amounts different from its established rates. A summary of the payment arrangements with major third-party payers follows.

Medicare - Inpatient acute care services rendered to Medicare program beneficiaries are paid on prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Certain outpatient services related to Medicare beneficiaries are paid based on a cost reimbursement methodology. The District is reimbursed for most reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicare fiscal intermediary. The District's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the District. The District's Medicare cost reports have been audited by the Medicare fiscal intermediary through December 31, 1994.

Medicaid - Until July 1, 1994, inpatient services were reimbursed based upon the lesser of reasonable costs (subject to certain limits) or charges to the patient. As of July 1, 1994, the program reimbursement is based upon a prospectively determined per diem rate. Certain outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The District is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicaid fiscal intermediary. The District's Medicaid cost reports have been audited by the Medicaid fiscal intermediary through December 31, 1994.

The District has entered into payment agreements with certain commercial insurance carriers and preferred provider organizations. The basis for payment under these agreements include discounts from established charges and prospectively determined daily rates.

NOTE 12 - PROFESSIONAL LIABILITY RISK

The District participates in the Louisiana Patient's Compensation Fund ("PCF") 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 \$100,000 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. The constitutionality of this legislation has not been tested by the courts, although the Louisiana Supreme Court has decided that this limit does not apply in cases of strict liability.

HOSPITAL SERVICE DISTRICT WARD 3, 4 AND 10  
 OF THE PARISH OF ORCANS, STATE OF LOUISIANA  
 TRI-WARD GENERAL HOSPITAL AND CLINIC  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 1984, 1985 AND 1986

**NOTE 10 - PROFESSIONAL LIABILITY RISK (Continued)**

The District's membership in the Louisiana Hospital Association Trust Fund provides additional coverage for professional medical malpractice liability and worker's compensation. The trust fund bills members its advance, based upon an estimate of their exposure. At policy year-end, premiums are determined utilizing actual losses of the District. The trust fund pretense to be a "Mutual Trust" and, accordingly, income and expenses are generated in member hospitals. The District has included these allocations of equity in the trust in its financial statements as prepaid insurance and insurance expense or a reduction thereof. Any return of equity reduces the prepaid balance.

**NOTE 11 - BUSINESS AND CREDIT CONCENTRATIONS**

The District grants credit to patients, substantially all of whom are local residents, under terms requiring timely repayment. The District generally does not require collateral or other security in extending credit to patients; however, it routinely obtains assignments of fee in substance entitled to received patients' benefits payable under their health insurance programs, plans, or policies (e.g., Medicare, Medicaid, Blue Cross, and commercial insurance policies).

The mix of gross receivables from patients and third-party payers at December 31 was as follows:

	1984	1985	1986
Medicare and Medicaid	30%	37%	33%
Commercial Insurance	14%	14%	8%
Patients	43%	39%	47%
Contract	13%	10%	12%

**NOTE 12 - CONTINGENTS AND CONTINGENCIES**

The District evaluates contingencies based upon the best available evidence. The District believes that no 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 Charges (Note 5) - The District is contingently liable for retrospective adjustments made by the Medicare and Medicaid programs as the result of their examinations as well as retrospective changes in interpretations applying statutes, regulations and general instructions of these programs. The amount of such adjustments cannot be determined.

Further, in order to continue receiving reimbursement from the Medicare program, the District entered into an agreement with a government agent allowing the agent access to the District's 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 to the District. The amount of such adjustments cannot reasonably be determined.

**SUPPLEMENTAL INFORMATION**

HOSPITAL SERVICE DISTRICT WARDS 3, 4 AND 10  
 OF THE PARIS OF UNION, STATE OF LOUISIANA,  
 TRI-WARD CENTRAL HOSPITAL AND CLINIC  
 PATIENT STATISTICS  
 YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

	1996	1995	1994
<b>Number of Hospital Patient Days</b>			
Medicare	617	658	1,180
Medicaid	55	82	286
Other	<u>48</u>	<u>58</u>	<u>60</u>
<b>Total</b>	<b><u>720</u></b>	<b><u>800</u></b>	<b><u>1,526</u></b>
<b>Number of Hospital Patient Discharges</b>			
Medicare	247	167	196
Medicaid	19	15	21
Other	<u>22</u>	<u>16</u>	<u>22</u>
<b>Total</b>	<b><u>288</u></b>	<b><u>298</u></b>	<b><u>339</u></b>
<b>Average Number of Days of a Hospital Patient Stay:</b>			
Medicare	4.35	5.08	6.00
Medicaid	3.10	4.33	4.58
Other	3.27	3.83	3.38
Overall	3.96	4.80	5.41
<b>Number of Emergency Room Visits</b>	925	879	881

HOSPITAL SERVICE DISTRICT WARD 3, 4 AND 10  
 OF THE PARISH OF UNION, STATE OF LOUISIANA  
 TRI-WARD GENERAL HOSPITAL AND CLINIC  
 107 PATIENT SERVICE BAYVIEW  
 YEARS ENDED DECEMBER 31, 1993, 1992 AND 1991

	1993	1992	1991
<b>Daily Patient Services:</b>			
Room and board	\$ 123,356	\$ 148,985	\$ 206,979
Total Daily Patient Services	123,356	148,985	206,979
<b>Other Professional Services:</b>			
<b>Radiology</b>			
Inpatient	27,776	28,688	33,670
Outpatient	49,921	78,128	55,243
Total radiology	77,697	106,816	88,913
<b>Laboratory</b>			
Inpatient	89,480	82,084	104,440
Outpatient	248,306	248,248	305,072
Total laboratory	337,786	330,332	409,512
<b>Blind</b>			
Inpatient	8,632	6,875	8,638
Outpatient	3,983	4,732	7,837
Total blind	12,615	11,607	16,475
<b>IV solutions</b>			
Inpatient	34,951	44,968	30,718
Outpatient	188	1,563	112
Total IV solutions	35,139	46,531	30,830
<b>Oxygen</b>			
Inpatient	100,143	76,808	44,908
Outpatient	22,932	23,813	4,818
Total oxygen	123,075	100,621	49,726
<b>BCG</b>			
Inpatient	8,143	10,536	12,958
Outpatient	21,688	22,853	19,908
Total BCG	\$ 29,831	\$ 33,391	\$ 32,866

(Continued)



HOSPITAL SERVICE DISTRICT WARD 3, 4 AND 10  
 OF THE DIVISION OF HEALTH, STATE OF LOUISIANA  
 TRI-WARD GENERAL HOSPITAL AND CLINIC  
 NET PATIENT SERVICE REVENUE (CONTINUED)  
 YEARS ENDED DECEMBER 31, 1966, 1965 AND 1964

	1966	1965	1964
Medical supply			
Inpatient	\$ 158,688	\$ 116,868	\$ 128,771
Outpatient	<u>27,331</u>	<u>67,868</u>	<u>27,893</u>
Total medical supply	<u>186,019</u>	<u>184,736</u>	<u>156,664</u>
Pharmacy			
Inpatient	229,744	138,771	158,218
Outpatient	<u>88,782</u>	<u>237,757</u>	<u>37,651</u>
Total pharmacy	<u>318,526</u>	<u>376,528</u>	<u>195,869</u>
Clinic/Parat Health Clinic			
Nursing services	383,798	330,873	311,912
Auxiliary income	<u>16,736</u>	<u>28,718</u>	<u>31,798</u>
Total Clinic/Parat Health Clinic	<u>400,534</u>	<u>359,591</u>	<u>343,710</u>
Emergency room			
Inpatient	7,384	5,906	6,899
Outpatient	<u>88,828</u>	<u>87,896</u>	<u>69,614</u>
Total emergency room	<u>96,212</u>	<u>93,802</u>	<u>76,513</u>
Monitor			
Inpatient	25,918	28,382	24,683
Outpatient	<u>8,372</u>	<u>7,388</u>	<u>7,597</u>
Total monitor	<u>34,290</u>	<u>35,770</u>	<u>32,280</u>
Total Other Professional Services	<u>1,708,928</u>	<u>1,685,663</u>	<u>1,383,829</u>
Gross Patient Service Revenue	<u>1,828,887</u>	<u>1,861,667</u>	<u>1,570,758</u>
Deductions from Revenue	<u>136,258</u>	<u>378,876</u>	<u>179,889</u>
Net Patient Service Revenue	<u>\$ 1,692,629</u>	<u>\$ 1,482,791</u>	<u>\$ 1,390,869</u>

HOSPITAL SERVICE DISTRICT SEDES 3, 4 AND 10  
 OF THE PARISH OF UNION, STATE OF LOUISIANA  
 TRI-STAR GENERAL HOSPITAL AND CLINIC  
 DEDUCTIONS FROM REVENUE  
 YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

	1996	1995	1994
Medicare and Medicaid contractual adjustments	\$ 278,742	\$ 212,903	\$ 170,014
Medicare and Medicaid adjustments	4,381	1,748	2,499
Refurb adjustments	<u>109,432</u>	<u>111,603</u>	<u>732</u>
Total Deductions From Revenue	\$ <u>392,555</u>	\$ <u>326,254</u>	\$ <u>173,245</u>

OTHER REVENUE  
 YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

	1996	1995	1994
Refurb dietary	\$ 444	\$ 834	\$ 116
Visiting nurses	954	908	553
Medical research	303	279	519
Contributions	12,331	7,668	-0-
Simmons Sales	7,334	4,064	1,188
Rental Income	163,337	157,738	81,938
End Med revenue	-0-	3,264	2,780
Miscellaneous revenue	<u>18,052</u>	<u>17,203</u>	<u>5,501</u>
Total other revenue	\$ <u>208,812</u>	\$ <u>181,248</u>	\$ <u>127,282</u>

HOSPITAL SERVICE DISTRICT BOND 3, 4 AND 10  
 OF THE PARISH OF UNION, STATE OF LOUISIANA,  
 TEL-HARD GENERAL HOSPITAL AND CLINIC  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 1994, 1995 AND 1996

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT (Continued)

The following is a summary of property, plant and equipment and related accumulated depreciation for the year ended December 31, 1994:

	ASSET COST			
	December 31, 1993	Additions	Deletions	December 31, 1994
Land	\$ 23,454	\$ -	\$ -	\$ 23,454
Land improvements	3,467	-	-	3,467
Buildings	371,618	23,679	-	395,297
Fixed equipment	241,800	3,791	-	245,591
Major movable equipment	513,418	22,957	-	536,375
Minor equipment	3,172	-	-	3,172
Total	\$ 1,459,730	\$ 26,327	\$ -	\$ 1,486,057

	ACCUMULATED DEPRECIATION			
	December 31, 1993	Additions	Deletions	December 31, 1994
Land improvements	\$ 1,719	\$ 155	\$ -	\$ 1,874
Buildings	214,209	14,063	-	228,272
Fixed equipment	568,178	18,868	-	587,046
Major movable equipment	365,803	36,268	-	402,071
Total	\$ 1,260,909	\$ 50,294	\$ -	\$ 1,311,203

Property, plant and equipment includes fully depreciated assets which are still in service in the amount of \$612,853 for 1994, \$598,678 for 1995 and \$284,545 for 1996.

NOTE 7 - ASSETS UNDER LEASE IS LIMITED

Assets whose use is limited consist of property taxes that have been collected for (a) retirement of bonds and (b) maintenance and operation of the facility. The taxes are collected by the Union Parish Sheriff's office for an 8% collection fee. Property tax returns are mailed by November 15 each year and are due by December 31. The tax millage for the retirement of bonds is for 2.88 mills, which expires in 1994. The special maintenance and operation millage is a two-year tax assessed on all taxable property within the district at the rate of 18.65 mills. The 3.11 mills expires December 31, 1995. The 5.34 mills, which expired in 1991, has been renewed for the period 1992 through 2001.

HOSPITAL SERVICE DISTRICT SEBES 3, 4 AND 10  
 OF THE PARISH OF UNION, STATE OF LOUISIANA  
 TRI-WARE GENERAL HOSPITAL AND CLINIC  
 HOSPITAL, UNRECOVERED FUND  
 STATEMENTS OF EXPENSES - MEDICAL SUPPLIES AND DRUGS  
 YEARS ENDED DECEMBER 31, 1988, 1993 AND 1994

	1988	1993	1994
Nursing services	\$ 19,815	\$ 21,092	\$ 8,101
Radiology	4,809	4,819	6,544
Laboratory	24,262	22,628	28,606
Blood	9,492	4,113	8,906
Respiratory therapy	4,064	3,375	8,150
etc	384	1,638	1,600
Pharmacy	99,651	64,904	58,611
Rural Health Clinic	4,883	1,732	1,038
Emergency room	298	1,292	413
Monitor supplies	<u>223</u>	<u>284</u>	<u>628</u>
Total medical supplies and drugs	\$ <u>163,302</u>	\$ <u>168,468</u>	\$ <u>122,192</u>

HOSPITAL SERVICE DISTRICT WARD 3, A AND 10  
 OF THE PARISH OF ORLEANS, STATE OF LOUISIANA  
 TRI-UNION GENERAL HOSPITAL AND CLINIC  
 STATEMENTS OF CASH FLOWS - RESTRICTED AND UNRESTRICTED FUNDS (Continued)  
 YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

	1996	1995	1994
Net Increase (decrease) in cash and cash equivalents	\$ (7,971)	\$ 36,207	\$ 177,949
Cash and cash equivalents, beginning of year	<u>281,120</u>	<u>244,913</u>	<u>66,964</u>
Cash and cash equivalents, end of year	\$ <u>273,149</u>	\$ <u>281,120</u>	\$ <u>244,913</u>
Supplemental disclosures of cash information:			
Cash paid during the period for:			
Interest	\$ <u>262</u>	\$ <u>262</u>	\$ <u>1,823</u>
Unrealized gains recorded in Investments and fund balance	\$ <u>16,026</u>	\$ <u>27,129</u>	\$ <u>0</u>

See accompanying notes to the financial statements.

HOSPITAL SERVICE DISTRICT AREAS 3, 4 AND 10  
 OF THE PARISH OF ORLEANS, STATE OF LOUISIANA  
 TRI-CARE GENERAL HOSPITAL AND CLINIC  
 HOSPITAL UNRESTRICTED FUND  
 STATEMENTS OF EXPENSES - SALARIES AND BENEFITS  
 YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

	1996	1995	1994
Administration	\$ 125,948	\$ 138,578	\$ 131,887
Plant maintenance	19,082	34,689	34,421
Laundry	-0-	-0-	5,939
Housekeeping	15,213	23,588	23,154
History	8,533	38,188	39,440
Building administration	86,862	73,248	75,382
Medical records	22,355	39,804	38,437
Nursing services	236,878	280,138	257,027
Radiology	46,681	44,442	48,891
Laboratory	79,875	80,608	86,234
EOG and EOE	3,244	1,210	3,927
Pharmacy	32,054	27,084	12,882
Rural Health Clinic	103,171	280,284	238,219
Emergency room	26,843	20,898	23,848
Total salaries	<u>1,088,128</u>	<u>881,256</u>	<u>810,160</u>
PIOR/RO	77,782	80,512	80,188
Health/Life Insurance	88,587	87,823	84,804
Workers' compensation	15,612	59,321	29,259
Total benefits	<u>181,981</u>	<u>177,656</u>	<u>194,251</u>
Total salaries and benefits	<u>\$ 1,270,109</u>	<u>\$ 1,058,912</u>	<u>\$ 1,004,411</u>

HOSPITAL SERVICE DISTRICT MARKS 3, 4 AND 10  
 OF THE PARISH OF UNION, STATE OF LOUISIANA  
 TRI-CARE GENERAL HOSPITAL AND CLINIC  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 1994, 1993 AND 1992

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT (Continued)

The following is a summary of property, plant and equipment and related accumulated depreciation for the year ended December 31, 1994:

	ASSET COST			December 31, 1993
	December 31, 1994	additions	deletions	
Land	\$ 23,454	\$ -0-	\$ -0-	\$ 23,454
Land improvements	3,487	-0-	-0-	3,487
Buildings	195,385	21,892	-0-	437,217
Floor equipment	244,332	-0-	-0-	295,322
Major movable equipment	538,538	84,009	58,512	514,035
Other equipment	1,112	-0-	-0-	1,112
Total	\$ 1,801,042	\$ 115,951	\$ 58,512	\$ 1,858,481

	ACCUMULATED DEPRECIATION			December 31, 1993
	December 31, 1994	additions	deletions	
Land improvements	\$ 1,834	\$ 115	\$ -0-	\$ 1,849
Buildings	229,257	17,396	-0-	245,848
Floor equipment	138,006	10,218	-0-	148,144
Major movable equipment	508,182	82,821	31,312	522,891
Total	\$ 887,279	\$ 110,550	\$ 31,312	\$ 966,517

HOSPITAL SERVICE DISTRICT WARDS 3, 4 AND 10  
 OF THE PARISH OF BRUNN, STATE OF LOUISIANA  
 TRI-WARD GENERAL HOSPITAL AND CLINIC  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 1978, 1979 AND 1980

NOTE 3 - ACCOUNTS RECEIVABLE (Continued)

Since the District serves such a high percentage of Medicare patients, it qualifies for special Medicare payments as a "Medicare Dependent Hospital". Effective October 1, 1980, payments under this provision of the law have been eliminated. Amounts included in income for each reporting year are as follows:

	1978	1979	1980
Medicare Dependent Payments	\$ 1,000,000	\$ 1,000,000	\$ 22,222

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

The following is a summary of property, plant and equipment and related accumulated depreciation for the year ended December 31, 1980:

	ASSET COST			December 31, 1980
	December 31, 1979	Additions	Deletions	
Land	\$ 23,556	\$ -0-	\$ -0-	\$ 23,556
Land Improvements	3,467	5,308	-0-	8,775
Buildings	417,317	4,503	-0-	421,820
Fixed equipment	264,323	-0-	-0-	264,323
Major movable equipment	378,822	59,603	15,879	422,546
Minor equipment	1,122	-0-	-0-	1,122
Total	\$ 1,368,528	\$ 69,414	\$ 15,879	\$ 1,422,063

	ACCUMULATED DEPRECIATION			December 31, 1980
	December 31, 1979	Additions	Deletions	
Land Improvements	\$ 1,849	\$ 304	\$ -0-	\$ 2,153
Buildings	245,648	18,995	-0-	264,643
Fixed equipment	189,346	10,648	-0-	200,000
Major movable equipment	327,855	67,382	28,754	366,483
Total	\$ 764,698	\$ 97,329	\$ 28,754	\$ 833,273



HOSPITAL SERVICE DISTRICT UNITS 3, 4 AND 10  
OF THE PARISH OF ORLÉANS, STATE OF LOUISIANA  
TRI-MART GENERAL HOSPITAL AND CLINIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

**NOTE 4 - INVESTMENTS**

The District maintains certificates of deposit with original maturities in excess of 90 days to be temporary cash investments.

Investments in marketable equity securities at December 31 were as follows:

	Fair Value						
	1996		1995		1994		
Consolidated Natural Gas	31	\$	408	\$	499	\$	381
Exxon Corporation	280		18,408		16,180		37,350
Warner Lambert	480		38,008		28,425		25,480
Total market value			56,824		44,804		64,211
Less: carrying value, at cost			(15,836)		(15,836)		(15,836)
Unrealized gain		\$	40,988	\$	28,968	\$	48,375

As of January 1, 1995, the District recorded these registered securities under the provisions of the FASB Statement No. 115. These securities are classified as available for sale and are therefore reported at fair value and unrealized gains are recognized as a component of fund equity. Fair values are based upon quoted market prices. Warner Lambert had a two for one stock split on May 17, 1996.

**NOTE 5 - ACCOUNTS RECEIVABLE**

A summary of accounts receivable is presented below:

	1996	1995	1994
Patients	\$ 371,142	\$ 392,358	\$ 385,987
Other - MCRB	12,068	4,290	-
Estimated Medicare and Medicaid program settlements	8,188	8,888	82,320
	389,412	405,536	468,307
Estimated uncollectibles	(124,000)	(148,000)	(138,000)
Total	\$ 265,412	\$ 257,536	\$ 330,307

The District generates a substantial portion of its charges from the Medicare and Medicaid programs at discounted rates. A summary of gross Medicare and Medicaid charges for the years ended December 31, 1996, 1995 and 1994 follows:

	1996	1995	1994
Medicare patients	\$ 918,138	\$ 1,000,098	\$ 1,048,007
Medicaid patients	122,587	100,222	100,869
Total	\$ 1,040,725	\$ 1,100,320	\$ 1,148,876
Percent of all patients	22%	22%	21%

HOSPITAL SERVICE DISTRICT WARDS 3, 4 AND 10  
 OF THE PARISH OF ORLÉANS, STATE OF LOUISIANA  
 TRI-WARD GENERAL HOSPITAL AND CLINIC  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant and Equipment

Property, plant and equipment is recorded at cost for purchased assets or, if applicable, at fair market value on the date of donation. The District uses straight-line depreciation for financial reporting and third party reimbursement. The following estimated useful lives are generally used.

Buildings	15 to 60 years
Machinery and Equipment	5 to 20 years
Furniture and Fixtures	3 to 15 years

Expenditures for additions, major renewals and betterments are capitalized and expenditures for maintenance and repairs are charged to operations when incurred.

The cost of assets retired or otherwise disposed of and related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses resulting from property disposed are credited or charged to operations currently.

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist primarily of deposits in checking, money market and certificates of deposits with original maturities of 90 days or less. The following is a summary of cash and cash equivalents:

	1996		1995		1994	
	\$	50%	\$	50%	\$	50%
petty cash						
Checking	159,561		19,333		44,788	
Investment account	123,885		261,660		121,828	
Total	\$ 283,446		\$ 280,993		\$ 166,616	

One hundred thousand dollars of the above amount is covered by federal Depository Insurance. The remaining balances on December 31, 1996, 1995 and 1994, with the exception of petty cash, are covered by collateral held by the pledging financial institution's trust department in the District's name.

HOSPITAL SERVICE DISTRICTS WARDS 3, 4 AND 10  
OF THE PARISH OF UNION, STATE OF LOUISIANA  
TRI-WARD GENERAL HOSPITAL AND CLINIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 1993, 1994 AND 1994

NOTE 1 - ORGANIZATION AND OPERATIONS

Legal Organization

Hospital Service Districts Wards 3, 4 and 10 of the Parish of Union, State of Louisiana (referred to as "the District") was created by an ordinance of the Union Parish Police Jury on July 13, 1983, and is referred to as Tri-Ward General Hospital and Clinic.

The District is a political subdivision of the Union Parish Police Jury whose jurors are elected officials. Its commissioners are appointed by the Union Parish Police Jury. As the governing authority of the Parish, for reporting purposes, the Union Parish Police Jury is the financial reporting entity for the District. Accordingly, the District was determined to be a component unit of the Union Parish Police Jury based on Statement No. 14 of the National Committee on Governmental Accounting. The accompanying financial statements present information only on the funds maintained by the governmental services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

Reporting Entity

The accompanying financial statements include the accounts and transactions of Hospital Service Districts Wards 3, 4 and 10 of Union Parish, which includes the activities of Tri-Ward General Hospital and Clinic.

Nature of Business

The District provides outpatient, emergency, and inpatient acute hospital services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises; where the intent of the governing body is that the costs (operating, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Marvin H. Dasky, CPA  
Bobby D. Lester, CPA  
John S. Wells, CPA  
Robert S. Miller, CPA

Linda G. Wright, CPA  
Paul A. Delaney, CPA  
Melissa L. Henry, CPA

**RASLEY, LESTER AND WELLS**  
A CORPORATION OF LICENSED PUBLIC ACCOUNTANTS  
5000 BAYOU RAPIDS ROAD  
MEMPHIS, LOUISIANA 70202

Telephone (504) 887-1440  
Telex 152000 RAL

**Members**

American Institute of CPAs  
AICPA, Division for CPAs in ...  
Private Company Practice Section  
Society of Louisiana CPAs

Meeting Address  
P.O. Box 8788  
Alexandria, LA 71302-1788

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

Board of Commissioners  
Hospital Service Districts Ways 3, 4 and 30  
of the Parish of Orleans, State of Louisiana  
Tri-Mard General Hospital and Clinic  
Bossier, Louisiana

We have audited the general purpose financial statements of Tri-Mard General Hospital and Clinic (the District) for the years ended December 31, 1990, 1991, and 1992, and have issued our report thereon dated March 1, 1993.

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 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, policies 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 authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected, also, projections 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 years ended December 31, 1990, 1991 and 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 financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

HOSPITAL SERVICE DISTRICT WARDS 3, 4 AND 10  
OF THE PARISH OF ORLÉANS, STATE OF LOUISIANA  
THE-MASS GENERAL HOSPITAL AND CLINIC  
STATEMENTS OF CASH FLOWS - RESTRICTED AND UNRESTRICTED FUNDS  
YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

	1996	1995	1994
Cash flows from operating activities:			
Operating income (loss)	\$ (134,281)	\$ 171,609	\$ (41,918)
Interest expense considered capital financing activity	762	802	1,253
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for bad debt	84,814	82,238	59,888
Depreciation	77,152	81,440	56,216
(Gain) loss on disposal of assets	2,428	3,680	-
(Increase) decrease in:			
Accounts receivable (net)	134,197	(347,933)	68,478
Third party payor	2,188	78,660	177,862
Inventory	(2,468)	(18,276)	(17,849)
Prepaid expenses	12,385	(12,829)	27,548
Increase (decrease) in:			
Accounts payable	18,028	(30,899)	(49,454)
Accrued expenses and withholdings payable	(2,639)	4,811	(6,416)
Unearned rates	(48,380)	5,325	-
Net cash provided (used) by operating activities	<u>35,312</u>	<u>128,322</u>	<u>256,110</u>
Cash flows from investing activities:			
Investment income	13,528	24,182	6,527
Cash invested in assets whose use is limited	-	(1,326)	(5,521)
Net cash provided by investing activities	<u>13,528</u>	<u>22,856</u>	<u>1,006</u>
Cash flows from non-capital financing activities:			
Unexpended grants and interests	(2,800)	-	-
Net cash provided by non-capital financing activities	<u>(2,800)</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Sale of capital assets	2,907	-	-
Acquisition of capital assets	(47,838)	(443,952)	(54,312)
Payments on long-term debt	(1,284)	(1,192)	(56,182)
Interest payments on long-term debt	(282)	(882)	(1,253)
Net cash used by capital and related financing activities	<u>\$ (47,497)</u>	<u>\$ (445,926)</u>	<u>\$ (112,747)</u>

See accompanying notes to the financial statements.

HOSPITAL SERVICE DISTRICT WARDS 3, 4 AND 18  
OF THE FACILITY OF MEDIC, STATE OF LOUISIANA  
TRI-WARD GENERAL HOSPITAL AND CLINIC  
STATEMENTS OF CHANGES IN FUND BALANCE - RESTRICTED AND UNRESTRICTED FUNDS  
THREE YEARS ENDED DECEMBER 31, 1998, 1999 AND 2000

	UNRESTRICTED	RESTRICTED
Fund balance, December 31, 1998	\$ 917,590	\$ -0-
Excess of expenses over revenues	<u>      (15,384)</u>	<u>      -0-</u>
Fund balance, December 31, 1999	882,194	-0-
Excess of revenues over expenses	135,881	-0-
Unrealized gains on securities	<u>      21,350</u>	<u>      -0-</u>
Fund balance, December 31, 2000	1,039,425	-0-
Change in unrealized gains on securities	34,184	
Unexpended Rural Health Care Transition Grant, plus interest		12,000
Excess of expenses over revenues	<u>      (122,323)</u>	<u>      -0-</u>
Fund balance, December 31, 2000	\$ <u>918,636</u>	\$ <u>12,000</u>

COMPOSITION OF RESTRICTED FUND BALANCE AT DECEMBER 31, 1998:

Accumulated excess of revenues over expenses	\$ <u>918,636</u>
Total unrestricted fund balance	\$ <u>918,636</u>

See accompanying notes to the financial statements.

HOSPITAL SERVICE DISTRICT WARDEN T. A. AND CO  
 OF THE PARISH OF LEBLANC, STATE OF LOUISIANA  
 ONE-WARD GENERAL HOSPITAL AND CLINIC  
 STATEMENTS OF OPERATIONS - UNRESTRICTED FUND  
 YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

	1996	1995	1994
<b>Revenue:</b>			
Net patient service revenue	\$ 1,489,334	\$ 1,525,373	\$ 1,486,357
Grant revenue (Note 15)	94,724	289,680	25,000
Property tax revenue (Note 7)	144,781	141,387	194,329
Loss on equipment disposal	17,438	59,349	-0-
Other revenue	208,822	181,238	189,693
<b>Total revenue</b>	<b>1,953,299</b>	<b>2,097,137</b>	<b>1,795,679</b>
<b>Expenses:</b>			
Salaries and benefits	1,221,227	1,164,860	1,106,723
Medical supplies and drugs	243,732	164,488	135,190
Professional and contract services	158,962	187,784	189,122
Other expenses	229,095	234,325	206,143
Insurance	53,828	41,228	47,987
Leases	24,793	8,344	5,900
Interest	742	969	3,216
Depreciation	27,243	63,404	76,214
Provision for bad debts	85,816	62,728	39,282
<b>Total expenses</b>	<b>2,029,569</b>	<b>1,822,528</b>	<b>1,567,567</b>
<b>Operating income (loss)</b>	<b>123,730</b>	<b>274,609</b>	<b>228,112</b>
<b>Nonoperating income</b>			
Interest income	21,338	14,102	6,530
<b>Income of (expenses over revenues) and revenues over expenses</b>	<b>145,068</b>	<b>288,711</b>	<b>234,642</b>
<b>Change in unrestricted gains or losses</b>	<b>15,186</b>	<b>21,280</b>	<b>-0-</b>
<b>Increase (decrease) in unrestricted fund balance</b>	<b>\$ 160,254</b>	<b>\$ 310,091</b>	<b>\$ 234,642</b>

See accompanying notes to the financial statements.

HOSPITAL SERVICE DISTRICT UNITS 3, 4 AND 10  
OF THE PARISH OF UNION, STATE OF LOUISIANA  
TRI-WARD GENERAL HOSPITAL AND CLINIC  
BALANCE SHEETS - RESTRICTED AND UNRESTRICTED FUNDS  
DECEMBER 31, 1996, 1995 AND 1994

ASSETS	1996	1995	1994
<b>Current assets</b>			
Cash and cash equivalents	\$ 271,549	\$ 181,300	\$ 145,313
Assets whose use is limited - required for current liabilities (Note 1)	0-	0-	1,736
Accounts receivable net of estimated uncollectibles (Note 2)	181,617	257,336	233,588
Inventory	91,855	88,988	19,739
Prepaid expenses	28,212	82,352	35,332
Total current assets	593,233	610,976	605,698
<b>Property, plant and equipment, net (Note 3)</b>			
	426,405	471,183	421,824
Investments (Note 4)	50,258	38,553	18,816
Total assets	\$ 1,069,896	\$ 1,120,712	\$ 1,046,342
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 60,591	\$ 41,518	\$ 73,528
Accrued expenses and withholdings payable (Note 5)	78,876	86,488	78,675
Current installments of long-term debt	1,376	1,289	1,197
Unearned physician's fees	1,133	3,332	0-
Total current liabilities	142,976	132,627	153,400
Long-term debt	8,813	10,188	11,573
Commitments and contingencies (Note 14)	0-	0-	0-
<b>Fund balances:</b>			
Unrestricted (including unrealized gains on available-for-sale securities of \$16,188 in 1996 and \$21,198 in 1995)	939,436	1,037,173	885,186
Temporarily restricted	12,881	0-	0-
Total fund balance	952,317	1,037,173	885,186
Total liabilities and fund balance	\$ 1,095,293	\$ 1,174,351	\$ 1,069,522

(See accompanying notes to the financial statements.)





Harold H. Kunkin, CPA  
Bobby G. Lavers, CPA  
John S. Walls, CPA  
Robert E. Miller, CPA

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

**BARLEY, LESTER AND WELLS**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS  
ONE NATCHOZ MARKET SQUARE  
ALEXANDRIA, LOUISIANA 71303

Telephone (504) 481-1400  
Telex 522944-1380

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

Mailing Address  
P.O. Box 4034  
Alexandria, LA 71304-0340

INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Tri-Ward General Hospital and Clinic  
Burrise, Louisiana

We have audited the accompanying general purpose financial statements of Tri-Ward General Hospital and Clinic as of December 31, 1994, 1993 and 1992, listed in the foregoing table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tri-Ward General Hospital and Clinic as of December 31, 1994, 1993 and 1992, and the results of its operations and cash flow 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 March 1, 1995 on our consideration of Tri-Ward General Hospital and Clinic's internal control structure and a report dated March 1, 1995 on its compliance with laws and regulations.

Our audits were made for the purpose of forming an opinion on the general purpose financial statements, taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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TRI-ROAD GENERAL HOSPITAL AND CLINIC  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT  
YEARS ENDED DECEMBER 31, 1986, 1985 AND 1984

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TABLE OF CONTENTS

PAGE NO.

Independent Auditors' Report on the Financial Statements  
and Supplementary Information . . . . . 1

General Purpose Financial Statements

Balance Sheets - Restricted and Unrestricted Funds . . . . . 3  
Statements of Operations - Unrestricted Fund . . . . . 4  
Statements of Changes in Fund Balances - Restricted and  
Unrestricted Funds . . . . . 5  
Statements of Cash Flows - Restricted and Unrestricted Funds . . . . . 6  
Notes to Financial Statements . . . . . 8

Supplemental Information

Statements of Patient Statistics . . . . . 28  
Statements of Net Patient Service Revenue . . . . . 31  
Statements of Deductions from Revenue and Statements of Other  
Revenue . . . . . 33  
Statements of Expenses - Salaries and Benefits . . . . . 34  
Statements of Expenses - Medical Supplies and Drugs . . . . . 35  
Statements of Expenses - Medical, Professional and Consultant  
Services . . . . . 36  
Statements of Expenses - Other . . . . . 37  
Statements of Pay Plan and Other Compensation Paid to  
Board Members . . . . . 38

Independent Auditors' Report on Internal Control Structure  
Based on an Audit of General Purpose Financial Statements  
Conducted in Accordance with Government Auditing Standards . . . . . 39

Independent Auditors' Report on Compliance Based on an Audit of  
General Purpose Financial Statements in Accordance with Government Auditing Standards . . . . . 40

copy of the report has been furnished to the medical staff and, if necessary, other appropriate hospital officials. The report is available for public inspection at the Oregon Health Office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Auditors Date: APR 10 1987

HOSPITAL DISTRICT DISTRICT WARD 3, 4 AND 10  
OF THE PARISH OF UNION, STATE OF LOUISIANA,  
THE-MADE GENERAL HOSPITAL AND CLINIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 1988, 1995 AND 1994

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Method of Accounting

The District uses the accrual method of accounting. Revenue is reported when earned, net of the provision for contractual adjustments based upon each payer's agreement with the District. Hospital accounting and reporting procedures conform to the requirements of Louisiana Revised Statute 24:214 and to the guide set forth in the Louisiana Governmental Audit Guide, The AICPA Audits of Providers of Health Care Services, published by the American Institute of Certified Public Accountants, and standards set by the Governmental Accounting Standards Board (GASB), which is the designated standard-setting body for establishing governmental accounting and financial reporting principles.

Legal Entity

The entity is a political subdivision and exempt from taxation.

Credit Risk

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

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

Significant Concentration of Economic Dependence

The District has an economic dependence on a small number of staff physicians. The physicians admit over 90% of the Hospital's patients.

Net Patient Service Revenue

Net patient service revenue is reported as the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retrospective adjustments under reimbursement agreements with third-party payors. Retrospective adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Inventory

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

Changes in Reporting Classification

The classification of certain prior year amounts have been changed to reflect consistent reporting when compared to current year balances. The financial statement format has been changed to reflect changes in the AICPA Audits and Accounting Guide - Health Care Organizations, issued June 1, 1994.

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 financial statements. The schedule that accompanies this letter summarizes comments and suggestions regarding these matters.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in 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.

The 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 believe none of the reportable conditions described on the accompanying schedule is a material weakness.

This report is intended for the information of the Board of Commissioners, 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  
March 1, 1997

TRI-MARK GENERAL HOSPITAL AND CLINIC  
AUDITOR'S COMMENTS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 1984

A summary of current separable conditions follows:

**Condition:** Due to a limited number of available employees, there is not a complete segregation of duties in all accounting, recording and custody functions.

**Recommendation:** We recommend that duties be segregated to the extent possible to prevent both intentional and unintentional errors. Segregation includes 1) separating transaction authorization from custody of related assets; 2) separating transaction recording from general ledger posting and maintenance; 3) separating operational responsibility from record-keeping. Where these segregations are not possible, we recommend close supervision and review.

**Response:** It is not practicable or cost effective to achieve the total segregation of duties with the number of available employees. However, management will segregate wherever possible and supervise and review in the other areas.

Harvin H. Emley, CPA  
Bobby G. Lester, CPA  
John S. White, CPA  
Robert D. Miller, CPA

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

**EASLEY, LESTER AND WELLS**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

3000 BAYOU LA PALME ROAD  
ALABAMA MOBILE, AL 36688-1100

Telephone (205) 481-1100  
Teletype (205) 445-0384

Members  
American Institute of CPAs  
AICPA Division for CPA Firms --  
Private Company Practice Section  
Society of Louisiana CPAs

Mailing Address  
P.O. Box 4076  
Alexandria, La 71301-1706

**INDEPENDENT AUDITORS' REPORT  
ON COMPLIANCE BASED ON AN AUDIT OF  
GENERAL PURPOSE FINANCIAL STATEMENTS  
IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
Hospital Service District Wards 3, 4 and 18  
of the Parish of Iberville, State of Louisiana  
Tri-Ward General Hospital and Clinic  
Bossier, Louisiana

We have audited the financial statements of Tri-Ward General Hospital and Clinic (the District) as of and for the years ended December 31, 1994, 1995 and 1996, and have issued our reports thereon dated March 3, 1997.

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 audit 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 Hospital Service 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 Tri-Ward General Hospital and Clinic 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. 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 provide such an opinion.

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

HOSPITAL SERVICE DISTRICT AREAS 1, 4 AND 10  
 OF THE PARISH OF UNION, STATE OF LOUISIANA  
 TRI-MISS GENERAL HOSPITAL AND CLINIC  
 HOSPITAL ENTERPRISE FUND  
 FOR DEB AND  
 OTHER CONTRIBUTION PAID TO BOARD MEMBERS  
 YEARS ENDED DECEMBER 31, 1980, 1981 AND 1982

Board Members:	1980	1981	1982
Tom Blinger	\$ -0-	\$ -0-	\$ 300
Sammye Telford	-0-	-0-	40
M. G. Brown	-0-	-0-	0-
Dea Beckatt	-0-	250	48
James Payne	500	600	300
Elidon McIntosh	400	400	200
Malvin Stone	500	400	80
Totals	\$ 2,300	\$ 1,600	\$ 1,200



HOSPITAL SERVICE DISTRICT WARD 3, 4 AND 10  
 OF THE PARISH OF BIENNE, STATE OF LOUISIANA  
 TRI-UNION GENERAL HOSPITAL AND CLINIC  
 HOSPITAL UNRESTRICTED FUND  
 STATEMENT OF EXPENSES - OTHER  
 YEARS ENDED DECEMBER 31, 1988, 1989 AND 1990

	1988	1989	1990
Consulting and purchased services - for medical	\$ 31,796	\$ 32,938	\$ 47,606
Accounting and legal	22,198	17,446	28,826
Med medical supplies	45,905	48,967	38,660
Repairs and maintenance	20,685	20,046	28,826
Utilities	44,823	56,074	54,290
Telephone	10,340	9,887	8,038
Travel	2,300	1,155	1,384
Supplies	4,277	1,687	2,038
Training	2,169	2,438	1,155
Promotion and advertising	2,420	1,884	728
Scholarships	-0-	-0-	683
Licensing and publications	17,186	8,363	8,308
Recruitment	-0-	82	5,728
Miscellaneous	5,150	13,007	14,161
Tax Assessor Fees	53,858	26,203	13,234
Total other expenses	\$ 323,891	\$ 353,253	\$ 408,162