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ST. TAMMANY PARISH HOSPITAL DEFINED CONTRIBUTION PLAN

Financial Statements for the Year Ended December 31, 1996 and Independent Auditors' Report

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 29 1998

ST. TAMMANY PARISH HOSPITAL
DEFINED CONTRIBUTION PLAN

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of net assets available for benefits of St. Tammany Parish Hospital Defined Contribution Plan as of December 31, 1996 and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 1996 and the changes in net assets available for benefits for the year then ended in conformity with generally accepted accounting principles.

Deloitte & Touche LLP

October 3, 1997

ST. TAMMANY PARISH HOSPITAL
DEFINED CONTRIBUTION PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 1996

ASSETS	
Cash and cash equivalents	$ 10,524
Investments at estimated fair value	7,545,391
Contributions receivable	258,264
Total assets	7,814,179
LIABILITIES	
Excess contributions from Plan Sponsor	160,139
NET ASSETS AVAILABLE FOR BENEFITS	$7,654,040

See notes to financial statements.

ST. TAMMANY PARISH HOSPITAL
DEFINED CONTRIBUTION PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 1996

ADDITIONS:	
Net appreciation in fair value of investments	$ 293,328
Interest and dividend income	188,707
Contributions from employer	1,060,188
Total additions	1,542,223
DEDUCTIONS:	
Benefit payments	64,505
Trustee fees	61,368
Total deductions	125,873
NET INCREASE	1,416,350
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	6,237,690
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$7,654,040

See notes to financial statements.

ST. TAMMANY PARISH HOSPITAL DEFINED CONTRIBUTION PLAN

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 1996

1. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

2. DESCRIPTION OF THE PLAN

The Plan is a noncontributory, defined contribution pension plan covering all full-time employees (644 at December 31, 1996) of St. Tammany Parish Hospital (the employer) who have completed the minimum requirements of one year of service and are 21 years of age or older. An employee is credited with one year of service for each calendar year in which the participant has completed 1,000 or more hours of service with the employer.

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

Income earned on investments and the net realized and unrealized appreciation in estimated fair value of investments are allocated to participants' accounts in the ratio of each participant's adjusted beginning balance to the adjusted beginning balance for all participants. The adjusted beginning balance is defined as the account balance at the beginning of the period less withdrawals, distributions, forfeitures and other payments made during the period. Forfeitures of terminated employees' nonvested account balances are applied as a credit against employer contributions.

Upon retirement, death, or disability, the participant is entitled to receive the value of his account within 60 days after the close of the plan year in which the event occurred. The participant may elect to receive the vested portion of the account in a lump-sum distribution or in periodic payments. Terminated employees receive benefits no later than 60 days after the end of the second plan year after the break in service occurs. There were no benefits payable to terminated employees at December 31, 1996.

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

3. INVESTMENTS

At December 31, 1996, the estimated fair values and cost of the Plan's investments were:

	Estimated Fair Value	Cost
Manulife Lifestyle Fund - Moderate Portfolio	$7,545,391	$7,454,889

A summary of net realized and unrealized appreciation (depreciation) in value of investments follows for the year ended December 31, 1996:

Hibernia Intermediate Term Bond Fund	$ 97,623
Hibernia Total Return Bond Fund	(100,768)
Hibernia Capital Appreciation Fund	205,971
Manulife Lifestyle Fund	90,502
Net realized and unrealized appreciation in value of investments	$ 293,328

4. PLAN TERMINATION

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

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

5. INCOME TAX STATUS

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

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