

9/94



GUEYDAN MEMORIAL GUEST HOME
FINANCIAL REPORT
MARCH 31, 1997

Gueydan Memorial Guest Home
 1100 17th Street, N.W.
 Washington, D.C. 20036
 (202) 462-6000
 www.ncoa.org

Release Date: **W12-2-0-1997**

C O N T E N T S

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS	1 and 2
 GENERAL PURPOSE FINANCIAL STATEMENTS	
Combined balance sheet - all fund types and account groups	3 and 4
Statements of revenues and expenditures and changes in fund balances - all governmental fund types	5
Statements of revenues, expenses and changes in retained earnings - proprietary fund types	7
Statements of cash flows - proprietary fund types	8
Notes to financial statements	9 - 14
 SUPPLEMENTARY INFORMATION	
Statement of general long-term debt	16
Schedule of changes in general long-term debt	17
Enterprise Fund: Schedule of operating expenses - warning bond	18 and 19
Schedule of compensation to board members	20
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	21 - 22
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	23 and 24



BRUSSARD, POCHET, LEWIS & BREAUX
CERTIFIED PUBLIC ACCOUNTANTS

512 West Congress
 5th. New Orleans
 Louisiana, Louisiana
 70139 1470
 phone: (504) 588-8800
 fax: (504) 581-0271

GOVERNMENT ACCOUNTING OFFICES

Other Offices

Chicago, IL
 (312) 781-9040

Hyattsville, IL
 (314) 941-2217

St. Louis, IL
 (314) 899-1490

New Berlin, IA
 (319) 384-1210

St. Charles, MO, IA
 (314) 344-1050

St. Louis, IL
 (314) 951-0970

Board of Commissioners
 Hospital Service District No. 3
 Parish of Vermilion, State of Louisiana
 d/b/a Guydon Memorial Guest Home
 Bayou de, Louisiana

We have audited the accompanying general purpose financial statements of Hospital Service District No. 3 of the Parish of Vermilion, State of Louisiana, d/b/a Guydon Memorial Guest Home, as of March 31, 1997, and for the two years then ended. These general purpose financial statements are the responsibility of Hospital Service District No. 3'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 and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 audit provides 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 Hospital Service District No. 3 of the Parish of Vermilion, State of Louisiana, d/b/a Guydon Memorial Guest Home, as of March 31, 1997, and the results of its operations and cash flows of its proprietary fund type for the two years then ended in conformity with generally accepted accounting principles.

Brussard:
 Sidney L. Brussard, CPA, 1980
 Louis B. Brussard, CPA, 1980
 James B. Brussard, CPA, 1980
 James D. Brussard, CPA, 1980
 George A. Lewis, CPA, 1980
 Douglas J. Pochet, CPA, 1980
 Robert L. Breaux, CPA, 1980

Members of American Institute of
 Certified Public Accountants
 Institute of Governmental Accountants
 Public Accountants

* A Professional Accounting Corporation

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as "Supplementary Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Hospital Service District No. 3 of the Parish of Vermilion, State of Louisiana, d/b/a Goodwin Memorial Health Home. Such information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to such financial statements.

Approved Public: Louis B. Brown

Rayville, Louisiana
May 18, 2007

GENERAL PURPOSE FINANCIAL STATEMENTS

HOSPITAL SERVICE DISTRICT NO. 2
 PARISH OF TERREBONNE, STATE OF LOUISIANA
 D/W/A GEORGIA FINANCIAL CREDIT CORP.

COMBINED BALANCE SHEET -
 ALL FUND TYPES AND ACCOUNT GROUPS
 March 31, 1997

ASSETS	Governmental	Proprietary	Account		Total
	Fund Type	Fund Type	Group	Group	Component
	Debt	Enterprise	General	Long-Term	Capital
	Service		Debt	Debt	
Cash and cash equivalents	\$ 2,543	\$ 226,898	\$ -	\$ -	\$ 229,441
Cash held in trust	28,808	-	-	-	28,808
Investments	280,800	288,720	-	-	569,520
Patient receivable, less allowance for doubtful accounts of \$6,406	-	95,209	-	-	95,209
Ad valorem tax receivable, less allowance for doubtful accounts of \$7,183	7,324	-	-	-	7,324
Accrued interest receivable	1,108	4,213	-	-	5,321
Inventory	-	9,840	-	-	9,840
Prepaid expenses	-	24,222	-	-	24,222
Restricted Assets:					
Assets whose use is limited - required for covered liabilities	-	7,848	-	-	7,848
Land	-	25,800	-	-	25,800
Plant and equipment, at cost, less accumulated depreciation of \$628,643	-	2,888,720	-	-	2,888,720
Amount available in debt service funds for debt retirement	-	-	222,433	222,433	444,866
Amount to be provided for retirement of general long-term debt	-	-	2,252,868	2,252,868	4,505,736
Total assets	\$ 327,682	\$ 2,330,388	\$ 2,252,868	\$ 2,252,868	\$ 5,163,606

See Notes to Financial Statements.

	Governmental	Proprietary	Account	Total (Memoranda Only)
	Fund Type	Fund Type	Group	
	DMC Revenues	Enterprise	General Long-Term Debt	
LIABILITIES:				
Accounts payable	\$ -	\$ 33,970	\$ -	\$ 33,970
Accrued salaries and expenses	-	38,771	-	38,771
Accrued interest payable	38,834	-	-	38,834
Other payables	-	7,534	-	7,534
Payable from restricted assets:				
Deposits from patients	-	7,545	-	7,545
Bonds payable	-	-	1,255,000	1,255,000
Total liabilities	\$ 38,834	\$ 80,280	\$ 1,255,000	\$ 1,374,114
FUND EQUITY:				
Contributed capital	\$ -	\$ 3,283,800	\$ -	\$ 3,283,800
Retained earnings	-	88,421	-	88,421
FUND BALANCES:				
Reserved for debt service	812,431	-	-	812,431
Total fund equity and balances	\$ 812,431	\$ 3,372,221	\$ -	\$ 4,184,652
Total liabilities and fund equity	\$ 851,265	\$ 3,452,501	\$ 1,255,000	\$ 5,558,766

HOSPITAL SERVICE DISTRICT NO. 3
 TRUSTEES OF VERMILION, STATE OF LOUISIANA
 D/R/A CLEVELAND MEDICAL TRUST HOME

STATEMENTS OF REVENUE AND EXPENDITURES AND
 CHANGES IN FUND BALANCES -
 ALL GOVERNMENTAL FUND TYPES
 YEARS ENDED MARCH 31, 1991 and 1990

	Debt Service	
	1991	1990
REVENUES:		
All interest income	\$ 280,493	\$ 281,510
Interest	18,313	18,313
Total revenues	<u>\$ 298,806</u>	<u>\$ 299,823</u>
EXPENDITURES:		
Interest coupons	\$ 83,000	\$ 123,000
Bonds paid	78,000	88,000
Fees and expense	7,240	8,000
Misc. debt	7,280	2,270
Other fees	474	444
Payments to borrow	104,200	-
Paying agents' fees and other administrative costs	3,800	-
Total expenditures	<u>\$ 328,000</u>	<u>\$ 221,714</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 160,806</u>	<u>\$ 78,109</u>
Other financing sources (uses):		
Bonds proceeds	\$ 1,000,000	\$ -
Payments to borrow	(1,000,000)	-
Total other financing sources (uses)	<u>\$ 0</u>	<u>\$ 0</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 160,806</u>	<u>\$ 78,109</u>
Fund balance, beginning	484,504	206,393
Prior period adjustments	-	20,433
Fund balance, ending	<u>\$ 645,310</u>	<u>\$ 304,925</u>

SEE NOTES TO Financial Statements.

HOSPITAL SERVICE DISTRICT NO. 3
 PARISH OF TERREBOON, STATE OF LOUISIANA
 D/W/A WYCKHAM HOSPITAL, GRIFT MOORE

STATEMENTS OF REVENUES, EXPENSES AND
 CHANGES IN RETAINED EARNINGS -
 PROPRIETARY FUND TYPE
 Years Ended March 31, 1993 and 1992

	<u>Interim period</u>	
	<u>1993</u>	<u>1992</u>
REVENUE:		
Net patient revenue	\$ 2,432,781	\$ 2,402,807
OPERATING EXPENSES:		
Medical and administrative	\$ 354,398	\$ 383,277
Food services	541,814	582,634
Housekeeping	83,873	84,660
Dietary	287,393	287,315
Plant operations	213,148	228,535
Laundry	97,874	96,148
PATIENT ACTIVITY	38,223	34,749
CONSULTANTS	<u>18,882</u>	<u>12,882</u>
Total operating expenses	\$ 2,432,252	\$ 2,432,852
Operating income	\$ 53,529	\$ 33,221
OTHER REVENUES:		
Interest income	\$ 8,842	\$ 3,874
Donations	1,514	4,883
Miscellaneous	<u>13,282</u>	<u>16,792</u>
Total other revenues	\$ 23,638	\$ 25,549
Net income	\$ 83,783	\$ 48,421
Retained earnings (deficit), beginning	<u>188,820</u>	<u>188,721</u>
Retained earnings (deficit), ending	\$ 62,624	\$ 114,121

See Notes to Financial Statements.

HOSPITAL SERVICE DISTRICT NO. 3
CITY OF VERMILION, STATE OF LOUISIANA
DVA'S CURRENT REPORTAL PERIOD WORK

STATEMENTS OF CASH FLOW - PROPRIETARY FUND TYPES
Years Ended March 31, 1997 and 1996

	1997	1996
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	\$ 82,748	\$ 48,481
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	89,487	88,732
Loss on sale of depreciable assets	325	-
Provision for bad debts	3,880	388
Change in assets and liabilities:		
(Increase in receivables)	1,884	2,833
Decrease (increase) in prepaid expenses	7,990	11,200
Decrease (increase) in other assets and inventory	8,427	12,470
Increase (decrease) in accounts payable	15,777	2,782
Increase in accrued expenses and other payables	48	88,280
Decrease in deposits	-	5,854
(Increase) in accrued interest receivable	16,212	-
	\$ 282,828	\$ 288,212
Net cash provided by operating activities	\$ 282,828	\$ 288,212
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of depreciable assets	\$ (14,288)	\$ (15,218)
Purchase of certificate of deposit	(243,228)	(84,383)
Maturity of certificate of deposit	-	82,123
Sale of depreciable assets	328	-
	\$ (257,188)	\$ (17,483)
Net cash used in investing activities	\$ (257,188)	\$ (17,483)
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payments on capital leases	\$ -	\$ (3,788)
Net increase in cash and cash equivalents	\$ 25,640	\$ 131,879
Cash and cash equivalents at beginning year	\$ 82,720	\$ 72,326
Cash and cash equivalents at end of year	\$ 108,360	\$ 204,205

SEE NOTES TO FINANCIAL STATEMENTS.

HOSPITAL SERVICE DISTRICT NO. 3
PARISH OF VERMILION, STATE OF LOUISIANA
D'VALE SWEETMAN MEMORIAL GUEST HOME

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies

Organization:

The Hospital Service District No. 3, Parish of Vermilion, State of Louisiana (District) is a political subdivision of the state created by an ordinance adopted by the Vermilion Parish Police Jury on November 18, 1955. The geographical limits of the District coincide with those of Ward No. 3 of Vermilion Parish. Members of the Board of Commissioners are appointed by the Vermilion Parish Police Jury. The District is operating under the name D'Vale Memorial Guest Home (Manning Home).

Fund accounting:

The Manning Home uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The Manning Home is composed of the following funds:

Enterprise Fund (Proprietary Fund Type)

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. The enterprise fund is used to account for all of the operating activity of the Manning Home.

Debt Service Fund (Governmental Fund Type)

Governmental funds are used to account for the Manning Home's general activities, including the servicing of general long-term debt. The debt service fund is used to account for the accumulation of resources for and the payment of bond principal, interest, and related costs.

NOTES TO FINANCIAL STATEMENTS

Accounting policies of the nursing home are in accordance with generally accepted accounting principles. Listed below are those policies considered particularly significant for Hospital Service District No. 1.

Basis of accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing used) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by the governmental fund type. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. All valuation taxes are recognized as revenue in the year in which such taxes are billed and collected. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

The accrual basis of accounting is utilized by the proprietary fund type. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Cash and cash equivalents:

For purposes of the statement of cash flows for the proprietary fund type, highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

Inventory:

Investments are stated at the lower of cost or market. Cost has been determined on a first-in, first-out basis.

NOTES TO FINANCIAL STATEMENTS

Restricted assets:

Certain resources of the enterprise fund are classified as restricted assets on the balance sheet because their use is limited because they represent residents' deposits being held by the fund.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and Depreciation:

Property is recorded at cost. Interest cost incurred during the construction period is capitalized net of interest income earned from the bond proceeds. Depreciation is computed using the straight-line method based on the useful lives of the assets.

Maintenance, repairs and renewals of property are charged to expense as incurred. Major additions are capitalized.

At the time the properties are retired or disposed of, the accumulated reserves are written off the books and any difference between net book value and the amount realized by sale or salvage is included in income.

Fund equity:

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Total column on combined statement - overview:

Total column on the combined statement - overview is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTES TO FINANCIAL STATEMENTS

Note 4. Property, Plant and Equipment

The major classes of property, plant, equipment and depreciation methods and rates as of March 31, 1987 are as follows:

Class	Method*	Accumulated Depreciation	Book Value
	Rate		
	-----	-----	-----
Land	-	\$ -	\$ 38,000
Building	SL/19-20	2,171,145	1,734,885
Furniture and Fixtures	SL/5-10	213,279	78,859
Start-up costs	SL/5	54,281	-
Land improvements	SL/15	1,612	1,612
		<u>\$ 2,052,317</u>	<u>\$ 2,548,356</u>

*SL - Straight-line

Depreciation expense for 1987 and 1986 was \$49,467 and \$59,712, respectively.

Note 5. Advance Refunding

The Sherrill Home had one advance refunding in fiscal year 1987 which is detailed below:

On January 9, 1987, the Sherrill Home issued \$1,000,000 in General Obligation Hospital Bonds with an average interest rate of 8.38 percent to advance refund \$1,048,680 of outstanding Series 1986 bonds. These refunded bonds had an average interest rate of 7.43 percent. The net proceeds of \$1,000,400 (after payment of \$21,589 in underwriting fees, insurance and other issuance costs) plus an additional \$100,000 of 1986 General Obligation Hospital Bond monies were used to purchase U.S. government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the amounts described above for the Series 1986 bonds. As a result, these bonds are considered to be defeased and the liability for them has been removed from the general long-term debt account group. The Sherrill Home advance refunded the bonds above to reduce its total debt service payments over the next 10 years by \$108,431 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$112,192.

The debt service fund had \$112,431 available to service this debt as March 31, 1987.

NOTES TO FINANCIAL STATEMENTS

Note 4. Unemployment taxes

During the fiscal year ended March 31, 1987, The Housing Home received a \$28,888 refund of prior year's Federal unemployment taxes as a result of their election to change their payment method of unemployment taxes from the taxable to the reimbursable method. The Housing Home made this election in 1986 and requested a refund of Federal unemployment taxes paid for the fiscal years 1985, 1984 and 1983. This current year's refund of the prior year's taxes was direct against the 1987 payroll taxes expense account.

The Housing Home is attempting to collect a similar refund of the state unemployment taxes paid for the fiscal years 1983, 1984 and 1985. It is estimated that the refund to be approximately \$50,000.

SUPPLEMENTARY INFORMATION

HOSPITAL SERVICE DISTRICT NO. 3
 PARISH OF VERMILION, STATE OF LOUISIANA
 I/O/A GIBSON MEMORIAL CREDIT FUND

STATEMENT OF GENERAL LONG-TERM DEBT
 MARCH 31, 1967 and 1966

	<u>1967</u>	<u>1966</u>
AMOUNT AVAILABLE AND TO BE PROVIDED FOR PAYMENT OF LONG-TERM DEBT		
Amount available in Debt Service Funds for debt retirement	\$ 312,431	\$ 488,510
Amount to be provided from: All various taxes	2,082,882	2,380,818
Total available and to be provided	<u>\$2,395,313</u>	<u>\$2,869,328</u>
 GENERAL LONG-TERM DEBT PAYABLE		
Bonds payable:		
Due within one year	\$ 100,000	\$ 75,000
Due after one year	2,433,800	2,823,800
Total general long-term debt	<u>\$2,533,800</u>	<u>\$2,898,800</u>

MUNICIPAL SERVICE DISTRICT NO. 3
CITY OF HOUSTON, STATE OF TEXAS
CIVIL SERVICE RETIREMENT TRUST FUND

SCHEDULE OF CHANGES IN DEFERRED LONG-TERM COST
March 31, 1997

	Balance March 31, 1996	Long-Term Costs Added	Long-Term Costs Retired	Gain (Loss) From Amortization	Balance March 31, 1997
Amount available to debt service funds	\$ 444,564	-	-	\$ (112,191)	\$ 332,373
Amount to be provided for retirement of long-term debt from all retirement funds	4,148,818	3,020,000	(2,423,523)	(212,212)	4,532,683
	<u>\$4,593,382</u>	<u>\$3,020,000</u>	<u>\$(2,423,523)</u>	<u>\$ (224,424)</u>	<u>\$4,965,435</u>
General long-term debt payable	<u>\$4,380,000</u>	<u>\$1,100,000</u>	<u>\$(1,100,000)</u>	<u>\$ (100,000)</u>	<u>\$4,280,000</u>

Social Security and to be provided

HOSPITAL SERVICE DISTRICT NO. 5
 PARISH OF TERRIBILE, STATE OF LOUISIANA
 DVA'S HOSPITAL HOSPITAL COURT HOME
 ENTERPRISE FUND

SCHEDULE OF OPERATING EXPENSES - HOSPITAL HOME
 Years Ended March 31, 1977 and 1976

	1977	1976
General and administrative:		
Salaries - administrative	\$ 32,845	\$ 30,494
Salaries - office and clerical	35,888	32,354
Advertising	3,585	3,931
Books and subscriptions	3,168	3,031
Travel and seminar	6,125	3,785
Board fees	3,300	3,145
Insurance	24,977	23,374
Legal and accounting	4,428	14,779
Licenses	883	923
Office supplies	1,887	6,318
Payroll taxes	46,375	31,878
Telephone	5,893	6,263
Bank charges	807	43
Employee benefits	8,889	6,894
Interest	-	354
Other	1,571	1,850
Postage and freight	4,885	3,740
Maintenance	6,940	6,808
Rent debts	3,880	360
Provision for	<u>88,834</u>	<u>82,328</u>
	<u>\$ 344,313</u>	<u>\$ 308,877</u>
Nursing services:		
Salaries - dietitian	\$ 48,480	\$ 48,800
Salaries - other	428,720	423,768
Medical supplies	28,654	35,500
Contract services	<u>8,822</u>	<u>8,382</u>
	<u>\$ 514,676</u>	<u>\$ 516,450</u>
Housekeeping:		
Salaries	\$ 78,500	\$ 78,441
Supplies	<u>8,322</u>	<u>12,328</u>
	<u>\$ 86,822</u>	<u>\$ 90,769</u>
Clinical:		
Salaries	\$ 168,750	\$ 168,870
Fees	85,500	85,365
Supplies	<u>8,822</u>	<u>8,288</u>
	<u>\$ 363,072</u>	<u>\$ 362,523</u>
Outpatient services	<u>\$ 1,113,328</u>	<u>\$ 1,148,388</u>

(continued)

HOSPITAL SERVICE DISTRICT NO. 3
 PARISH OF TERRIBILE, STATE OF LOUISIANA
 DVA'S BURKMAN MEMORIAL ORBIT HOME
 EXTRACURRICULAR FUND

SCHEDULE OF OPERATING EXPENSES - NURSING HOME (CONTINUED)
 Years ended MARCH 31, 1967 and 1966

	<u>1967</u>	<u>1966</u>
Subtotals Forwarded	\$ 3,111,128	\$ 3,148,711
Plant operations:		
Salaries	\$ 33,886	\$ 27,740
Utilities	20,851	24,334
Supplies	4,564	3,810
Repairs and maintenance	20,810	21,560
Depreciation	23,887	22,379
Contract service	3,828	373
Other	<u>1,188</u>	<u>1,044</u>
	\$ 118,814	\$ 122,836
Laundry:		
Salaries	\$ 42,876	\$ 38,081
Supplies	<u>18,825</u>	<u>14,827</u>
	\$ 61,701	\$ 52,908
Patient activity:		
Salaries - PMS	\$ 26,853	\$ 26,183
Supplies	<u>7,118</u>	<u>8,188</u>
	\$ 33,971	\$ 34,371
Consultants:		
Pharmacy	\$ 5,180	\$ 5,180
Physicians	8,820	8,900
Dietary	2,800	2,800
Other	<u>900</u>	<u>800</u>
	\$ 17,700	\$ 17,680
Total operating expenses	\$ 4,834,128	\$ 4,873,618

HOSPITAL SERVICE DISTRICT NO. 3
 PARISH OF VERMILION, STATE OF LOUISIANA
 N/A/A QUINCE HERBERT OWENS HOME

SCHEDULE OF COMPENSATION TO BOARD MEMBERS
 Total Dates March 31, 1997 and 1998

	<u>Regular Meetings Attended</u>		<u>Special Meetings</u>	
	<u>1997</u>	<u>1998</u>	<u>1997</u>	<u>1998</u>
Adams, Carlene	10	13	400	440
Campbell, Wilson	3	8	120	280
Dugas, Larry	16	3	480	80
Foreman, Esther	8	-	240	-
Louzon, Ronnie	-	8	-	240
Moist, Ray	-	1	-	40
Theriot, Marie	11	8	360	320
Thompson, Flora	12	12	480	480
Thompson, Shirley	-	8	-	240

*Board members are paid for a maximum of twelve (12) meetings per year at \$40 per meeting.



HOUSSARD, POCHE, LEWIS & BREAUX

CERTIFIED PUBLIC ACCOUNTANTS

111 West Orange
P.O. Box 5124
Lafayette, Louisiana
70501-5124
phone: (504) 982-2124
fax: (504) 982-2124

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN ASSESS OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH STATEMENT-AUDITING STANDARDS

TO THE CLIENT:

Greene, J.A.
1050 783-4500
Baton Rouge, LA
70814-0101
Maurice, J.A.
1050 783-4500
New Orleans, LA
70112-0101
Frank (Tom), L.A.
1050 783-4500
Eaton, B.A.
1050 783-4500

Board of Commissioners
Hospital Service District No. 3
Parish of Vermilion, State of Louisiana
c/o St. Stephen Memorial Coast Home
Corydon, Louisiana

We have audited the general purpose financial statements of Hospital Service District No. 3, Parish of Vermilion, State of Louisiana, c/o St. Stephen Memorial Coast Home, for the two years ended March 31, 1997, and have issued our report thereon dated May 22, 1997.

We have conducted our audits in accordance with generally accepted auditing standards, 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.

In planning and performing our audits of the general purpose financial statements of Hospital Service District No. 3 for the two years ended March 31, 1997, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure. Accordingly, we do not express such an opinion.

The management of Hospital Service District No. 3 is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's

Lawrence S. Breaux, CPA
Lawrence S. Breaux, CPA
James C. Hoyle, CPA
Donald W. Hoyle, CPA
Richardson E. Hoyle
Frank A. Hoyle, CPA
Craig Bennett, CPA
J. Charles Breaux, CPA
Richard W. Hoyle, CPA
F. John Breaux III, CPA
Stephen L. Anderson, CPA
Frank C. Richardson, CPA
Frank C. Richardson, CPA
Michael J. Anderson, CPA
Joseph J. Hoyle III, CPA
David J. Hoyle, CPA
George P. Miller, CPA
D. Christopher, CPA
Paul S. Gentry, CPA

MEMBERS:

John L. Breaux, CPA (1997)
Lynn K. Ford, CPA (1997)
James H. Breaux, CPA (1997)
Frank A. Hoyle, CPA (1997)
George A. Hoyle, CPA (1997)
Richard E. Wickham, CPA (1997)
Bobby E. Hoyle, CPA (1997)

Members of Louisiana Institute of
Certified Public Accountants
Division of Louisiana Certified
Public Accountants

authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

Circle of Auditor's Remarks

- Treasury or financing
- Revenue/Receipts
- Purchases/Disbursements
- External financial reporting

For all of the control categories listed above, 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.

We noted certain factors 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.

General Administration

Findings:

In reviewing the internal control structure, we noted inadequate segregation of duties existed. The general accounting and general ledger function is not separate from custody and control over assets.

Recommendation:

Inadequate segregation of duties exists due to the limited number of personnel performing the administrative functions.

Response:

The Board has evaluated this inadequacy and concluded the related costs versus benefits to be achieved does not justify the additional personnel it would require to establish an adequate segregation.

Resident Fund Accounts

Findings:

During our work on resident accounts, we found that there was not always documentation in the files that the resident requested and/or received the items for which they were charged. Also, we found that consent agreements were not always completed properly.

Recommendation:

We recommend that care be taken in obtaining the required documentation related to resident funds. Signatures should be obtained acknowledging request and receipt of items for which the resident is charged.

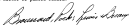
Response:

Ouray Memorial Health Home has developed a form that residents must sign to request an item to be purchased, then sign again upon receiving the item, with a place to list any discrepancies.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in accounts that would be material in relation to the general purpose 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 believe none of the reportable conditions described above is a material weakness.

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



Madisonville, Louisiana
May 18, 1997

This page intentionally left blank.



BOUSSARD, POCHE, LEWIS & THREAU
CERTIFIED PUBLIC ACCOUNTANTS

5115 West Congress
 P.O. Box 33329
 Lafayette, Louisiana
 70504-0329
 phone - (504) 984-4300
 fax - (504) 991-4370

Order Office:

Franklin, LA
 (504) 783-2626

Bayou La Batre, LA
 (504) 942-0277

Abbeville, LA
 (504) 876-2277

Bayou Vista, LA
 (504) 862-2222

Chauvin, LA
 (504) 888-2222

Thibodaux, LA
 (504) 882-2222

Larry G. Bousard, CPA*
 Lawrence A. Poche, CPA*
 James C. Lewis, CPA*
 Kenneth R. Threau, CPA*
 Richard L. Smith, CPA*
 Keith H. Jones, CPA*
 Eric J. Bousard, CPA*
 L. Robin Miller, CPA*
 Kenneth B. Jones, CPA*
 P. Lee Brock, III, CPA*
 Stephen J. Landry, CPA*
 Don C. Williams, CPA*
 Eric C. Smith, CPA*
 Richard E. Harris, CPA*
 George A. Rogers III, CPA*
 Donald R. Smith, CPA*
 Joseph D. Miller, CPA*
 D. Scott Palmer, CPA*

Keith A. Smith, CPA*

Staff:
 Nancy L. Bousard, CPA 1980
 Lynn S. Smith, CPA 1980
 Jeanne B. Brown, CPA 1980
 Lynn B. Wilson, CPA 1980
 George H. Smith, CPA 1980
 Catherine L. Winterdyk, CPA 1980
 Robert L. Sney, CPA 1980

Members of Chartered Institute of Certified Public Accountants
 Society of Certified Chartered Public Accountants

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

Board of Commissioners
 Hospital Service District No. 3
 Parish of Vermilion, State of Louisiana
 d/d's Hospital Memorial Care Home
 Chauvin, Louisiana

We have audited the general purpose financial statements of Hospital Service District No. 3, Parish of Vermilion, State of Louisiana, d/d's Hospital Memorial Care Home, as of and for the two years ended March 31, 1987, and have issued our report thereon dated May 14, 1987.

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.

Compliance with laws, regulations, contracts, and grants applicable to Hospital Service District No. 3 is the responsibility of the Service District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Service District's compliance with certain provisions of laws, regulations, contracts, and grants. However, it should be noted that our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

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

* A Professional Accounting Corporation.

This report is intended for the information of the Board of Commissioners, management, and the Legislative Auditor's office. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Raymond P. Cook, Jr.

Lafayette, Louisiana
May 10, 1987