

HOSPITAL SERVICE DISTRICT NO. 3
PARISH OF St. Martin
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1990 AND 1989

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the Hospital's significant accounting policies:

Method of Accounting

Assets, liabilities, revenues and expenses are recorded on the accrual basis of accounting.

Accounts Receivable

Accounts receivable are shown net of provision for doubtful accounts of \$281,870 and \$148,985 at September 30, 1990 and 1989, respectively.

Inventory

Inventories are stated at the lower of cost or market, with cost determined by the first-in, first-out, (FIFO) method.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Hospital considers all cash and certificates of deposits, except amounts whose use is limited as cash equivalents.

Plant and Equipment

Plant and equipment are stated at cost. Depreciation is computed using the straight-line method, over the useful life as recommended by the American Hospital Association. Depreciation expense for the years ended September 30, 1990 and 1989 was \$72,807 and \$78,668, respectively.

Land

The land for the Hospital site is stated at cost.

Income Taxes

The Hospital is a NON PROFIT Hospital Service District as described in Section 501(c)(3) of the INTERNAL REVENUE Code and is exempt from Federal income taxes on related income pursuant to Section 501(c)(3) of the Code.

LIABILITIES AND FUND BALANCE

	1996	1995
CURRENT LIABILITIES		
Accounts payable - trade	\$ 128,800	\$ 261,434
Accrued wages and related withholdings	58,874	61,808
Accrued compensated absences	58,428	58,878
Due to intermediaries	-----	22,785
TOTAL current liabilities	\$ 245,500	\$ 344,905
FUND BALANCE	\$ 2,182,428	\$ 2,020,898
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,427,928	\$ 2,365,803

See Independent auditor's report and notes to financial statements.

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HOSPITAL SERVICE DISTRICT NO. 2
Parish of St. Martin
State of Louisiana
Breaux Bridge, Louisiana

FINANCIAL REPORT

YEARS ENDED SEPTEMBER 30, 1944 AND 1945

Under provisions of state law, this report is a public document. A copy of this report has been furnished to the Auditor, as authorized, with such other appropriate public records. This report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: 4-2-77

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CARNALL, SIKES, KOLDER, FREDERICK & RAINEY

INDEPENDENT PUBLIC ACCOUNTANTS

1000 Lakeside Drive
Baton Rouge, Louisiana 70801
Phone: 337-383-1000
Telex: 337-383-1000
Cable: 337-383-1000
Fax: 337-383-1000
E-mail: info@cskfr.com
Website: www.cskfr.com

REPORT
Hospital Service District No. 3

INDEPENDENT AUDITOR'S REPORT

1000 Lakeside Drive
Baton Rouge, Louisiana 70801
Phone: 337-383-1000
Telex: 337-383-1000
Cable: 337-383-1000
Fax: 337-383-1000
E-mail: info@cskfr.com
Website: www.cskfr.com

Board of Commissioners
Hospital Service District No. 3
Parish of St. Martin, State of Louisiana
Breaux Bridge, Louisiana

We have audited the accompanying financial statements of the Hospital Service District No. 3, Parish of St. Martin, State of Louisiana, a component unit of the St. Martin Parish Homeless Care, as of and for the years ended September 30, 1994 and 1995, as listed in the table of contents. These financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards, 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 audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Hospital Service District No. 3, Parish of St. Martin, State of Louisiana, as of September 30, 1994 and 1995, and the results of its operations and cash flows 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 November 23, 1995, on our examination of the Hospital's internal control structure and a report dated November 27, 1995, on its compliance with laws and regulations.

ISSUED IN
CONFORMANCE OF
THE PROVISIONS OF
THE FEDERAL AUDITING
ACTS OF 1950
AND 1952

our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information listed as "Supplemental 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. 2. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Dunnell, Sims, Kaldor, Frederick & Rainey

a corporation of Certified Public Accountants

Denham Bridge, Louisiana
November 17, 1994

HOSPITAL SERVICE DISTRICT NO. 2
 Parish of St. Martin
 State of Louisiana

BALANCE SHEETS
 SEPTEMBER 30, 1960 AND 1959

ASSETS

	<u>1960</u>	<u>1959</u>
CURRENT ASSETS		
Cash and certificates of deposit	\$ 349,328	\$ 322,817
Receivables receivable - patients	1,189,320	1,692,708
Due from intermediaries	147,883	29,748
Inventories	129,200	129,879
Accrued interest receivable	664	628
Prepaid expenses	<u>25,718</u>	<u>21,808</u>
TOTAL CURRENT ASSETS	<u>2,847,013</u>	<u>3,198,780</u>
PROPERTY, PLANT AND EQUIPMENT		
Buildings	319,122	319,122
Fixed equipment	568,323	568,323
Motorable equipment	587,888	696,689
Automobile	18,748	18,748
Land improvements	<u>18,882</u>	<u>18,882</u>
	1,492,863	1,631,662
Less accumulated depreciation	<u>1,292,812</u>	<u>1,221,288</u>
	200,051	410,374
Land	<u>26,728</u>	<u>26,728</u>
	<u>227,779</u>	<u>437,102</u>
ASSETS WHOSE USE IS LIMITED		
By Board for plant maintenance and replacement - cash and certificates of deposit	<u>282,403</u>	<u>282,161</u>
TOTAL ASSETS	<u>3,356,595</u>	<u>3,916,244</u>

HOSPITAL SERVICE CATEGORY No. 2
 Parish of St. Martin
 State of Louisiana

SCHEDULE OF PROFESSIONAL SERVICES
 YEARS ENDED SEPTEMBER 30, 1964 AND 1965

	1964		1965	
	Personnel Services	Supplies & Other Expenses	Personnel Services	Supplies & Other Expenses
Blood administration	\$ 6,106	\$ 31,233	\$ 4,049	\$ 7,842
Central supply	588	188,493	4,689	88,807
Electrocardiology	-	1,762	-	8,805
Emergency room physicians	584,104	-	547,747	-
Emergency room	211,333	-	136,798	-
Holder examiner	-	4,054	-	3,048
Inhalation therapy	33,887	594,795	-	80,258
Laboratory	128,316	243,482	128,150	228,003
Medical records	12,344	18,385	12,858	8,388
Nuclear medicine	-	108,970	-	89,080
Nursing service	483,836	18,818	498,954	18,817
Operating room	7,232	1,860	31,808	4,889
Pharmacy	85,837	112,886	88,118	127,489
Physical therapy	-	-	-	283
Radiology	57,604	88,378	84,474	57,555
Sleep study	-	-	1,268	-
	<u>\$1,813,107</u>	<u>\$783,872</u>	<u>\$2,587,958</u>	<u>\$723,947</u>
	*****	*****	*****	*****

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

INDEPENDENT PUBLIC ACCOUNTANTS

1000 Lake St.
New Orleans, La.
Suite 1000
New Orleans, La.
Suite 1000
New Orleans, La.
Suite 1000
New Orleans, La.
Suite 1000

MEMO

TO: Board of Commissioners

James H. Sikes, Jr.
Arthur H. Kolder, Jr.
Frederick W. Rainey, III
Darnall Sikes Kolder
Frederick W. Rainey, III
James H. Sikes, Jr.
Arthur H. Kolder, Jr.
Frederick W. Rainey, III
Darnall Sikes Kolder
James H. Sikes, Jr.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE OR BASIC FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH GOVERNMENT ACCOUNTING STANDARDS

What is the
purpose of this
report?
What is the
scope of the
audit?
What is the
basis of the
opinion?
What is the
conclusion of the
audit?
What is the
date of the
report?

Board of Commissioners
Hospital Service District No. 2
District of St. Martin, State of Louisiana
Brewer Bridge, Louisiana

We have audited the financial statements of the Hospital Service District No. 2, as of and for the years ended, September 30, 1994 and 1993, and have issued our report thereon dated November 27, 1994.

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

Compliance with laws, regulations, contracts, and grants applicable to the Hospital Service District No. 2, is the responsibility of the Hospital's management, as part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Hospital's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

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

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

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Brewer Bridge, Louisiana
November 27, 1994

assess 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a 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 and 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of management and the Board of Commissioners. However, this report is a matter of public record and its distribution is not limited.

Darnall, Skiles, Kolder, Frederick & Kibbey

A Corporation of Certified Public Accountants

Greenwich Bridge, LEVINSTEIN
November 27, 1998

BOGOTAS WARDEN DISTRICT NO. 2
 PRISON OF ST. MARIUS
 State of Louisiana

ACCOUNTS OF COMMISSIONERS, WARRANTS ATTACHED AND CONSIGNATION
 WHICH BECAME DEFERRED IN 1944 AND 1945

LIST OF COMMISSIONERS

John B. Harrod
 Fort Miller, La.
 Charles Abadie, Sr.
 Robert Lemelle
 Kenneth Williams

Warrant Number	1944		1945	
	Warrant Number	Commissioner	Warrant Number	Commissioner
10		1498	21	Harrod
16		1408	22	Abadie
20		1 -	23	Abadie
22		1 -	24	Abadie
4		1 -	25	Williams

ACCOUNTING SERVICES CONTRACT NO. 2
Periods of 96 Months
State of Louisiana

STATEMENT OF CHANGES IN FUND BALANCE
FUND ACCOUNT ESTABLISHED 06, 1995 AND 1999

		PLANS			
		MAINTENANCE AND OPERATIONS		OPERATING FUND	TOTAL
FUND BALANCE, SEPTEMBER 30, 1994	883,704	\$ 247,648		\$1,034,703	\$1,034,703
INCOME OF EXPENSES AND REVENUES (Income (Loss) from operations Commutating expense)	-	120,788		328,383	328,384
	-	117,843		85,155	309,889
	-	<u>(22,855)</u>		<u>32,228</u>	-
Fund assets purchased	481,746	\$ 215,181		\$1,734,128	\$2,098,899
FUND BALANCE, SEPTEMBER 30, 1995	-	124,814		179,322	304,136
INCOME OF EXPENSES FROM OPERATIONS (Income (Loss) from operations Commutating expense)	-	381,437		87,887	469,324
	-	<u>117,320</u>		<u>32,335</u>	-
Fund assets purchased	283,704	\$ 289,677		\$1,984,329	\$2,328,426

See independent auditor's report and notes to financial statements.

HOSPITAL DISTRICT DISTRICT NO. 2
 Parish of St. Charles
 State of Louisiana

SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES
 YEARS ENDING SEPTEMBER 30, 1960 AND 1961

	1960		1961	
	Personal Services	Supplies & Office Expenses	Personal Services	Supplies & Office Expenses
Administrative	1018,836	1111,268	6217,822	2186,847
Credit and collections	-	7,442	-	25,107
Dietary	108,960	82,866	99,443	77,288
Employee benefits	-	87,898	-	86,888
Housekeeping	118,187	17,518	100,823	25,323
Insurance	-	125,488	-	21,823
Laundry and linen	-	36,822	-	31,796
Maintenance	21,565	125,825	21,528	129,296
Telephone and communications	-	24,788	-	23,288
	<u>1472,898</u>	<u>2821,328</u>	<u>6439,653</u>	<u>3708,488</u>
	1472,898	2821,328	6439,653	3708,488

HOSPITAL SERVICE DISTRICT NO. 2
 Parish of St. Martin
 State of Louisiana

STATEMENTS OF OPERATIONS
 YEARS ENDED DECEMBER 31, 1964 AND 1965

	<u>1964</u>	<u>1965</u>
NET FISCAL Revenue	\$4,317,578	\$4,371,761
Other Revenue	<u>881,988</u>	<u>848,871</u>
	<u>\$5,199,566</u>	<u>\$5,220,632</u>
OPERATING EXPENSES		
Professional	3,427,656	3,319,988
PHYSICIAN fee-in-kind	869,350	1,318,384
GENERAL and administrative	1,775,738	1,171,808
Depreciation	78,887	78,888
Provision for bad debts	<u>258,817</u>	<u>332,778</u>
Total operating expenses	<u>\$6,399,848</u>	<u>\$6,223,846</u>
INCOME (LOSS) FROM OPERATIONS	185,608	196,786
NONOPERATING INCOME	<u>181,128</u>	<u>188,398</u>
NET INCOME	\$ 366,736	\$ 385,184

See independent auditor's report and notes to financial statements.

HOSPITAL ANNUAL REPORT NO. 2
 Parish of St. Martin
 State of Louisiana

SCHEDULE OF HOSPITAL HEALTH UNIT REVENUE
 YEAR ENDING SEPTEMBER 30, 1990 AND 1991

	<u>1990</u>	<u>1991</u>
Basic Services		
Room and board	\$1,535,000	10,290,400
Special Services		
Central supply room	0,000	1,000
Emergency room	-	84
Inhalation therapy	0,181	2,495
Laboratory	21,380	29,881
Pharmacy	264,000	24,870
Psych service	258,076	1,818,200
Psych treatment	12,340	24,700
Radiology	1,200	0,000
X-ray	0,000	0,000
Dietitian	2,280	1,500
Emergency room physician fees	-	208
Transportation fee	<u>212</u>	<u>208</u>
	<u>\$2,439,039</u>	<u>13,288,760</u>

HOSPITAL SERVICE DISTRICT NO. 2
Parish of St. MICHAEL
State of Louisiana

SCHEDULE OF OUT-PATIENT REVENUE
YEARS ENDED DECEMBER 31, 1956 AND 1955

	1956	1955
Blood administration	\$ 7,884	\$ 5,456
Central supply	288,188	127,480
Electrocardiology	37,884	38,800
Emergency room physician	643,427	587,873
Emergency room	204,947	204,888
Inhalation therapy	53,920	48,433
Laboratory	637,800	588,554
Neurax medicine	125,233	185,274
Neurax monitor	22,228	18,578
Observation room	25,804	11,478
Operating room	23,400	18,078
Orthopedics	11,548	9,373
Pharmacy	184,733	173,080
Radiology	114,824	293,881
Special procedures	4,344	4,981
Stoop study	-	3,480
	\$2,479,945	\$2,128,371

SCHEDULE OF OTHER OPERATING REVENUE
YEARS ENDED DECEMBER 31, 1956 AND 1955

	1956	1955
Cafeteria and vending machine sales	\$ 27,278	\$ 27,188
Sale of medical records	3,238	2,128
Recovery of bed data	24,898	12,478
Room payments	282,464	388,883
	\$ 337,878	\$ 430,677

HOSPITAL SERVICE DISTRICT NO. 2
Parish of St. Francis
State of Louisiana

STATEMENTS OF CASH FLOW
YEAR ENDED SEPTEMBER 30, 1988 AND 1987

	<u>1988</u>	<u>1987</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Cash received from patients and third party payors	\$ 3,822,268	\$ 3,863,900
Interest received	27,824	12,781
State payments received	746,664	598,883
Cash paid for supplies and other expenses	(2,596,258)	(2,458,474)
Cash paid to employees	(2,087,738)	(1,828,317)
Grant receipts	50,734	78,880
Ed salaries tax receipts	312,968	168,872
Investment	23	788
Net cash provided (used) by operating activities	<u>49,227</u>	<u>231,281</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of equipment	(17,185)	(27,088)
Cash provided by assets whose use is limited	(28,250)	87,822
Net cash provided (used) by investing activities	<u>(45,435)</u>	<u>60,734</u>
CASH FLOW FROM FINANCING ACTIVITIES		
	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,782	292,015
CASH AND CASH EQUIVALENTS, beginning of year	532,827	240,812
CASH AND CASH EQUIVALENTS, end of year	\$ 546,609	\$ 532,827

See independent auditor's report and notes to financial statements.

SUPPLEMENTAL INFORMATION

HOSPITAL SERVICE DISTRICT NO. 2
Parish of St. Martin
State of Louisiana

NOTES TO FINANCIAL STATEMENTS CONTINUED
SEPTEMBER 30, 1995 AND 1996

The initial term of this lease is one (1) year commencing February 1, 1995, with two (2) options for extensions of the term, each option for one (1) additional one (1) year period. For a total possible term of three (3) years. Future minimum rentals due for the year ending September 30, 1997 are \$550,000 excluding leaseholdings, utility and lab services revenues.

The Hospital is leasing a modular building under an operating lease. The initial term of this lease is one (1) year expiring in 1996, with the option for extensions of the term, each option for one (1) additional one (1) year period. Rental expense for the years ended September 30, 1996 and 1995, are \$8,800 and \$8,800 respectively. Maximum future rental payments under this cancellable operating lease are \$4,800 for the year ending September 30, 1997.

NOTE 4 SUBSEQUENT EVENT

On November 3, 1996, the Hospital issued \$2,750,000 of general obligation bonds secured by ad valorem taxes. The bonds are payable in annual installments of \$5,000 to \$10,000 beginning in March of 1997. Interest is payable semiannually at a rate of 2-5/8% to 4-0%, beginning in March of 1997. The bonds will mature in March of 2016.

The cash received was invested in certificates of deposit and checking accounts. The monies will be used for the renovation of the hospital. This construction is expected to begin in April of 1997 and should be completed in 24 months.

NOTE 5 PRIOR PERIOD ADJUSTMENT

The accompanying financial statements for the year ended September 30, 1995 have been restated to correct an error made for the year then ended. The effect of the restatement, as noted below, was an increase in net income (through the contractual allowances provision) and fund balance of \$103,800. For the year ended September 30, 1996. The restatement also involved a decrease to accounts payable which had been overstated at September 30, 1995.

The following discloses the restatement of fund balances as of September 30, 1996:

Fund balance, 9/30/95, as previously stated	\$2,800,000
Increase due to the correction of an overstatement of accounts payable at 9/30/95	217,800
Fund balance, 9/30/95, as restated	\$3,017,800

HOSPITAL SERVICE DISTRICT NO. 7
Parish of St. Bernard
State of Louisiana

NOTES TO FINANCIAL STATEMENTS CONTINUED
SEPTEMBER 30, 1994 AND 1993

NOTE 5 OPERATIONAL ASSETS

Reported compensated absences consist of the portion of accumulated vacation not used at year end. The amount accrued at September 30, 1994 and 1993 was \$14,439 and \$23,474 respectively.

NOTE 6 STATEMENT OF CASH FLOW

Below is the supplemental schedule required to be presented when statements of cash flows are presented:

Reconciliation of net income to net cash provided by operating activities:

	1994	1993
Net income (loss)	\$ 289,439	\$ 135,399
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	52,447	49,059
Change in assets and liabilities:		
Accounts receivable - patients	142,414	127,040
Due from intermediaries	155,895	244,354
Inventory	12,810	528
Accrued interest receivable	144	(138)
Prepaid expenses	10,890	(1,361)
Accounts payable	(28,524)	173,817
Accrued wages and related withholdings	12,398	8,456
Accrued compensated absences	5,233	12,858
Due to intermediaries	(28,281)	(28,281)
	<u>102,318</u>	<u>144,252</u>
Net cash provided by operating activities	\$ 391,757	\$ 279,651

NOTE 7 OPERATING LEASES

The Hospital has entered a commercial lease agreement with another hospital, located in Lafayette Parish. The terms of the lease provide for a monthly revenue for the space leased, revenues for housekeeping and dietary contracted services, and revenue for lab and x-ray services provided on an on-call basis.

HOSPITAL SERVICE DISTRICT NO. 1
 Parish of St. Martin
 State of Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 1996 AND 1995

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the remaining bank balances) must be secured by Federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the Federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank as a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at September 30, 1996 and 1995, and the related federal insurance and pledged securities:

	1996	1995
Bank balances	\$ 189,115	\$ 187,081
Federal insurance	\$ 175,847	\$ 185,000
Pledged securities (Category 3)	1,473,867	1,583,752
Total	\$1,838,829	\$1,955,833
Amount of Federal Insurance and Securities pledged	\$1,654,752	\$1,668,481

Pledged securities in Category 3 includes unsecured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in Mary Memorial Hospital's name. Even though the pledged securities are considered uncollateralized Category 3 Louisiana Revised Statute 17:528 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten (10) days of being notified by Mary Memorial Hospital that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 ASSETS WHOSE USE IS LIMITED

Assets whose use is limited consist of cash and certificates of deposit whose use has been limited by the Hospital's Board of Commissioners or parish ordinance for bond redemption. The balance remaining after payoff of the bonds is approved for use in Operations and Maintenance.

HOSPITAL SERVICE DISTRICT NO. 2
Parish of St. Martin
State of Louisiana

NOTE TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 1996 AND 1995

NOTE 2 NET PATIENT SERVICE REVENUE

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

Medicare

Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient convalescent services, certain outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology. The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through September 30, 1995. The Hospital's Medicare cost report for the year ended September 30, 1996 indicates a receivable of \$88,281.

Medicaid

Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid fiscal intermediary. The Hospital's Medicaid cost reports have been audited by the Medicaid fiscal intermediary through September 30, 1995. The Hospital's Medicaid cost report for the year ended September 30, 1996 indicates a receivable of \$78,728.

NOTE 3 CASH AND CERTIFICATES OF DEPOSIT

The bank balances of cash and certificates of deposit is covered by Federal depositary insurance or by collateral held by the Hospital's fiscal agent in the Hospital's name.

At September 30, 1996 and 1995, Stary Memorial Hospital had cash and certificates of deposits totaling \$208,849 and \$757,108 respectively.

HOSPITAL SERVICE DISTRICT NO. 2
 Parish of St. Martin
 State of Louisiana

SCHEDULE OF DEBITED SERVICES
 YEARS ENDING SEPTEMBER 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
Resident Services		
Room and board	\$124,371	\$179,683
Special Services		
Blood administration	3,837	4,555
Central supply room	132,499	151,871
Electrocardiology	12,588	9,156
Emergency room physician	28,331	33,479
Emergency room	4,956	7,889
Inhalation therapy	179,889	122,869
Laboratory	112,527	119,286
Nuclear medicine	18,832	21,434
Nurse monitor	1,280	-
Observation room	2,838	1,327
Operating room	2,824	8,822
OT/occupancy	112	299
Pharmacy	124,313	181,468
Radiology	25,893	21,494
Special procedures	<u>8,328</u>	<u>2,136</u>
	<u>1889,382</u>	<u>1889,382</u>

HOSPITAL SERVICE DISTRICT NO. 2
Parish of St. Martin
State of Louisiana

SCHEDULE OF NONEXEMPTED INCOME
YEARS ENDED SEPTEMBER 30, 1978 AND 1979

	<u>1978</u>	<u>1979</u>
Interest Income	\$ 17,409	\$ 14,247
Grant revenue	50,718	78,085
Property tax revenue	312,788	408,932
Contributions	<u>35</u>	<u>380</u>
	\$383,124	\$499,599
	00000000	00000000