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FINANCIAL STATEMENTS

BRITANNIA GENERAL HOSPITAL

DECEMBER 31, 1932

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FINANCIAL STATEMENTS
KNOXVILLE GENERAL HOSPITAL
DECEMBER 31, 1948
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LANGLOIS
&
BROUSSARD

(A Corporation of Certified Public Accountants)

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INDEPENDENT AUDITOR'S REPORT

Chairman and Board of Commissioners
Abbeville General Hospital
Abbeville, Louisiana

We have audited the component unit financial statements of Abbeville General Hospital, a component unit of the Vermilion Parish Police Jury, State of Louisiana, as of December 31, 1988, and for the year then ended. 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 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. 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, based on our audit, the component unit financial statements referred to above present fairly, in all material respects, the financial position of Abbeville General Hospital, a component unit of the Vermilion Parish Police Jury, State of Louisiana, at December 31, 1988, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedule I through III 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.

The financial information for the preceding year, which is included for comparative purposes only, was taken from the financial report for that year in which we expressed an unqualified opinion of the financial statements of Abbeville General Hospital.


LANGLOIS & BROUSSARD
Certified Public Accountants

March 20, 1989



June 1, 1999

Mr. Daniel O. Kyle
Legislative Auditor
State of Louisiana
P.O. Box 94387
Baton Rouge, Louisiana 70804-0387

RE: 120199 Audit Management Letter

Dear Mr. Kyle:

The Medical Director of Psychiatric Services and the Utilization Review Team have been directed to conduct a complete process analysis to determine the root cause of non-covered continued stay days.

The Utilization Review Committee will establish a quarterly reporting system to the Medical Executive Committee. The reporting system will include a trending report that demonstrates non-covered days.

The Psychiatric Care Team will be given feedback on this system review, and will prepare an action plan that will have as its goal, to reduce non-covered continued stay days.

Sincerely,

A handwritten signature in cursive script that reads "Ray Landry".

Ray Landry
Chief Executive Officer

RL/s

cc: David Greff, M.D.
Medical Review Committee
Medical Executive Committee

STATEMENT A

DECEMBER 31,

	1998	1997
LIABILITIES AND STOCK EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt (Note 5)	\$ 840,000	\$ 775,000
Accounts receivable (credit balances)	73,787	81,291
Accounts payable	576,568	629,141
Due to third party papers	1,828,571	1,860,893
Accrued salaries and related withholdings	243,989	800,852
Interest payable	199,104	212,689
Accrued vacation and holiday expense	803,454	960,907
Employee benefit trust fund	138,328	222,822
Total Current Liabilities	<u>4,563,801</u>	<u>4,463,395</u>
LONG-TERM LIABILITIES:		
Long-Term Debt: 1996 CO		
General obligation bonds 1990 series	2,458,000	2,918,000
Revenue bonds 1992 series	3,735,000	4,135,000
Total Long-Term Liabilities	<u>6,193,000</u>	<u>7,053,000</u>
TOTAL LIABILITIES	10,756,801	11,516,395
STOCK EQUITY	<u>10,818,000</u>	<u>10,128,000</u>
TOTAL LIABILITIES AND STOCK EQUITY	<u>21,574,801</u>	<u>21,644,395</u>

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

SMYRNA GENERAL HOSPITAL

STATEMENT B

STATEMENT OF INCOME	YEAR ENDED DECEMBER 31,	
	1960	1959
NET PATIENT SERVICE REVENUE (UNDER D AND E)	\$ 28,557,737	\$ 28,723,964
OTHER OPERATING REVENUE	310,608	253,188
TOTAL OPERATING REVENUE	<u>28,868,345</u>	<u>28,977,152</u>
OPERATING EXPENSES:		
Nursing services	4,273,038	4,365,881
Other professional services	7,838,368	6,897,089
General services	2,418,888	2,378,467
Fiscal services	861,008	862,880
Administrative services	2,853,338	3,278,890
Interest expense	808,718	807,580
Depreciation and amortization	1,288,888	1,238,131
Provision for doubtful accounts	318,488	818,488
TOTAL OPERATING EXPENSES	<u>21,588,408</u>	<u>28,782,366</u>
INCOME (LOSS) FROM OPERATIONS	<u>7,279,937</u>	<u>1,194,786</u>
NON-OPERATING REVENUES:		
Income of investments whose use is limited:		
By board for capital improvements	543,258	543,884
By parish ordinance for principal and interest	58,773	78,133
Miscellaneous income	13,846	43,588
Dividends taxes	<u>1,261,736</u>	<u>868,488</u>
TOTAL NON-OPERATING INCOME	<u>1,877,613</u>	<u>1,534,093</u>
NET PROFIT	<u>\$ 9,157,550</u>	<u>\$ 2,728,879</u>

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

MERCURY FUNDING AGREEMENT

STATEMENTS OF CHANGES IN FUND BALANCE YEAR ENDED DECEMBER 31, 2010

	COMPLETED COURSES	BY BONUS AMOUNTS	BY BOND DEDUCTIONS FOR PRINCIPAL AMOUNTS	CONTRIBUTION FOR PRINCIPAL	TOTAL
BALANCE AT DECEMBER 31, 2009	11,113,000	500,875,000	81,816,314	81,213,100	674,917,314
ADDITIONAL DEDUCTIONS:					
Allocation of net income (loss)					
Income (loss) from operations	-	14,479	176,709	(845,403)	(654,215)
Reorganizing revenues	-	828,388	815,408	248,104	1,871,900
Repayment on long-term debt	-	(895,000)	(695,000)	775,000	-
Transfer for principal and interest	-	(828,893)	(212,483)	975,480	-
BALANCE AT DECEMBER 31, 2010	11,113,000	628,477	1,214,720	1,874,489	13,626,686
ADDITIONAL DEDUCTIONS:					
Allocation of net income (loss)					
Income (loss) from operations	-	18,139	(25,000)	(815,800)	(822,661)
Reorganizing revenues	-	828,121	1,815,798	248,781	2,892,700
Repayment on long-term debt	-	(828,000)	(828,000)	828,000	-
Transfer for principal and interest	-	(823,800)	(208,971)	928,722	-
BALANCE AT DECEMBER 31, 2010	11,113,000	1,014,537	1,963,547	1,973,702	15,064,826

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

MINYALE GENERAL HOSPITAL

STATEMENT 3

<u>STATEMENTS OF CASH FLOW - INDIRECT METHOD</u>	<u>YEAR ENDED DECEMBER 31,</u>	
	1998	1997
CASH FLOW FROM OPERATING ACTIVITIES AND NON OPERATING REVENUES:		
Profit (Loss) from operations	879,400	187,218
Noncash expenses and revenues included in income:		
Depreciation	1,263,892	1,209,344
Provision for bad debts	25,988	15,980
Provision for doubtful accounts	219,484	818,480
Increase in receivables and amounts due from third parties	888,580	11,474,891
Decrease (increase) in inventories and prepaid expenses	157,400	126,354
Increase in accounts payable and accrued expenses	13,538	183,360
Net Cash Flow From Operating Activities	<u>282,038</u>	<u>123,277</u>
Nonoperating revenue	<u>1,698,637</u>	<u>1,628,336</u>
Net Cash Flow From Operating Activities And Nonoperating Revenue	<u>1,980,675</u>	<u>1,751,613</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	11,144,980	1850,591
Increase in assets held and in limited	<u>221,878</u>	<u>11,328,241</u>
Net Cash Used in Investing Activities	<u>11,366,858</u>	<u>13,509,832</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Principal payments on long-term debt	<u>175,800</u>	<u>1910,000</u>
Net Cash Used in Financing Activities	<u>175,800</u>	<u>1310,000</u>
NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS	178,480	11,881,681
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>842,007</u>	<u>1,605,500</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 1,020,487</u>	<u>\$ 1,717,181</u>

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

ABBEVILLE GENERAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1958

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Abbeville General Hospital (the Hospital) operates under the jurisdiction of the Board of Commissioners of Veredillo Parish, Louisiana (Parish) as Veredillo Parish Hospital Service District No. 2, and is exempt from Federal and State income taxes. The Hospital reports in accordance with the "Hospital Fund Guide" and other publications of the American Institute of Certified Public Accountants and general industry practice. The significant accounting policies used by the Hospital in preparing and presenting its financial statements are summarized as follows:

- A. Assets Whose Use is Limited. Assets whose use is limited include: assets not added by the Board of Commissioners for future capital improvements, assets whose the Board retains owned and may, at its discretion, subsequently use for other purposes; assets required by ordinance of the Parish to be used for principal and interest payments; and assets held to meet self insurance liabilities.
- B. Patients Service Revenue. Patient service revenue is recorded at the Hospital's established rates with contractual adjustments, charity allowances and operating allowances deducted to arrive at net patient service revenue.
- C. Inventories. Inventories of drugs and supplies are stated at the lower of cost (first-in, first-out) or market.
- D. Property, Plant and Equipment. Property, plant and equipment are stated at cost. Leased equipment is recorded at fair market value at date of acquisition which is then leased as cash.

Depreciation on property, plant and equipment is calculated on the straight-line method over the estimated useful lives of the assets.
- E. Bond Issuance Costs. Expenses related to issuance of bonds are deferred and amortized over the period the bonds will remain outstanding.
- F. Investment Income. Investment income on borrowed funds paid by a lessee is reported as operating income. Investment income from all other sources is reported as nonoperating income.
- G. Advances Taxes. Advances tax revenue is reported on the accrual basis. It is not limited to pay principal and interest on the public improvement and general obligation bonds.
- H. Cash Equivalents. The Hospital considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

ANNVILLE GENERAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1998

NOTE 2: MAJOR SOURCE OF REVENUE

The Hospital participates in the Medicare and Medicaid programs as a provider of medical services to program beneficiaries. The Hospital derived approximately 68.96 and 70.89 of its gross patient service revenues in 1998 and 1999, respectively, from patients covered by the Medicare and Medicaid programs. Included in net patient service revenues for 1998 and 1999 is additional reimbursement for Medicaid disproportionate share adjustments of \$246,458 and \$212,755, respectively. The Medicaid disproportionate share amount for 1998 is \$218,908 and for 1999 is \$218,081.

NOTE 3: NET PATIENT SERVICE REVENUE

The Hospital has agreements with third-party payors that provide for payments to 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 nursing 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 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 Hospital. The Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through December 31, 1998.

Medicaid inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology, with certain limitations and exceptions. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports filed 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 December 31, 1998. Effective July 1, 1998, the Medicaid inpatient reimbursement methodology switched to a prospective payment based on a fixed rate per day for nursing and psychiatric patients.

The Hospital has also entered into payment agreements with certain commercial insurance carriers, and preferred provider organizations. The basis for payment to the Hospital under some of these agreements includes prospectively determined daily rates.

ROSELVILLE GENERAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1988

NOTE 4: PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, by major category, is as follows at December 31, 1988 and 1987:

	Asset life in years	1988	1987
Land		\$ 251,000	\$ 251,000
Land improvements	10 - 20	202,467	227,300
Building	10 - 40	15,717,328	15,699,882
Fixed equipment	15 - 20	3,507,938	3,418,651
Major movable equipment	5 - 20	11,502,389	10,498,431
Less: cost		(8,258,288)	(8,073,312)
Less accumulated depreciation		(21,023,263)	(19,757,839)
Net Property, Plant and Equipment		\$ 9,218,282	\$ 9,024,802

NOTE 5: LONG-TERM DEBT

Long-term debt at December 31, 1988 and 1987 consisted of the following:

	1988	1987
General obligation bonds, dated August 1, 1984, bearing an average interest rate of 8.50% maturing serially on May 1 of each year beginning in 1988, with interest payable on May 1 and November 1 of each year, with the final maturity of May 1, 2018	\$ 2,970,000	\$ 2,460,000
Hospital revenue bonds, dated February 3, 1980, bearing interest of 8.25% - 8.00, maturing serially on February 3 of each year beginning in 1980, with interest payable February 3 and August 1 of each year beginning in 1982, with the final maturity on February 3, 2018.	\$ 315,000 \$ 460,000	\$ 460,000 \$ 460,000
Term loan portion	\$ 460,000	\$ 730,000
Long-term portion	\$ 3,745,000	\$ 3,650,000

The aggregate amount of sinking fund requirements for the five years ending December 31, 2000, are as follows:

	Principal	Interest	Total
1989	\$ 440,000	\$ 563,374	\$ 1,003,374
1990	500,000	603,100	1,103,100
1991	560,000	646,254	1,206,254
1992	1,075,000	280,393	1,355,393
1993	1,165,000	382,469	1,547,469
Total	\$4,740,000	\$2,281,590	\$ 7,021,590

ANNVILLE GENERAL HOSPITAL

NOTE TO FINANCIAL STATEMENTS

December 31, 1998

NOTE 1. OPERATING LEASES

Total rental expense for 1998, and 1997, for all operating leases was \$329,307 and \$149,158, respectively.

NOTE 2. PENSION PLAN

The Hospital has established a non-contributory, defined contribution retirement plan funded through contributions to State Mutual Life Assurance Company of America. Any employee who on any entry date is within six (6) months of meeting the plan eligibility requirements will qualify. Plan eligibility is defined as three (3) years of service. Any employee, who is a member of a union and is covered by a collective bargaining agreement, under the terms which retirement benefits have been a subject of good faith bargaining, will not be eligible to participate in the plan. Any persons who are retired under other employer physicians shall not be considered employees for plan purposes and, therefore, will not be eligible to participate in the plan. Any employee who was a participant in the plan prior to the amendment and restatement will continue to remain a participant in the restated plan. Total payroll of employees covered by the plan for the year ended December 31, 1998, and 1997, was \$4,418,428 and \$6,153,854, respectively; total payroll was \$18,932,748 and \$9,518,748 in 1998 and 1997, respectively.

The employer shall contribute for each plan year which the plan is in effect that amount which is actuarially determined to be necessary to fund the "accrued plan benefits" determined under the "individual premium funding method", assuming an interest rate of six (6) percent annually. Employer contributions are five (5) percent of covered payroll, and employees are contributable to the plan only with the consent of the employer. Pension cost amounted to \$385,862 and \$207,787 in 1998, and 1997, respectively.

NOTE 3. ASSETS WHOSE USE IS LIMITED

Assets whose use is limited that are required for obligations classified as current liabilities are reported in current assets. The composition of assets whose use is limited at December 31, 1998, and 1997, is set forth below.

	<u>1998</u>	<u>1997</u>
Self insurance liability	<u>\$ 273,148</u>	<u>\$ 331,410</u>
By fund for capital improvements: Cash and certificates of deposit Interest receivable	<u>\$ 10,397,049</u> <u>3,487</u>	<u>\$ 18,689,774</u> <u>3,899</u>
	<u>\$ 10,690,452</u>	<u>\$ 19,023,803</u>
By funds advanced for principal and interest: Cash and certificates of deposit Interest receivable Property lease receivable	<u>\$ 1,744,128</u> <u>6,862</u> <u>447,312</u>	<u>\$ 1,458,535</u> <u>8,094</u> <u>440,173</u>
	<u>\$ 2,198,303</u>	<u>\$ 1,906,802</u>

ANNOTATED GENERAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1999

NOTE 8. OTHER MATTERS

On May 4, 1983, the citizens of Hospital District #2, Parish of Vermilion, State of Louisiana, gave Abbeville General Hospital the authority to issue up to \$1,000,000 in bonds with a maximum interest rate of 8 percent. The proceeds from this issue are designated to refinance the hospital's 1983 Revenue Bonds. On February 1, 1999, the Hospital issued \$1,300,000 of general obligations bonds with interest ranging from 4.5 percent to 8 percent.

NOTE 10. CASH FLOW SUPPLEMENTAL INFORMATION

Total interest paid by the Hospital was \$628,614 and \$478,238, for 1999 and 1997, respectively.

NOTE 11. EXTRAORDINARY ITEMS

On February 1, 1997, the Hospital issued \$1,800,000 in Revenue Bonds (Outstanding Bond Balance 1997) with an interest rate ranging between 4.25% - 9.00% to advance refund \$7,075,000 of outstanding 1993 Revenue Bonds with an average interest rate ranging between 8.75% - 11.00%. The net proceeds of \$7,483,378 (including a premium of \$250,143, after payment of \$91,615 in underwriting fees, insurance and other issuance costs) plus an additional \$981,700 of 1993 Revenue Bond sinking fund monies were used to purchase U.S. government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 1993 Revenue Bonds which mature on or after July 1, 1999.

As a result, the 1993 Revenue Bonds maturing on or after July 1, 1999, are considered to be defeased and the liability for these bonds has been removed from long-term debt. Although the advance refunding resulted in the recognition of an operating loss of \$888,780 for the year ended December 31, 1999, the Hospital in effect reduced its aggregate debt service payments by almost \$7,800,042 over the next 20 years and obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) of almost \$2,628,488. The effective interest rate on the new issue is 4.81%.

NOTE 12. EMPLOYEE HOSPITALIZATION PLAN

The Hospital is currently enrolled in a self-insurance plan to provide health insurance to its employees. The Hospital makes monthly contributions to a trust fund to cover expected expenses to be incurred by its employees. These monthly contributions are computed by an outside administrator who assists in processing claims. Included within the monthly contributions is an amount for excess risk insurance. This excess risk insurance has a \$40,000 deductible per employee, per year, which in effect, limits the Hospital's exposure to \$40,000 per employee, per year. As of December 31, 1999, the Employee Benefit Fund assets were sufficient to cover estimated liabilities. The Employee Benefit Fund carried a balance of \$273,102 while liabilities were estimated to be \$120,773.

AMERICAN GENERAL HOSPITAL

NOTE TO FINANCIAL STATEMENTS

DECEMBER 31, 1988

NOTE 13. YEAR 2000

The hospital budgeted \$628,419 for year 1999 and \$466,825 for year 2000 to make computer systems and other electronic equipment year 2000 compliant. The hospital has identified all of its systems and individual components of the systems that need to be changed to make the hospital year 2000 compliant. To accomplish this, the hospital plans to upgrade its' distributed, file, accounting software, upgrade its' central heating and cooling system, and replace equipment in various departments. The hospital will purchase a new computer to aid it in performing the various tests. In-house personnel will test software programs for their respective departments. They will develop test data and test scripts to run and review the results of the tests. The completion of these stages is not a guarantee that systems and equipment will be year 2000 compliant.

UNIVERSITY GENERAL HOSPITAL

SCHEDULE OF INPATIENT SERVICE REVENUE

	1988	1987
INPATIENT SERVICE REVENUE		
Daily Patient Services:		
Adults and pediatric	\$ 2,978,645	\$ 2,984,190
Neonatal medicine	2,466,788	2,288,460
Psychiatry	221,273	607,643
Physical therapy unit	496,882	463,251
Intensive care	60,790	68,484
Newborn care	84,700	71,146
Outpatient	74,531	12,873
Outpatient clinic	22,362	22,117
Observation	<u>1,268,584</u>	<u>1,567,833</u>
Other Inpatient Services:		
Operating room	1,378,442	1,423,754
Recovery room	224,697	206,408
Delivery room	278,749	226,268
Central supplies	1,486,183	1,354,638
Intravenous therapy	1,510,458	1,386,128
Emergency services	<u>121,288</u>	<u>314,288</u>
	<u>4,808,399</u>	<u>5,834,312</u>
Other Professional Services:		
Laboratory	1,758,058	1,967,486
Plant processing	287,262	218,486
Food processing	524,838	492,247
Radiology	514,523	454,963
Phone	226,008	196,873
Electrocardiogram	3,466,544	3,344,458
Pharmacy	422,573	476,458
Anesthesiology	2,375,196	2,127,824
Intensification therapy	122,670	148,840
Respiratory therapy	28,844	22,373
Botany seminar	96,658	188,782
Radiology - Therapeutic	882	2,482
Speech therapy	<u>8,544,848</u>	<u>8,967,388</u>
	<u>12,655,507</u>	<u>12,513,127</u>
TOTAL INPATIENT SERVICE REVENUE	<u><u>17,413,906</u></u>	<u><u>18,347,439</u></u>

REVENUE

	FOR THE YEAR ENDED DECEMBER 31,	
	1999	1998
OUTPATIENT SERVICE REVENUE		
Daily Patient Services:		
Ambulatory care	540,565	176,088
Observation	<u>228,890</u>	<u>225,878</u>
Other Patient Services:		
Operating room	1,321,488	508,185
Recovery room	173,388	157,487
Central supplies	466,858	648,180
Intensive therapy	294,688	223,534
Emergency services	<u>815,352</u>	<u>607,732</u>
	<u>2,868,648</u>	<u>2,143,626</u>
Other Professional Services:		
Clinic	201,826	88,814
Oncology	23,329	14,884
Laboratory	1,483,241	1,854,178
Blood processing	35,081	26,584
Blood bank/donology	283,186	248,815
Biostatistics/pathology	28,088	15,181
Radiology	1,223,188	1,177,486
Dermatology	888,878	888,883
Diagnostics	588,878	528,883
Nursing	1,588,828	1,843,758
Anesthesiology	238,328	477,288
Intensivist therapy	181,888	178,288
Hospital therapy	8,778	2,188
Nuclear medicine	28,888	21,888
Radiology-therapeutic	<u>423,281</u>	<u>388,288</u>
	<u>7,878,778</u>	<u>8,848,211</u>
TOTAL OUTPATIENT SERVICE REVENUE	<u>11,800,883</u>	<u>9,843,313</u>
INPATIENT SERVICE REVENUE	31,487,218	31,855,858
Less Contractual Adjustments	<u>13,383,488</u>	<u>12,575,825</u>
Net Patient Service Revenue before Disproportionate Share	18,103,795	19,279,211
Medicaid Disproportionate Share	<u>283,813</u>	<u>213,253</u>
NET PATIENT SERVICE REVENUE	<u>18,387,608</u>	<u>19,492,464</u>

ANNVILLE GENERAL SOCIETY

<u>AMOUNT OF OTHER OPERATING REVENUES</u>	<u>YEAR ENDED DECEMBER 31,</u>	
	<u>1998</u>	<u>1997</u>
Collection notes	\$ 194,838	\$ 174,838
Interest Income on Investment Funds held by trustees	23,870	23,749
Medical records	6,315	6,499
Wording	11,046	13,057
Med. Filion - Collections	1,833	1,408
Retals - O&S	8,859	-
Other	26,980	21,467
Retals - Retals	25,943	-
Total	<u>\$ 319,624</u>	<u>\$ 281,188</u>

ANDREWS GENERAL HOSPITAL

<u>SCHEDULE OF NURSING SERVICES</u>	<u>YEAR ENDED DECEMBER 31,</u>	
	<u>1988</u>	<u>1987</u>
Salaries and Fees:		
Administrative office	\$ 363,360	\$ 363,335
Medical and surgical	2,609,658	2,468,880
Obstetrics	296,224	305,874
Nurses nursery	182,183	184,489
Operating room	512,265	483,469
Recovery room	123,738	121,844
Central services	33,422	33,349
Emergency room	918,371	915,396
Total Salaries and Fees	<u>5,062,451</u>	<u>4,885,730</u>
Supplies and Other Expenses:		
Administrative office	3,325	2,800
Medical and surgical	333,818	323,014
Obstetrics	58,809	29,654
Nurses nursery	8,815	4,854
Operating room	641,888	643,083
Recovery room	5,748	3,284
Central services	226,197	268,452
Emergency room	72,318	70,682
Total Supplies and Other Expenses	<u>1,635,313</u>	<u>1,372,723</u>
Total Nursing Services	<u>66,973,099</u>	<u>64,083,803</u>

ASHEVILLE GENERAL HOSPITAL

SCHEDULE OF OTHER PROFESSIONAL SERVICES	YEAR ENDED DECEMBER 31,	
	1988	1987
Salaries and Fees:		
Clinic	\$ 190,718	\$ 213,778
Oncology	124,551	84,857
Laboratory	483,480	496,873
Radiology	588,836	317,828
Scans	95,183	70,834
Ultrasoned	42,328	39,631
Pharmacy	248,325	278,853
Anesthesiology	263,300	245,430
Intubation Therapy	378,007	379,817
Physical Therapy	28,483	32,328
Medical records	251,338	193,497
Social services	46,474	31,741
Schedule unit	923,008	868,837
Partial unit	190,152	188,270
Specialty clinic	18,732	18,528
Total Salaries and Fees	3,483,275	3,271,887
Supplies and Other Expenses:		
Clinic	96,243	39,181
Oncology	4,893	2,388
Laboratory	633,836	580,058
Blood processing	244,819	207,488
Public Health	871	647
Radiology	452,789	480,155
Ultrasoned	42,413	40,828
Scans	121,274	212,774
Pharmacy	2,278,886	899,195
Anesthesiology	128,576	103,713
Intubation Therapy	132,327	133,517
Physical Therapy	58,455	66,680
Medical records	48,688	25,279
Social services	175	147
Schedule unit	200,000	308,776
Partial unit	52,447	43,883
Intubation record	648	582
Specialty clinic	4,388	3,122
Total Supplies and Other Expenses	3,888,225	3,225,242
Total Other Professional Services	7,371,500	6,497,129

ANDOVER GENERAL HOSPITAL

<u>SOURCE OF GENERAL SERVICES</u>	<u>YEAR ENDED DECEMBER 31,</u>	
	<u>1966</u>	<u>1967</u>
<u>Electricity and Fuel:</u>		
Electricity	\$ 276,858	\$ 303,529
Plant Engineering	283,228	178,182
Housekeeping	278,314	208,788
Laundry and Linen	18,228	31,582
Total Electricity and Fuel	<u>856,628</u>	<u>722,081</u>
<u>Supplies and Other Expenses:</u>		
Electricity	477,470	388,782
Plant Engineering	894,045	878,387
Housekeeping	297,018	58,782
Laundry and Linen	178,578	158,382
Total supplies and other expenses	<u>1,847,111</u>	<u>1,484,333</u>
Total General Services	<u>\$2,703,739</u>	<u>\$2,206,414</u>

AMBITIA GENERAL HOSPITAL

SCHEDULE OF FISCAL SERVICES	YEAR ENDED DECEMBER 31,	
	1998	1997
Salaries and Fees:		
patient accounting	\$ 128,997	\$ 128,512
credit and collections	-	8,894
admitting	87,840	85,960
data processing	28,540	26,024
communications	85,512	80,982
mailing and wires	58,997	56,874
personnel/public relations	181,428	181,947
quality assurance	27,512	88,982
HR coordination	24,873	62,265
Total Salaries and Fees	625,158	688,428
Supplies and Other Expenses:		
patient accounting	16,809	23,882
credit and collections	84,290	68,872
admitting	28,544	27,025
data processing	48,278	43,863
communications	103,388	183,381
mailing and wires	28,444	27,818
personnel/public relations	28,268	21,211
quality assurance	18,038	22,480
HR coordination	2,278	3,425
Total Supplies and Other Expenses	317,848	328,225
Total Fiscal Services	\$ 943,006	\$ 1,016,653

MERCY GENERAL HOSPITAL

SCHEDULE OF ADMINISTRATIVE SERVICES	YEAR ENDED DECEMBER 31,	
	1980	1979
Salaries and Fees:		
Administrative office	\$ 186,558	\$ 171,287
General accounting	226,154	65,831
Governing board	11,568	18,730
Total Salaries and Fees	<u>424,280</u>	<u>255,848</u>
Supplies and Other Expenses:		
Administrative office	54,948	65,181
General accounting	31,853	48,287
Employee benefits	1,424,688	1,528,734
Insurance	201,486	288,516
Books	12,793	11,288
OTHER	61,986	30,890
Salaries offices	488	486
Physician's guarantee	21,408	18,380
Total Supplies and Other Expenses	<u>2,189,126</u>	<u>2,627,832</u>
Total Administrative Services	<u>\$ 2,613,406</u>	<u>\$ 2,923,680</u>

AMPHICILIN ORAL SOLUTION

SCHEDULE OF COMMITTEE BOARD MEMBERS

TERM EXPIRES DECEMBER 31,

	1988		1987	
	NUMBER OF MEETINGS ATTENDED	COMPENSATION	NUMBER OF MEETINGS ATTENDED	COMPENSATION
COMMISSIONERS				
David Friedman	34	\$ 3,780	35	0
Jessie Ballin	29	1,550	32	1,400
Robert Johnson	36	1,800	36	1,800
James Rogers, III	31	1,550	34	1,800
Josephine Levy	33	1,800	31	1,550
John Donohue	30	1,800	25	1,350
Brian Ray, M.D.	28	1,400	-	-
Bridget Schmitt, M.D.	3	150	29	1,450
		<u>\$ 13,880</u>		<u>\$ 11,350</u>

LANGLOIS
&
BROUSSARD

Ch. Corporation of Certified Public Accountants

Alan P. Langlois, C.P.A.
Michael P. Broussard, C.P.A.

Single Peters, C.P.A.

Andrew M. Smith, C.P.A.

Shirley M. Swanson, C.P.A.

John Swanson, C.P.A.

Thomas G. Taylor, C.P.A.

Ann Smith, C.P.A., M.B.A.

John R. Schilling, C.P.A., M.B.A.

REPORT on INTERNAL CONTROL STRUCTURE & COMPLIANCE
With Like and un-audited

Chairman and Board of Commissioners
Abbeville General Hospital
Abbeville, Louisiana

INTERNAL CONTROL STRUCTURE

We have audited the general-purpose financial statements of Abbeville General Hospital, a corporate unit of the Louisiana Parish Health Care System, as of and for the year ended December 31, 1988, and have issued our report thereon dated March 10, 1989.

We conducted our audit 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 a reasonable assurance about whether the general-purpose financial statements are free of material misstatement.

The management of Abbeville General Hospital is responsible for establishing and maintaining an internal control structure. In discharging this responsibility, estimates and judgments by management are required to assess the expected benefits and related cost 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 authorization and recorded properly to permit the preparation of general-purpose 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 condition 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 or policies and procedures may deteriorate.

In planning and performing our audit of the general-purpose financial statements of Abbeville General Hospital for the year ended December 31, 1988, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

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 specific internal control structure elements do

not reduce to a sufficiently 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

COMPLIANCE WITH LAWS AND REGULATIONS

Compliance with laws, regulations, contracts, and grants applicable to Pineville General Hospital, is the responsibility of Asheville General Hospital's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we performed tests of the Asheville General Hospital'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 the 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 herein under Government Auditing Standards.

OTHER MATTERS

During our audit we also became aware of other matters that represent improvements in internal controls and operating efficiencies. The following summarizes our comments regarding this matter.

UNBILLED DISCHARGES OVER ONE MONTH

Findings and Observations:

Unbilled accounts as of December 31, 1999 comprised 14,909 of the total accounts receivable, as compared to 27,74 for the previous year. The dollar amount unbilled for December 31, 1999 is 2,880,828, compared to 31,880,813 for the previous year.

Conclusions and Recommendations:

The above figures represent a significant improvement over the previous year in the amount of unbilled accounts receivable.

COVERAGE OF MEDICAID PSYCHIATRIC CARE

Findings and Observations:

Accounts receivable for Medicaid Psychiatric Patients totaled 2388,843 as of December 31, 1999, compared to \$121,311 as of December 31, 1998. This is an increase of approximately 1889. The reason for this increase appears to be the fact that it takes an excessive amount of time to determine whether families covered versus non-covered days for Medicaid

patients in the psychiatric unit.

Conclusions and Recommendations:

The results of our work did not indicate any specific causes for this, however, the processes utilized to obtain verification of coverage may need to be reviewed.

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

We acknowledge with appreciation the courtesies extended our representatives during the audit.

Sincerely,



J. J. Smith
Louisiana Legislative Auditor
Certified Public Accountant
March 30, 1998