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OPELOUSAS GENERAL HOSPITAL  
FINANCIAL REPORT  
JUNE 30, 1967

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Release Date NOV 06 1967

NOV 06 1967

**C O N T E N T S**

	<i>Page</i>
<b>INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>1 and 5</b>
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
Consolidated balance sheets	4 and 5
Consolidated statements of revenues and expenses	7
Consolidated statements of changes in fund balances	8 and 9
Consolidated statements of cash flows	10 and 11
Notes to consolidated financial statements	12-19
<b>INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION</b>	<b>21</b>
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of income from patient services	22 and 23
Schedule of departmental revenues and expenses	24-28
Schedule of other operating revenues and allotments	29
Schedule of departmental operating expenses	30-33
Departmental statistics	32 and 33
<b>INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH INDEPENDENT AUDITING STANDARDS</b>	<b>35 and 37</b>
<b>INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS</b>	<b>39 and 41</b>



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To the Board of Trustees  
Opelousas General Hospital Trust Authority  
and Board of Commissioners  
Hospital Service District No. 2  
St. Landry Parish, Louisiana

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Opelousas General Hospital Trust Authority and Hospital Service District No. 2 of St. Landry Parish, Louisiana as of June 30, 1997 and 1998, 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 October 1, 1997 on our consideration of the Hospital's internal control structure and a report dated October 1, 1997 on its compliance with laws and regulations.

*Broussard, Poché, Lewis & Broussard*

Opelousas, Louisiana  
October 1, 1997

OPERATING GENERAL HOSPITAL TRUST AUTHORITY  
AND HOSPITAL SERVICE DISTRICT NO. 2 OF ST. LEBLANC PARISH, LOUISIANA

CONSOLIDATED BALANCE SHEETS  
June 30, 1997 and 1996  
(In Thousands)

ASSETS	<u>1997</u>	<u>1996</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 440	\$ 1,859
Patient accounts receivable, less allowances for uncollectible accounts, \$2,398 at 1997 and \$1,928 at 1996	6,056	5,687
Rebt retirement bond fund held by Trustee:		
Bond fund:		
Cash and cash equivalents	383	440
Accrued interest receivable	5	7
Investments	10,428	9,496
Inventories	502	347
Prepaid expenses	758	580
Other receivable	523	657
Total current assets	<u>\$ 18,126</u>	<u>\$ 23,553</u>
<b>OTHER ASSETS</b>		
Rebt retirement funds held by Trustee:		
Bond reserve fund:		
Cash and cash equivalents	\$ 851	\$ 903
Investments	681	1,209
Accrued interest receivable	4	29
Replacement and renovation fund:		
Cash and cash equivalents	5	20
Investments	26	62
Accrued interest receivable	-	3
Interest Depreciation fund:		
Cash and cash equivalents	7	15
Investments	162	243
Accrued interest receivable	-	3
Deposits designated for plant repair and expansion:		
Cash and cash equivalents	-	133
Investments	5,748	5,648
Deposits designated for costs of construction projects:		
Cash and cash equivalents	-	3
Unaccrued expense	182	229
Other investments	85	93
Other assets	8	12
	<u>\$ 7,133</u>	<u>\$ 7,528</u>
<b>PROPERTY, PLANT AND EQUIPMENT, less accumulated depreciation, \$28,380 at 1997 and \$18,383 at 1996</b>	<u>\$ 32,488</u>	<u>\$ 32,332</u>
	<u>\$ 58,235</u>	<u>\$ 65,513</u>

See Notes to Consolidated Financial Statements.

LIABILITIES AND FUND BALANCES	1991	1990
<b>CURRENT LIABILITIES</b>		
Trade accounts payable	\$ 888	\$ 1,097
Current portion of long-term debt	389	714
Employee compensation payable	3,184	3,011
Other accrued expenses	258	184
Estimated third-party paper settlements	2,094	2,157
Payable from designated assets:		
Risk contract	<u>123</u>	<u>    </u>
Total current liabilities	<u>\$ 6,936</u>	<u>\$ 6,163</u>
<b>LONG-TERM LIABILITIES</b>		
Long-term portion of debt	<u>\$ 3,982</u>	<u>\$ 9,513</u>
<b>FUND BALANCES</b>		
Designated:		
For debt retirement:		
Bond fund	\$ 384	\$ 668
Bond reserves fund	3,484	1,717
Replacement and renovation reserves fund	77	77
Business depreciation fund	189	168
For plant repair and expansion	3,375	5,980
For costs of construction project	<u>    </u>	<u>    </u>
	<u>\$ 7,441</u>	<u>\$ 7,850</u>
Non-designated	<u>18,995</u>	<u>18,078</u>
	<u>\$ 26,436</u>	<u>\$ 25,928</u>
	<u>\$ 33,372</u>	<u>\$ 31,921</u>

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OPENHOUSE GENERAL HOSPITAL TRUST AUTHORITY  
AND HOSPITAL SERVICE DISTRICT NO. 3 OF ST. LAMERY PARISH, LOUISIANA

CONSOLIDATED STATEMENTS OF REVENUES AND EXPENSES  
Years Ended June 30, 1987 and 1986  
(In Thousands)

	1987	1986
Net patient service revenues	\$ 61,994	\$ 38,334
Other operating revenues	<u>582</u>	<u>863</u>
Total operating revenues	<u>\$ 62,576</u>	<u>\$ 39,197</u>
Operating expenses:		
Nursing services	\$ 5,089	\$ 4,846
Ancillary services	18,218	17,380
General services	3,190	2,882
Fiscal and administrative services	4,012	5,978
Depreciation	1,404	3,178
Interest	763	375
Premiums for uncollectible accounts	<u>2,382</u>	<u>2,816</u>
	<u>\$ 38,138</u>	<u>\$ 38,475</u>
Excess of operating revenue over operating expenses	<u>\$ 2,438</u>	<u>\$ 2,722</u>
Nonoperating revenues (expenses):		
Interest income	\$ 541	\$ 716
Gain (loss) on OCH Medical Services, Inc.	144	(185)
Loss on OCH Medical Services, Inc.	(281)	(79)
Donations	7	70
Netral income, net of expenses	518	315
Loss on disposal of assets	(18)	(700)
Other	<u>3</u>	<u>3</u>
	<u>\$ 1,385</u>	<u>\$ 1,370</u>
Excess of revenues over expenses	<u>\$ 3,823</u>	<u>\$ 4,092</u>

See Notes to Consolidated Financial Statements.

OPPOLDSAN GENERAL HOSPITAL TRUST AUTHORITY  
AND HOSPITAL SERVICE DISTRICT NO. 7 OF ST. LAMAR PARISH, LOUISIANA

CONSOLIDATED STATEMENTS OF CHANGES IN FUND BALANCES  
Years Ended June 30, 1997 and 1996  
(In Thousands)

	<u>Designated Funds</u>		
	<u>Bond Fund</u>	<u>Bond Reserve Fund</u>	<u>Replacement and Renovation Reserve Fund</u>
Balance, June 30, 1995	\$ 188	\$ 1,382	\$ 68
Additions:			
Allocation of excess revenues over expenses	27	88	5
Deductions and transfers:			
Transfer from non-designated funds	1,272	-	-
Transfers of designated funds	-	-	-
Interest paid	(854)	-	-
Debt retirement	(553)	-	-
Capital expenditures	-	-	-
Balance, June 30, 1996	\$ 468	\$ 1,370	\$ 73
Additions:			
Allocation of excess revenues over expenses	25	86	6
Deductions and transfers:			
Transfer from non-designated funds	1,185	-	-
Interest paid	(455)	-	-
Debt retirement	(380)	-	-
Capital expenditures	-	-	-
Balance, June 30, 1997	<u>\$ 363</u>	<u>\$ 1,456</u>	<u>\$ 79</u>

See Notes to Consolidated Financial Statements.

		<u>Designated Funds</u>					
<u>Beha. Retirement</u>		<u>Plant</u>	<u>Seed</u>	<u>Construction</u>	<u>Non-</u>		
<u>General</u>	<u>Depreciation</u>	<u>Repair</u>	<u>Insurance</u>	<u>Project</u>	<u>Designated</u>	<u>Total</u>	
<u>Fund</u>	<u>Fund</u>	<u>Expend.</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>		
\$ 100	\$ 4,780	\$ 19	\$ 3,371	\$ 26,510	\$ 26,790		
	10	852	-	48	2,930	3,410	
-	2,091	-	-	-	(3,363)	-	
-	3,354	(19)	(3,315)	-	-	-	
-	-	-	-	-	488	-	
-	-	-	-	-	500	-	
-	<u>69,8120</u>	-	-	-	<u>8,913</u>	-	
\$ 100	\$ 5,385	\$ -	\$ -	\$ -	\$ 32,734	\$ 38,669	
	206	-	-	-	4,384	4,166	
-	2,909	-	-	-	16,184	-	
-	-	-	-	-	427	-	
-	-	-	-	-	280	-	
-	<u>63,2800</u>	-	-	<u>11</u>	<u>3,385</u>	-	
<u>\$ 100</u>	<u>\$ 6,575</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,984</u>	<u>\$ 43,623</u>	

OPELOUSAS GENERAL HOSPITAL TRUST AUTHORITY  
AND HOSPITAL SERVICE DISTRICT NO. 2 OF ST. LANDRY PARISH, LOUISIANA

CONSOLIDATED STATEMENTS OF CASH FLOW  
Years Ended June 30, 1997 and 1996  
(In Thousands)

	1997	1996
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Increase of revenues over expenses	\$ 4,708	\$ 3,418
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,487	1,381
Amortization	47	56
Loss on disposal of assets	8	21
(Gain) on investment	(48)	(100)
(Increase) decrease in assets:		
Receivables	(615)	(126)
Inventories	(54)	(77)
Prepaid expenses	(251)	(27)
Other assets	3	81
Increase in liabilities:		
Payables	502	282
	<u>1,822</u>	<u>1,822</u>
Net cash provided by operating activities	<u>\$ 6,530</u>	<u>\$ 5,240</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Principal payments on long-term debt	\$ (1,820)	\$ (100)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of investments	\$(10,641)	\$(10,342)
Proceeds from redemption of investments	34,834	17,250
Purchase of property and equipment	(3,834)	(5,844)
Proceeds from sale of property and equipment	62	28
Dividends from investment	8	18
	<u>10,429</u>	<u>11,109</u>
Net cash used in investing activities	<u>\$ (1,031)</u>	<u>\$ (1,002)</u>
Net decrease in cash and cash equivalents	\$ (722)	\$ (2,862)
Cash and cash equivalents, beginning	<u>2,383</u>	<u>5,145</u>
Cash and cash equivalents, ending	<u>\$ 1,661</u>	<u>\$ 2,283</u>

(Continued)

ORLEANS GENERAL HOSPITAL TRUST AUTHORITY  
AND HOSPITAL SERVICE DISTRICT NO. 3 OF ST. LAMERY PARISH, LOUISIANA

CONSOLIDATED STATEMENTS OF CASH FLOW (CONTINUED)  
Years Ended June 30, 1991 and 1990  
(In Thousands)

	1991	1990
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash payments for interest	\$ 266	\$ 273

See Notes to Consolidated Financial Statements.

OPOLOUSSA GENERAL HOSPITAL TRUST AUTHORITY  
AND HOSPITAL SERVICE DISTRICT NO. 2 OF ST. LANDRY PARISH, LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization and Significant Accounting Policies

Organization and Consolidation:

The accompanying financial statements include the consolidated accounts and transactions of Hospital Service District No. 2 of St. Landry Parish, Louisiana (District), and Opoloussa General Hospital Authority (Authority). All significant transactions between the two entities have been eliminated in consolidation.

The District, which is the beneficiary of the Authority, is a political subdivision of the State created by an ordinance adopted by the St. Landry Parish Police Jury on July 4, 1853 for the purpose of establishing the Hospital. The geographical limits of the District coincide with those of Ward 1, St. Landry Parish, which includes the corporate limits of the City of Opoloussa. Members of the Board of Commissioners are appointed by the St. Landry Parish Police Jury and may also serve as Trustees of the Authority.

The Authority was created under the laws of the State of Louisiana pursuant to a Trust Indenture executed on April 8, 1931 for the benefit of the District and is a public instrumentality of the State of Louisiana. The stated purpose of the Authority is to acquire hospital facilities by lease, purchase, gift or otherwise and in place, establish, develop, construct and administer hospital properties for the use and benefit of the residents of the District. The Authority is empowered to issue temporary notes, bonds, or other evidences of indebtedness from time to time to accomplish any of these purposes.

The Authority owns 100% of OGH Medical Services, Inc. This subsidiary is a general partner with a 50% ownership interest in the operations of Acadiana Medical Ventures, Ltd. The Authority also owns 100% of OGH Medical Offices, Inc.

Net patient service revenues:

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Inventories:

Inventories are valued at the latest invoice price which approximates the lower of cost (first-in, first-out method) or market.

### Investments:

Investments include certificates of deposit and obligations of the U.S. Government Agencies and are stated at cost or amortized cost which approximates market value.

### Property, plant and equipment:

The Hospital records all property, plant and equipment acquisitions at cost, except for assets donated to the Hospital. Donated assets are recorded at fair market value at the date of donation.

The Hospital provides for depreciation of its plant and equipment using the straight-line method in amounts sufficient to amortize the cost of its assets over their estimated useful lives.

### Unamortized expenses:

Unamortized expenses are recorded as other assets and are amortized over the estimated lives of the related assets.

### Designated and non-designated funds:

The Hospital classifies all of its funds as either designated or non-designated. Designated funds have been designated for specific purposes by the Orleans General Hospital Board, the St. Landry Parish Police Jury, or the donors.

The Hospital has several designated funds which were established by the issuance of debt. These funds are to be maintained by the Trustee (Governor of Louisiana in Baton Rouge, Louisiana) as special trust accounts for the benefit and security of all of the holders and owners of the bonds (the ten year notes and the five tenor household mortgage revenue bonds):

#### Debt Retirement Bond Fund:

The Bond Fund is used to receive transfers of revenues from the Authority to pay the principal and the interest on the bonds. Amounts contained in the Bond Fund in excess of the interest due on the next succeeding interest payment date and the principal due on the next succeeding principal payment date may, at the option of the Authority, be used either for early redemption of bonds or for the purchase of bonds in the open market.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Bond Reserve Fund:

The Bond Reserve Fund shall be used to prevent any default in the payment of the bonds. The minimum required balance in the Bond Reserve Fund is an amount equal to the maximum annual debt service requirements (principal and interest) on the bonds. Any amounts accumulating in excess of the minimum required balance should be transferred to the Debt Retirement Bond Fund.

### Replacement and Renovation Fund:

The Replacement and Renovation Fund is to assure the availability of funds for emergency repair or replacement of equipment and renovation of facilities that could affect the operation of the Hospital. The minimum required balance in the Renovation and Replacement Reserve Fund is \$25,000. Amounts accumulating in excess of the minimum required balance are transferred by the Trustee Bank upon receipt to the Debt Retirement Bond Fund.

### Excess Depreciation Fund:

The Excess Depreciation Fund is to assure that funds are available for replacement and purchase of additional equipment and new property for the benefit of the Hospital. The required amount (to be deposited monthly) transfer to the depreciation expense that is in excess of the principal payment on the bonds and current acquisition of depreciable assets and capital improvements during the year.

### Sifts, Grants, and Bequests:

Sifts, grants and bequests not designated by donors for specific purposes are reported as unapporportioned revenues regardless of the use for which they might be designated by the Board. Sifts, grants and bequests restricted to donors for a specific purpose are reported as additions to the restricted funds and are transferred to the non-designated funds when the funds have been disbursed for the intended purpose.

### Cash and cash equivalents:

For purposes of the statement of cash flows, the Hospital considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Health Insurance Program Reimbursements

The Hospital participates in medicare and medicaid programs as a provider of medical services in program beneficiaries. During the years ended June 30, 1997 and 1996, approximately 372 and 321, respectively, of the Hospital's patient service revenues were furnished to medicare and medicaid program beneficiaries. Revenues derived from the medicare program are subject to audit and adjustment by the fiscal intermediary and must be accepted by the Department of Health and Human Services before settlement amounts become final. Revenues derived from the medicaid program are subject to audit and adjustment and must be accepted by the Department of Health and Hospitals. State of Louisiana before the settlement amounts become final. Management does not anticipate significant adjustments by program representatives of settlements for the year ended June 30, 1997.

Note 3. Property, Plant, and Equipment

The following is a summary of the property, plant, and equipment by business activity.

	1997		1996	
	Hospital	Piessens Center	Hospital	Piessens Center
Land and land improvements	\$ 1,170,000	\$ 71,000	\$ 1,340,000	\$ 71,000
Buildings and fixed equipment	10,185,000	1,144,000	10,475,000	1,144,000
Major movable equipment	24,880,000	210,000	22,837,000	293,000
Construction in progress	484,000	-	187,000	-
allowance for depreciation	(28,837,000)	(313,000)	(23,786,000)	(210,000)
	<u>\$ 10,454,000</u>	<u>\$ 1,012,000</u>	<u>\$ 12,238,000</u>	<u>\$ 1,298,000</u>

Depreciation expense for the Hospital and the Piessens Center was \$3,681,000 and \$74,000 respectively, in 1997 and \$3,126,000 and \$15,000, respectively, in 1996.

The construction in progress represents the costs involved in relation to various renovations at the Hospital.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 4. Long-Term Debt

The details and balances of long-term debt are presented below:

	1991	1990
<b>NORTH TOWER SECTION OF FOUR STORY BUILDING</b>		
Bonds, Series 1973, \$1.25 to \$1.35, collateralized by a first mortgage on the leasehold interest of the facilities and pledge of hospital revenues, with annual installments ranging from \$18,000 to \$235,000 to 1998 (\$135,000 due in 1998)	\$ 150,000	\$ 460,000
<b>NORTH TOWER SECTION OF FIFTH AND SIXTH FLOORS</b>		
First Leasehold Mortgage Revenue Bonds Series 1979, 7.25% to 8.5%, collateralized by a first mortgage on the leasehold interest of the facilities and pledge of hospital revenues, due serially to 1998, with annual installments ranging from \$50,000 to \$765,000 (\$130,000 due in 1998)	130,000	885,000
<b>KITCHEN AND WOMEN'S SERVICES EXPANSION</b>		
First Leasehold Mortgage Hospital Revenue Bonds Series 1981, 8.5% to 9.5%, collateralized by a first mortgage on the leasehold interest of the facilities and pledge of hospital revenues, due serially to 2010, with annual installments ranging from \$348,000 to \$548,000 (\$270,000 due in 1998)	7,850,000	8,875,000
<b>MEDICAL EQUIPMENT</b>		
3.92 Note collateralized by ultrasound equipment, payable in monthly installments of \$3,000, including interest through 3-1-99 (\$24,000 due in 1998)	24,000	84,000
<b>OFFSHORE MEDICAL CENTER (OFFICE BUILDING)</b>		
Note collateralized by real estate with a carrying value of \$880,000 bearing interest based on Chase prime with a floor of 8% and a ceiling of 10%, payable in monthly install- ments of \$9,000, including interest through 11-01-2001 (\$17,000 due in 1998)	300,000	450,000
<b>Subtotals forward</b>	<u>\$ 8,854,000</u>	<u>\$10,864,000</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	1991	1990
Subtotals forwarded	\$ 8,415,000	\$18,863,000
<b>MEDICAL ARTS PLAZA (OFFICE BUILDING)</b>		
Note collateralized by real estate with a carrying value of \$640,000, bearing interest based on Chase prime with a floor of 8% and a ceiling of 10%, payable in monthly installments of \$4,000, including interest through 10-01-2001 (\$50,000 due in 1998)	744,000	589,000
<b>MARKEN PROPERTY (OFFICE SPACE)</b>		
\$1,000 note collateralized by real estate and various equipment, payable in monthly installments of \$1,000, including interest through 8-1-99 (\$13,000 due in 1998)	30,000	42,000
Unamortized discount on the issuance of notes 1973, 1977, and 1993 bonds (\$10,000 in 1998)	<u>(118,000)</u>	<u>(165,000)</u>
	\$ 8,771,000	\$18,869,000
Less current portion	<u>(289,000)</u>	<u>(138,000)</u>
	<b>\$ 8,482,000</b>	<b>\$ 18,731,000</b>

Aggregate maturities required on long-term debt at June 30, 1991 are as follows:

1998	\$ 389,000
1999	701,000
2000	715,000
2001	740,000
2002	673,000
later years	<u>5,178,000</u>
	<b>\$ 8,213,000</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

First Leasehold Mortgage Revenue Bonds:

During 1973, 1979 and 1985, the Hospital Authority issued revenue bonds totaling \$3,180,000, \$1,930,000 and \$8,315,000, respectively, to finance construction and renovation of the Hospital. The bonds are payable from a pledge of future revenues and are collateralized by mortgages on all properties of the Hospital.

The 1973 revenue bonds are callable at the option of the Authority at a premium of up to 18 of the principal amount retired or redeemed after March 15, 1993 and prior to March 1, 1998. The 1979 and 1985 revenue bonds are also callable at the option of the Authority.

On October 1, 1996, the Hospital called and canceled \$155,000 of the First Leasehold Mortgage Revenue Bonds Series 1973. These bonds were originally scheduled to mature between the years 1999 and 2003.

Note 3. Employee Retirement Plan

The Hospital has a defined contribution pension plan which covers substantially all full-time Hospital employees after they have met certain eligibility requirements. Employees are required to contribute an amount equal to the existing Social Security rate. All funds contributed by the employee are fully vested. The Hospital contributes amounts ranging from 5 to 15 percent of the employee's salary based on length of employment. The Hospital's contribution is fully vested to the participants after 7 years of continued employment. The Hospital's contributions to the plan for the years ended June 30, 1997 and 1996, were \$1,063,000 and \$1,081,000, respectively.

Note 4. Unaccrued Expenses

	Accrual Basis	1997	1996
1979 Debt insurance expense	\$1. 30 Yrs.	\$ 4,080	\$ 42,000
Organizational costs	31. 30 Yrs.	88,000	92,000
1985 Debt insurance expense	31. 30 Yrs.	<u>78,800</u>	<u>55,800</u>
		<u>\$172,880</u>	<u>\$192,800</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 7. Charity Care and Contractual Discounts

#### Charity care:

The Hospital maintains records to identify and monitor the level of charity it provides. These records include the amount of charges forgiven for services under its charity care policy. The amount of charges forgiven for charity care provided is \$587,800 and \$587,800 during 1997 and 1998, respectively.

#### Contractual discounts:

As discussed in Note 2, the Hospital participates in Medicare and Medicaid programs as a provider of medical services to program beneficiaries. Because of Federal and State regulations, the Hospital does not receive full payment from third party payors under these programs. The amounts recorded as contractual adjustments were \$22,333,000 and \$21,378,000 during 1997 and 1998, respectively.

### Note 8. Lease - VVA-Opelousas Rehabilitation Campus

During 1998, the Authority entered into an agreement with Sabine Valley Hospital, L.L.C. d/b/a VVA-Opelousas Rehabilitation Campus (VOR) whereby the Authority leased twenty-one licensed beds within the hospital to VOR for the purpose of operating a rehabilitation facility. This agreement expires on December 31, 1999.

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**INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION**

To the Board of Trustees  
 Spokeman General Hospital Trust Authority  
 and Board of Commissioners  
 Hospital Service District No. 2  
 St. Landry Parish, Louisiana

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis of the basic consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies. The supplementary information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

- Raymond E. Brunnard, CPA
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- Michael W. Lebes, CPA
- Mark S. Birbaux, CPA
- Mark S. Brunnard, CPA
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- David L. Brunnard, CPA
- Gregory M. Brunnard, CPA
- W. Todd Brunnard, CPA
- Arthur Brunard, CPA

Spokeman, Louisiana  
 December 1, 1997

*Brunnard, Poschie, Lebes & Birbaux*

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OPENLOUISIANA GENERAL HOSPITAL TRUST AUTHORITY AND  
HOSPITAL SERVICE DISTRICT NO. 3 OF  
ST. LAMARIE PARISH, LOUISIANA

SCHEDULE OF INCOME FROM PATIENT SERVICES  
Years Ended June 30, 1991 and 1990  
(In Thousands)

	<u>Inpatient</u>	
	<u>1991</u>	<u>1990</u>
<b>Rooming services:</b>		
Medical and surgical	\$ 3,881	\$ 3,881
Infirmity care unit	1,992	1,780
Maternity	449	330
Skilled nursing facility	156	165
	<u>\$ 6,478</u>	<u>\$ 6,156</u>
<b>Auxiliary services:</b>		
Anesthesiology	\$ 1,366	\$ 1,163
Cancer treatment center	38	34
Cardiac catheterization	84	61
Central supply	3,818	3,387
Communication disorders	100	88
CT scan	712	667
Endoscopy room	628	535
Electrocardiology	712	684
Electroencephalography	28	28
Emergency room	881	887
Emergency room physician	664	628
Home health	-	-
Hyperbaric medicine	179	174
Intensification therapy	3,392	4,328
Intravenous therapy	934	864
Laboratory	3,785	3,811
Medical imaging	4,618	4,328
MRI	45	53
Nuclear medicine	188	146
Oncology	2	2
Operating room	3,433	2,873
Pain management	-	-
Pharmacy	7,118	6,484
Physical therapy	218	173
Physician clinics	-	-
Pulmonary function	12	63
Recovery room	885	613
Rural health clinics	-	-
Special services	68	62
	<u>\$ 52,393</u>	<u>\$ 48,263</u>



Outpost Less:		Totals	
1992	1993	1992	1993
\$ 295	\$ 226	\$ 3,866	\$ 6,829
15	15	1,913	1,773
-	-	669	350
-	-	150	243
<u>\$ 218</u>	<u>\$ 238</u>	<u>\$ 6,398</u>	<u>\$ 9,295</u>
\$ 1,606	\$ 1,267	\$ 7,879	\$ 11,518
1,058	854	1,086	958
600	212	676	263
881	879	4,798	4,416
303	300	403	388
1,413	1,497	2,165	2,166
299	173	893	908
1,116	1,218	1,818	2,163
46	38	19	37
1,578	1,554	1,801	1,816
1,833	1,763	1,868	2,183
2,022	1,898	2,019	1,998
868	1,038	1,082	1,034
912	648	6,814	5,098
183	168	1,137	1,033
4,189	4,237	8,154	8,038
2,543	2,515	4,182	3,868
738	517	813	618
427	492	383	428
338	254	312	257
3,824	2,897	6,872	5,338
18	25	13	26
2,288	1,864	8,423	8,328
331	187	441	388
-	86	-	86
483	264	515	417
268	676	1,098	3,189
135	87	119	87
-	81	68	85
<u>\$ 28,391</u>	<u>\$ 27,121</u>	<u>\$ 61,768</u>	<u>\$ 74,320</u>

OPLOUSAS GENERAL HOSPITAL TRUST AUTHORITY AND  
HOSPITAL SERVICE DISTRICT NO. 2 OF  
ST. LAFAYETTE PARISH, LOUISIANA

SCHEDULES OF DEPARTMENTAL REVENUES AND EXPENSES  
Years Ended June 30, 1987 and 1986  
(In Thousands)

	Revenue	
	1987	1986
<b>Revenue services:</b>		
Medical and surgical	\$ 3,866	\$ 4,028
Intensive care unit	1,915	2,122
Nursery	649	630
Skilled nursing facility	156	165
	<u>\$ 6,586</u>	<u>\$ 6,945</u>
<b>Auxiliary services:</b>		
Anesthesia	\$ -	\$ -
Anesthesiology	2,472	2,530
Cancer treatment center	1,886	968
Cardiac catheterization	584	263
Central supply	4,788	4,626
Communicable disorders	471	383
CT scan	2,365	2,164
Delivery room	883	588
Electrocardiology	1,828	2,183
Electroencephalography	79	27
Emergency room	1,822	2,934
Emergency room physician	1,483	2,183
Home health	2,887	2,988
Hypochlorite medicine	1,842	2,234
Infectious control	-	-
Inhalation therapy	6,424	5,096
Intravenous therapy	1,217	2,015
Laboratory	8,154	8,038
Medical imaging	4,282	2,843
MR	813	630
Nuclear medicine	588	471
Oncology	323	297
Operating room	8,837	9,518
Pain management	15	26
Pharmacy	2,613	2,324
Physical therapy	661	388
Physician utilization	-	84
Pulmonary function	516	437
Recovery room	1,891	2,286
Rural health clinics	216	87
Social services	88	63
	<u>\$ 61,936</u>	<u>\$ 58,326</u>
	<u>\$ 68,522</u>	<u>\$ 66,272</u>

Direct Operating Expenses		Revenue Over (Under)	
1992	1991	1992	1991
\$ 3,833	\$ 3,314	\$ 375	\$ 214
917	945	946	827
508	492	301	58
341	316	15	29
\$ 3,699	\$ 4,067	\$ 3,317	\$ 1,468
\$ 519	\$ 512	\$ 7,313	\$ 1,995
588	588	586	388
265	228	199	35
788	732	6,682	2,226
191	199	212	289
389	389	1,885	1,885
444	442	377	44
489	445	1,338	1,658
28	29	51	48
928	928	966	966
1,345	1,344	287	838
881	728	1,316	1,282
487	945	345	275
72	78	678	678
679	485	4,345	4,415
133	38	1,084	985
1,759	1,694	4,345	4,345
1,588	1,051	2,882	2,782
341	318	472	120
288	287	383	683
258	219	72	24
2,488	2,384	4,281	3,874
-	2	15	24
2,138	1,986	7,283	6,387
254	203	187	195
132	208	(181)	(186)
341	288	254	189
288	218	841	1,887
448	312	(285)	(275)
152	128	184	(227)
\$ 18,218	\$ 17,758	\$ 41,712	\$ 38,300
\$ 23,202	\$ 21,844	\$ 48,284	\$ 48,524

(Cont'd on next page)

OPELOUSAS GENERAL HOSPITAL TRUST AUTHORITY AND  
HOSPITAL SERVICE DISTRICT NO. 2 OF  
ST. LANDRY PARISH, LOUISIANA

SCHEDULE OF DEPARTMENTAL REVENUES AND EXPENSES (CONTINUED)  
Years Ended June 30, 1997 and 1996  
(In Thousands)

	Revenues Over (Under)	
	Direct Operating Expenses	Expenses
	1997	1996
Revenues over direct operating expenses (forwarded)	\$ 45,389	\$ 48,978
Allowances	(18,360)	(24,837)
Other operating revenues	_____ 382	_____ 661
	<u>\$ 15,411</u>	<u>\$ 24,802</u>
Operating expenses:		
General services	\$ 3,182	\$ 2,893
Fiscal and administrative services	5,037	5,876
Depreciation	3,491	3,278
Interest	363	379
Provision for uncollectible accounts	_____ 2,385	_____ 2,856
	<u>\$ 15,458</u>	<u>\$ 25,382</u>
Excess of hospital operating revenues over expenses	<u>\$ 3,380</u>	<u>\$ 2,351</u>

ORLEANS GENERAL HOSPITAL TRUST AUTHORITY AND  
HOSPITAL SERVICE DISTRICT NO. 3 OF  
ST. LAFAYETTE PARISH, LOUISIANA

STATEMENT OF OTHER OPERATING REVENUES AND ALLOWANCES  
Years Ended June 30, 1987 and 1986  
(In Thousands)

	1987	1986
Other operating revenues:		
Baby pictures	\$ 1	\$ 3
Exhibits	228	252
Support services - Specimen Rehabilitation	183	93
Foundation	-	-
Medical record abstracts	1	1
Miscellaneous	85	86
Outside dialysis	27	34
Physician grants	-	150
Seminars	37	40
	<u>\$ 582</u>	<u>\$ 657</u>
Allowances:		
Administrative adjustments	\$ 48	\$ 81
Blue Cross discounts	874	859
Charity allowances	597	387
Government contractual allowances	22,232	22,378
Managed care allowances	3,898	2,162
	<u>\$ 27,649</u>	<u>\$ 28,867</u>

ST. LOUIS CENTRAL HOSPITAL TRUST AUTHORITY AND  
 HOSPITAL SERVICE DISTRICT NO. 2 OF  
 ST. LOUIS (MO.), MISSOURI

SCHEDULE OF DEPARTMENTAL OPERATING EXPENSES  
 Years Ended June 30, 1957 and 1958  
 (In Thousands)

	Salaries		Physician Fees	
	1957	1958	1957	1958
<b>Basic services:</b>				
Medical and surgical	\$ 3,698	\$ 3,679	\$ -	\$ -
Infectious case unit	217	268	-	-
Surgery	268	264	-	-
Skilled nursing facility	245	257	25	26
	<u>\$ 4,428</u>	<u>\$ 4,468</u>	<u>\$ 25</u>	<u>\$ 26</u>
<b>Auxiliary services:</b>				
Analyses	\$ -	\$ -	\$ -	\$ -
Anesthesiology	87	7	68	63
Cancer treatment center	287	336	-	18
Cardiac catheterization	-	-	-	-
Central supply	178	178	-	-
Communication disorders	138	138	26	24
CT scan	86	75	-	-
Delivery room	666	554	-	-
Electrocardiology	198	188	201	177
Electroencephalography	-	-	24	29
Emergency room	298	287	-	-
Emergency room physician	-	-	1,342	1,298
Home health	591	548	-	-
Hypertensive medicine	-	-	-	-
Infectious medical	81	50	-	-
Inhalation therapy	423	382	18	15
Intravenous therapy	-	-	-	-
Laboratory	119	485	13	62
Medical Imaging	628	648	1	13
MRI	-	-	-	-
Nursing medicine	58	35	-	-
Oncology	108	103	128	188
Operating room	738	838	51	81
Pain management	-	-	-	7
Pathology	413	398	-	-
Physical therapy	201	266	-	-
Physician clinics	13	245	-	-
Pulmonary function	588	165	18	18
Recovery room	201	184	-	-
Rural health clinics	379	113	-	-
Social services	84	88	-	-
	<u>\$ 11,838</u>	<u>\$ 11,717</u>	<u>\$ 1,795</u>	<u>\$ 1,811</u>

Employees Benefits		Other Expenses		Totals	
1991	1990	1992	1990	1992	1990
\$ 481	\$ 497	\$ 528	\$ 529	\$ 1,056	\$ 1,026
172	115	68	67	240	182
40	37	37	38	74	75
61	36	31	14	62	45
\$ 754	\$ 785	\$ 664	\$ 648	\$ 1,328	\$ 1,330
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	3	149	140	165	143
33	34	338	300	371	343
-	-	175	228	175	228
28	28	348	316	376	344
71	21	34	18	105	39
14	13	269	218	283	231
78	57	67	43	125	100
33	27	60	39	99	66
-	-	4	-	4	-
129	133	24	63	153	196
-	-	43	46	89	89
99	83	113	83	192	166
-	-	637	664	637	664
18	8	1	1	19	9
68	44	177	118	245	162
-	-	33	38	33	38
138	108	847	614	1,223	960
106	84	367	409	749	801
-	-	361	318	361	318
18	8	363	338	381	346
18	18	6	6	24	24
124	123	1,813	1,726	2,427	2,364
-	-	-	-	-	-
69	61	1,818	1,881	2,496	2,464
13	25	26	24	25	29
9	22	13	48	31	70
31	28	23	37	54	65
34	28	15	31	70	59
47	30	74	129	121	159
28	25	71	7	103	120
\$ 1,112	\$ 993	\$ 8,325	\$ 7,652	\$ 18,214	\$ 17,269

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HOLOMAN GENERAL HOSPITAL TRUST AUTHORITY AND  
HOSPITAL SERVICE DISTRICT NO. 2 OF  
ST. LARRY PARISH, LOUISIANA

SCHEDULE OF DEPARTMENTAL OPERATING EXPENSES (CONTINUED)  
Years Ended June 30, 1992 and 1991  
(In Thousands)

	Balance	
	1992	1991
<b>General services:</b>		
Remedial services	\$ 8	-
Energy	418	408
Housekeeping	608	476
Laundry and linen	107	109
Plant engineering	278	249
Security	-	-
	<u>\$ 1,429</u>	<u>\$ 1,242</u>
<b>Financial and administrative services:</b>		
Accounting/reimbursement	\$ 194	\$ 201
Administration	252	297
Admitting	452	417
Business office	518	308
Communications	38	43
Continuous quality improvement	34	-
Controller	189	174
External affairs	28	51
Health information services	608	440
Human resources	42	50
Industrial medicine	73	77
Information technology	211	273
Marketing	50	51
Medical management services	13	-
Medical staff relations/physician development	24	21
Property and liability insurance	-	-
Public relations	33	28
Quality assurance	48	73
Safety	67	50
Sales taxes	-	-
Volunteer services	50	51
	<u>\$ 3,314</u>	<u>\$ 3,372</u>



Employee Benefits		Other Expenses		Totals	
1992	1993	1992	1993	1992	1993
\$ 49	\$ 43	\$ 357	\$ 283	\$ 406	\$ 326
84	67	125	117	169	184
18	14	188	131	206	248
45	38	591	494	650	524
-	-	150	138	160	137
<u>\$ 216</u>	<u>\$ 162</u>	<u>\$ 1,281</u>	<u>\$ 1,163</u>	<u>\$ 1,382</u>	<u>\$ 1,209</u>
\$ 30	\$ 30	\$ 45	\$ 40	\$ 75	\$ 70
54	(14)	172	40	1,060	918
88	13	76	18	180	147
55	47	194	248	279	424
12	18	283	158	287	276
5	-	2	8	41	8
31	48	10	18	205	218
5	7	4	4	34	42
64	51	280	438	345	818
18	8	77	34	109	127
13	18	7	38	84	93
53	42	183	214	467	344
8	8	74	79	105	112
2	-	2	-	17	-
11	4	87	84	103	89
8	-	144	47	144	47
8	8	-	-	45	42
9	11	1	3	56	84
13	8	5	5	83	69
-	-	13	(2)	13	(2)
<u>\$ 381</u>	<u>\$ 321</u>	<u>\$ 1,731</u>	<u>\$ 1,734</u>	<u>\$ 1,832</u>	<u>\$ 1,818</u>

OPHELIA'S GENERAL HOSPITAL TRUST AUTHORITY AND  
HOSPITAL SERVICE DISTRICT NO. 3 OF  
ST. LANDRY PARISH, LOUISIANA

DEPARTMENTAL STATISTICS  
Years Ended June 30, 1997 and 1996

	1997	1996
<b>Both licensed:</b>		
Acute care	158	158
Skilled nursing facility	<u>13</u>	<u>13</u>
Total	<u>171</u>	<u>171</u>
<b>Percentage of occupancy for staff beds in service:</b>		
Acute care	53.92%	47.18%
Skilled nursing facility	58.32%	66.68%
<b>Percentage of gross patient service revenues:</b>		
Medicare	92%	91%
Medicaid	2%	2%
All other	<u>2%</u>	<u>2%</u>
	<u>100%</u>	<u>100%</u>
<b>Discharges:</b>		
Acute care	4,887	4,214
Skilled nursing	<u>216</u>	<u>193</u>
Total	<u>5,103</u>	<u>4,407</u>
<b>Patient days in care:</b>		
Medical and surgical	19,350	16,547
Intensive care	<u>1,825</u>	<u>1,756</u>
Basic care subtotal	21,175	18,303
Nursery	1,228	1,090
Skilled nursing facility	<u>2,382</u>	<u>2,098</u>
Total	<u>24,785</u>	<u>21,491</u>

(Continued)

SHREVEPORT GENERAL HOSPITAL TRUST AUTHORITY AND  
HOSPITAL SERVICE DISTRICT NO. 7 OF  
ST. LANDRY PARISH, LOUISIANA

DEPARTMENTAL STATISTICS (CONTINUED)  
Years Ended June 30, 1991 and 1990

	1991	1990
<b>Surgeries:</b>		
Inpatient	2,224	1,779
Outpatient	<u>2,210</u>	<u>2,850</u>
Total	<u>4,434</u>	<u>4,629</u>
<b>Deliveries</b>	<u>622</u>	<u>502</u>
<b>Proceeds:</b>		
Laboratory	285,475	287,594
Radiology	24,871	26,113
CT scan	2,282	2,210
Nuclear medicine	1,982	1,385
MRI	887	417
Radiation therapy	3,264	3,534
Heart catheterization	143	85
Hyperbaric oxygen	2,519	3,061
Physical therapy	8,471	8,404
<b>Outpatient visits:</b>		
Emergency room	28,441	28,647
Other outpatient visits	<u>38,354</u>	<u>45,280</u>
Total	<u>66,795</u>	<u>73,927</u>
<b>Home Health visits</b>	<u>71,415</u>	<u>74,750</u>

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
 STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE  
 FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
 COMMERCE AUDITING STANDARDS**

**Board of Trustees**  
**Opelousas General Hospital Trust Authority**  
**and Board of Commissioners**  
**Hospital Service Division No. 2**  
**St. Landry Parish, Louisiana**

We have audited the consolidated financial statements of Opelousas General Hospital as of and for the year ended June 30, 1993, and have issued our report thereon dated October 1, 1993.

We have 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 general purpose financial statements are free of material misstatement.

The management of Opelousas General Hospital 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 recorded 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 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.

Board of Trustees  
Opelousas General Hospital Trust Authority  
and Board of Commissioners  
Hospital Service District No. 3  
St. Landry Parish, Louisiana

In planning and performing our audit of the consolidated financial statements of Opelousas General Hospital for the year ended June 30, 1991, 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 consolidated 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 or irregularities in amounts 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 did not note any 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 the Board of Trustees, management, and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Broussard, Riché, Lewis & Breaux*

Opelousas, Louisiana  
October 1, 1991

Board of Trustees  
Spokane General Hospital Trust Authority  
and Board of Commissioners  
Hospital Service District No. 2  
St. Landry Parish, Louisiana

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

*Brennard, Ricks, Lewis & Brown*

Spokane, Louisiana  
October 1, 1987