

St. Helena Parish Hospital Service District No. 1
Notes to Financial Statements
October 31, 1996

Note 1-Summary of Significant Accounting Policies (Continued)

P. Income Tax

The District is exempt from income taxes under Internal Revenue Code Section 115.

Q. Property Taxes

The Sheriff of St. Helena Parish, as provided by state law, is the official tax collector of property taxes levied by the parish and parish special districts.

The 1996 and 1995 property tax calendars were as follows:

	1996	1995
Millage rates adopted	October 31, 1996	September 28, 1995
Tax bills mailed	November 22, 1996	November 3, 1995
Due date	December 31, 1996	December 31, 1995
Curbed delinquent notice	March 31, 1997	March 31, 1996

Property taxes are recognized as revenue in the calendar year for which they are due. State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. After notice is given to the delinquent taxpayers, the sheriff is required by the constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

R. Accounting Standards

Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, the District has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989.

5. Risk Management

The District is exposed to various risks of loss from torts, theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Serious claims have not exceeded this commercial coverage in any of the three preceding years.

St. Helena Parish Hospital Service District No. 1
Statements of Cash Flows
Years Ended October 31, 1996 and October 31, 1995

	1996	1995
Operating and Gains Activities		
Revenues over (under) expenses	(\$204,425)	(\$6,381)
Adjustments to reconcile revenues over (under) expenses to net cash provided by operating activities		
Depreciation and amortization	244,956	251,256
Changes in operating assets and liabilities		
(Increase) decrease in receivable	251,833	52,219
(Increase) decrease in inventory	(5,095)	32,881
(Increase) decrease in prepaid expenses	5,866	14,537
Increase (decrease) in accounts payable	(95,786)	10,181
Increase (decrease) in accrued liabilities	34,415	22,180
Increase (decrease) in deferred revenue	<u> </u>	<u>(440)</u>
Net cash provided by operating activities	<u>231,786</u>	<u>377,563</u>
Investing Activities		
Purchases of property, plant and equipment	(47,612)	(171,556)
Change in restricted cash	(32,200)	
Net (decrease) decrease in certificates of deposit	97,221	(43,201)
Change in assets limited as to use	786	(290,733)
Proceeds received on sale of property, plant and equipment	<u>34,625</u>	<u> </u>
Net cash provided by (used in) investing activities	<u>52,820</u>	<u>(505,539)</u>
Financing Activities		
Proceeds on notes	12,850	100,418
Principal payment on notes	(83,334)	(71,302)
Principal payment on bonds	(88,343)	(62,302)
Principal payment on capital leases	(7,810)	(7,089)
Decrease in contributed capital		(16,804)
Transferred from restricted fund	53,691	47,862
Net change in temporarily restricted assets	<u>29,664</u>	<u>40,774</u>
Net cash provided by (used in) financing activities	<u>(83,920)</u>	<u>31,857</u>
Net Increase (Decrease) in Cash and Cash Equivalents	200,666	(97,090)
Cash and Cash Equivalents, beginning of year	285,810	282,900
Cash and Cash Equivalents, end of year	<u>486,476</u>	<u>285,810</u>

The accompanying notes are an integral part of these statements.

St. Helena Parish Hospital Service District No. 1
Notes to Financial Statements
October 31, 1996

Note 1-Summary of Significant Accounting Policies

A. Report Issued Under Separate Cover

The St. Helena Parish Hospital Service District No. 1's component unit financial statements are an integral part of the St. Helena Parish Police Jury's comprehensive annual financial report. This report has been issued under separate cover for the St. Helena Parish Hospital Service District No. 1, and should not be used for any other purpose.

B. Financial Reporting Entity

On December 29, 1963, the St. Helena Parish Police Jury passed a resolution creating the St. Helena Parish Hospital Service District No. 1 (hereinafter sometimes called the "District") under the authority of Article 8, Section 19, of the 1874 Louisiana Constitution and Chapter 10 of Title 46 of the Louisiana Revised Statutes of 1950, as amended. The District is composed of all the territory situated within the limits of the Parish of St. Helena, Louisiana.

The governing authority of the District consists of a board of six (6) commissioners, all of whom are qualified electors of the Parish of St. Helena, Louisiana. The Commissioners serve without pay, per diem, or reimbursement of expense, except actual cash out-of-pocket expenses incurred in the performance of their duties.

The public purpose of the District is to secure, provide for, and protect the public health and welfare by the treatment of human ailments through the acquisition and construction of projects as authorized by Chapter 10 of Title 46 of the 1974 Louisiana Constitution, and the financing and refinancing of indebtedness to acquire, construct, renovate, improve hospitals, clinics, laboratories, a nursing home, and any other facility, building or structure which may be of use and benefit in the teaching, training or practice of medical science and treatment of human ailments, or for such other facilities as the District shall find useful in the study of, or research in, or treatment of illness or infirmities, all as is more fully set out in said Chapter 10 of Title 46 of the 1974 Louisiana Constitution.

C. Fund of Presentation

The accounts of the District are organized on the basis of a fund which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The fund is classified as follows:

St. Helena Parish Hospital Service District No. 1
Notes to Financial Statements
October 31, 1996

Note 1-Summary of Significant Accounting Policies (Continued)

C. Use of Encumbrance (Continued)

Proprietary Fund

Enterprise Funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public as a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

D. Budgetary Accounting

The District's adopted budget meets the requirements of the Louisiana Local Government Budget Act as provided by Louisiana Revised Statutes 13:1301-1325.

E. Use of Estimates

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

F. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

St. Helena Parish Hospital Service District No. 1
Notes to Financial Statements
October 31, 1996

Note I-Summary of Significant Accounting Policies (Continued)

L. Fixed Assets

Fixed assets are stated at cost, except for assets donated to the District. Donated assets are recorded at the appraised value at the date of donation.

Depreciation is recorded on a straight-line basis over the useful lives of the assets. Equipment under capital leases is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements.

Maintenance, repairs, replacements and improvements of minor amounts are expensed. Major replacements and improvements are capitalized.

M. Cost of Borrowing

Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

N. Net Patient Service Revenue

Net patient service revenue is reported as the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive 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.

O. Vacation Pay

Accumulated unpaid vacation is accrued when incurred. Employees earn and vest in vacation leave according to years of service as shown below:

Years of Service	Full-Time Employees
Over 5 years	2.08 days per month
Less than 5 years	1.68 days per month

St. Helena Parish Hospital Service District No. 1
Notes to Financial Statements
October 31, 1996

Note 2-Net Patient Service Revenue

The District 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 nonacute 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 October 31, 1993.

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 October 31, 1993.

The District has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payments to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

St. Helena Parish Hospital Service District No. 1
Notes to Financial Statements
October 31, 1996

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 October 31, 1996 and 1995, is set forth in the following table.

	<u>1996</u>	<u>1995</u>
Under indenture agreement		
Cash	\$258,303	\$299,080
	<u>258,303</u>	<u>299,080</u>

Note 4-Mortgage and Notes Payable

Mortgage and notes payable consists of the following:

	<u>1996</u>	<u>1995</u>
<p>Note payable to Bank of Greensburg in monthly installments of \$1,500 at 8%. Note is secured by a lease agreement on the Dialysis Unit.</p>	\$51,480	\$69,132
<p>Note payable to Bank of Greensburg in monthly installments of \$544 plus interest at 8%. Note is secured by equipment.</p>	10,628	
<p>Note payable to Bank of Greensburg in monthly installments of \$700 at 8%. Note is secured by ad valorem taxes.</p>	9,808	17,702
<p>Note payable to Bank of Greensburg in monthly installments of \$380 at 8%. Note is secured by property.</p>	15,199	20,367
<p>Note payable to Bank of Greensburg in annual installments of \$48,528 plus interest at 8%. Note is secured by ad valorem taxes.</p>	<u>68,691</u>	<u>100,418</u>
<p>(Amounts brought forward)</p>	155,816	307,699

St. Helena Parish Hospital Service District No. 1
Notes to Financial Statements
October 31, 1996

Note 4-Mortgage and Notes Payable (Continued)

	<u>1996</u>	<u>1995</u>
(Amounts carried forward)	\$155,896	\$207,839
Mortgage payable to Farmers Home Administration for Morgan Hills Apartments in the amount of \$735,348 at an interest rate ranging from 1% to 8.75% for 50 years with a monthly payment of \$1,648. Note is secured by the Morgan Hills apartments.	730,385	772,015
Note payable to General Electric Corporation in the amount of \$86,500 at 7.25% interest, payable in 60 monthly installments of \$1,725. Loan is secured by equipment.	—6,380	—24,638
	593,188	1,004,482
Less current maturities	(80,815)	—85,628
Long-term portion	<u>\$512,373</u>	<u>\$918,854</u>

Maturities of long-term debt for the next five years ending October 31, are as follows:

1997	\$80,915
1998	67,740
1999	18,738
2000	1,893
2001	2,054

St. Helena Parish Hospital Service District No. 1
Notes to Financial Statements
October 31, 1996

Note 3-Bonds Payable

Bonds payable consist of the following:

	<u>1996</u>	<u>1995</u>
Hospital Revenue Bonds of \$467,00 require annual installments of \$3,313 (principal and interest) for 20 years at an annualized rate of 3.125%. Bonds are secured by the land and building of the Hospital and by a pledge of all operating revenues.	\$460,465	\$444,918

As required by the bond agreement, the District was required to establish three separate accounts, Sinking Fund, Reserve Fund and Contingency Fund. The Sinking Fund is required to have an amount sufficient to pay promptly and fully the principal and interest on the bonds. The Reserve Fund must have an amount paid to it equal to 10% of the amount paid to the Sinking Fund each month. The amount shall continue until the Reserve Fund has accumulated a sum equal to the combined principal and interest falling due in any year on the bonds. The Contingency Fund shall have deposited \$178 per month to cover depreciation, additions, improvements and replacements necessary to properly operate the District. These amounts have been classified as assets whose use is limited.

General Obligation Hospital Public Improvement Bonds of \$1,150,000. Payments are to be made in annual installments of \$103,339 (principal and interest) for 20 years at an annualized rate of 6.375%. Bonds are secured by the full faith and credit of the District which obligates itself to levy and collect all valorem taxes sufficient to pay principal and interest. All ad valorem taxes related to the bond issue are deposited into separate accounts. Payment of the bond issue is made from this account.

	<u>742,872</u>	<u>800,766</u>
	1,177,340	1,240,680
Less current maturity of bonds payable	<u>(414,000)</u>	<u>(467,354)</u>
Long-term portion of bonds payable	<u>1,006,120</u>	<u>1,178,388</u>

Bond maturities for each of the next five years ending October 31, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1997	\$71,410	\$69,900	\$140,719
1998	75,383	64,956	140,719
1999	80,427	60,292	140,719
2000	85,335	55,384	140,719
2001	90,994	50,123	140,719

St. Helena Parish Hospital Service District No. 1
Notes to Financial Statements
October 31, 1996

Note 6-Restricted Fund Balance

A portion of the District's ad valorem taxes received are restricted to pay the debt on the General Obligation Hospital Public Improvement Bonds.

Note 7-Capital Leases - Equipment

The District leases various hospital equipment under capital leases expiring in various years through 1998. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset and the assets are depreciated over their estimated useful lives. Depreciation of assets under capital leases is included in depreciation expense. Future minimum lease payments under capital leases are as follows:

	1996	1998
Current portion of obligations under capital leases	\$8,818	\$7,816
Long-term portion of obligations under capital leases	3,168	18,180
Total obligations	11,986	26,000

Minimum future lease payments for the next two years ending October 31, are as follows:

1997	\$8,818
1998	9,768

Note 8-Capital Lease-Land

The District has leased the land on which the nursing home is located from the St. Helena Parish Police Jury. The lease is for the 20 year period which coincides with the payment schedule on the related bonds. The lease does not require any payments to the Police Jury.

Note 9-Land and Building

The title to the District's land and building on which the Hospital is located and its related debt are in the name of St. Helena Parish Police Jury. The effects are described in the auditor's report.

St. Helena Parish Hospital Service District No. 1
Notes to Financial Statements
October 31, 1996

Note 10—Medical Malpractice Claims

The District has medical malpractice insurance up to \$100,000 through the Louisiana Hospital Association Trust Fund and an additional \$500,000 through the Patients Compensation Fund. As of the balance sheet date, the District has no malpractice claims exceeding its coverage.

Note 11—Concentration of Credit Risk

The District is located in Greensburg, Louisiana and grants credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements. Revenue from patients and third-party payors were as follows:

	<u>1996</u>	<u>1995</u>
Medicare and Medicaid	82%	81%
Commercial and Blue Cross	7%	7%
Private pay	<u>11%</u>	<u>12%</u>
	<u>100%</u>	<u>100%</u>

St. Helena Parish Hospital Service District No. 1
Notes to Financial Statements
October 31, 1996

Note I-Summary of Significant Accounting Policies (Continued)

G. Deposits

The October 31, 1996 and October 31, 1995 carrying amounts of the District's deposits were \$1,240,908 and \$1,148,843, respectively, which include cash and certificates of deposit of which \$200,000 was covered by Federal Depository Insurance for each year. The remaining October 31, 1996 and October 31, 1995 bank balances, which are considered Category 1 for generally accepted governmental accounting principles, were collateralized by securities held in a joint custodial account in the District's name.

H. Accounts Receivable

Accounts receivable from patients, insurance companies and third-party reimbursement contractual agencies are recorded at established charge rates. Certain third-party insured accounts (Medicare and Medicaid) are based on cost reimbursement agreements which generally result in the District collecting less than the established charge rates with the difference recorded as "contractual adjustments." Final determination of settlement is subject to review by appropriate authorities. Adequate allowances are provided for doubtful accounts and contractual adjustments. Doubtful accounts are written off against the allowance after adequate collection effort is exhausted and recorded as recoveries of bad debts if subsequently collected. Net operating revenue includes only those amounts established by management to be collectible.

I. Charity Care

The Hospital provides care without charge or at amounts less than its established rates to patients who meet certain criteria under its charity care policy. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

J. Assets Whose Use is Limited

Assets limited as to use under terms of the bond indentures are classified as assets whose use is limited.

K. Inventories of Supplies

Supplies are valued at the lower of cost (first-in, first-out) or net realizable value.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe St. Helena Parish Hospital Service District No. 1 had not complied, in all material respects, with these requirements.

This report is intended for the information of the Commissioners, management, Ferraro Home Administration and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Yours truly,

Hawthorn, Weyererath & Caswell, P.C.A.

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended October 31, 1996, the St. Helena Parish Hospital Service District No. 1 expended 94.2% of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the St. Helena Parish Hospital Service District No. 1's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute 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 noncompliance with laws and regulations that would be material to a federal financial assistance program 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 operations that we consider to be material weaknesses as defined above.

This report is intended for the information of the Commissioners, management, Farmers Home Administration and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Yours truly,

Hawthorne, Wagonmuth & Carroll, L.L.P.

St. Helens Parish Hospital Service District No. 2
Statements of Cash Flows
Years Ended October 31, 1996 and October 31, 1995

Supplemental Disclosure of Cash Flow Information

	1996	1995
Cash paid during the year for interest	<u>\$64,000</u>	<u>\$64,500</u>

The accompanying notes are an integral part of these statements.

75 PARKWAY SQUARE, SUITE
2000, GREENSBURG, LOUISIANA
70302-3000 • PHONE (504) 683-1000
FAX (504) 683-1001



CERTIFIED PUBLIC ACCOUNTANTS

8000 GARDEN PLACE SUITE
1000 GREENSBURG, LOUISIANA 70302
(504) 683-1000 • FAX (504) 683-1001

MEMBER OF CARROLLTON, ET AL
PUBLIC ENTITY
STATE OF LOUISIANA
REGISTERED PROFESSIONAL ACCOUNTANTS
HARTMAN, WAYMOUTH & CARROLL, L.L.P.
GREENSBURG, LOUISIANA
MEMBER OF THE
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

December 29, 1996

**Independent Auditor's Report on Compliance
With The General Requirements Applicable
to Federal Financial Assistance Programs**

Board of Commissioners
St. Helena Parish Hospital Service District No. 1
Greensburg, Louisiana

Commissioners:

We have audited the general purpose financial statements of

**St. Helena Parish Hospital Service District No. 1
Greensburg, Louisiana**

a component unit of the St. Helena Parish Police Jury, Greensburg, Louisiana as of and for the year ended October 31, 1996, and have issued our report thereon dated December 29, 1996, which contained an adverse opinion because the general purpose financial statements include certain assets to which the District does not have title.

We have applied procedures to test St. Helena Parish Hospital Service District No. 1's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended October 31, 1996:

Political Activity
Civil Rights
Cash Management
Relocation Assistance and
Real Property Acquisition
Federal Financial Reports
Allowable Costs/Cost Principles
Drug-Free Workplace
Administration Requirements

Supplementary Information

15 GARDNER SQUARE, SUITE
2000 NEW ORLEANS, LOUISIANA 70112
PHONE: (504) 581-2100
FAX: (504) 581-2101
WWW.HAYTHORNWAYNORTH.COM



CERTIFIED PUBLIC ACCOUNTANTS

3000 CHAMPAGNE PLAZA SUITE 2000
NEW ORLEANS, LOUISIANA 70112
(504) 581-2100 • FAX (504) 581-2101

ROBERT D. HAYTHORN, CPA
FRANK DUTTO
JAMES W. WAYNORTH, CPA
FRANK J. CARROLL, CPA
CRAIG L. CARROLL, CPA
CRAIG L. CARROLL, CPA
CRAIG L. CARROLL, CPA

December 19, 1996

**Single Audit Opinion on Compliance With
Specific Requirements Applicable to Major
Federal Financial Assistance Programs**

Board of Commissioners
St. Helena Parish Hospital Service District No. 1
Greensburg, Louisiana

Commissioners:

We have audited the general purpose financial statements of

**St. Helena Parish Hospital Service District No. 1
Greensburg, Louisiana**

a component unit of the St. Helena Parish Police Jury, Greensburg, Louisiana, as of and for the year ended October 31, 1996, and have issued our report thereon dated December 19, 1996, which contained an adverse opinion because the general purpose financial statements include certain assets to which the District does not have title.

We have also audited St. Helena Parish Hospital Service District No. 1's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort; or cost-sharing; reporting; claims for advances and reimbursements; amounts claimed or used for matching; and special tests and provisions that are applicable to its major federal financial assistance program, which is identified in the accompanying Schedule of Federal Financial Assistance, for the year ended October 31, 1996. The management of St. Helena Parish Hospital Service District No. 1 is responsible for the St. Helena Parish Hospital Service District No. 1's compliance with these requirements. Our responsibility is to express an opinion on compliance with these requirements based on our audit.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on St. Helena Parish Hospital Service District No. 1's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that St. Helena Parish Hospital Service District No. 1 had not complied, in all material respects, with those requirements.

This report is intended for the information of the Commissioners, management, Farmans Home Administration and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Yours truly,

Hauithara Wagnon with a Carroll, et al.

HAWTHORN, WARMOUTH & CARROLL, L.L.P.

W. BRUCE CARROLL, CPA
WARMOUTH J. CARROLL, II, CPA
WARMOUTH J. WARMOUTH, CPA
W. L. WARMOUTH, CPA
J. CARROLL CARROLL, CPA
WARMOUTH WARMOUTH, II, CPA
WARMOUTH WARMOUTH, CPA
WARMOUTH WARMOUTH, CPA
WARMOUTH WARMOUTH, CPA



CERTIFIED PUBLIC ACCOUNTANTS

2000 LEBLANCH AVENUE
SUITE 1100 - GREENBERG, LOUISIANA
504-382-2222 - FAX 504-382-2222

WARMOUTH WARMOUTH, II, CPA
WARMOUTH WARMOUTH, II, CPA
WARMOUTH WARMOUTH, II, CPA
WARMOUTH WARMOUTH, II, CPA
WARMOUTH WARMOUTH, II, CPA
WARMOUTH WARMOUTH, II, CPA
WARMOUTH WARMOUTH, II, CPA
WARMOUTH WARMOUTH, II, CPA

December 19, 1996

**Independent Auditor's Report on Compliance With
Specific Requirements Applicable to Nonmajor
Federal Financial Assistance Program Transactions**

Board of Commissioners
St. Helena Parish Hospital Service District No. 1
Greenburg, Louisiana

Commissioners:

We have audited the general purpose financial statements of

**St. Helena Parish Hospital Service District No. 1
Greenburg, Louisiana**

a component unit of the St. Helena Parish Police Jury, Greenburg, Louisiana, as of and for the year ended October 31, 1996, and have issued our report thereon dated December 1996, which contained an adverse opinion because the general purpose financial statements include certain assets to which the District does not have title.

In connection with our audit of the general purpose financial statements of St. Helena Parish Hospital Service District No. 1 and with our consideration of St. Helena Parish Hospital Service District No. 1's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audit of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended October 31, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility, matching, level of effort, and/or earmarking, reporting, claims for advances and reimbursements, amounts claimed or used for matching and special terms and provisions that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on St. Helena Parish Hospital Service District No. 1's compliance with these requirements. Accordingly, we do not express such an opinion.

St. Helena Parish Hospital Service District No. 1
 Statements of Revenue and Expenses
 Years Ended October 31, 1996 and October 31, 1995

	<u>1996</u>	<u>1995</u>
Revenues		
Net patient service revenue	\$5,983,257	\$5,992,878
Other operating revenue	<u>350,279</u>	<u>343,204</u>
Total revenues	6,333,536	6,336,082
Expenses		
Salaries	3,128,919	3,097,432
Outside services	1,223,183	1,138,888
Supplies and other	728,970	736,540
General and administrative	1,189,615	1,169,980
Provision for bad debts	186,423	71,929
Interest	60,328	89,096
Depreciation and amortization	<u>244,920</u>	<u>232,256</u>
Total expenses	6,712,289	6,526,455
Operating income (loss)	<u>(378,753)</u>	<u>(190,373)</u>
Income		
Donations	75	1,570
Interest	29,857	20,287
State Grant - emergency room	50,000	75,000
Federal Grant - substance abuse	49,996	50,000
Other	<u>84,710</u>	<u>28,133</u>
	<u>174,638</u>	<u>184,990</u>
Excess of Revenues Over (Under) Expenses	<u>(204,115)</u>	<u>(6,383)</u>

The accompanying notes are an integral part of these statements.

1589

OFFICIAL
FILE COPY

DO NOT SEND OUT

Check enclosure
copies from the
copy and (H)AD
BROCK in 1982

RECEIVED

MAR 31 1987

LEGISLATIVE DIVISION

St. Helena Parish Hospital
Service District No. 1
A Component Unit of the
St. Helena Parish Police Jury
Greensburg, Louisiana
October 31, 1986

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

Release Date APR 16 1987

Table of Contents

General Purpose Financial Statements

Independent Auditor's Report	Page 3
Balance Sheets	Page 5
Statements of Revenue and Expenses	Page 7
Statements of Fund Balance	Page 8
Statements of Cash Flows	Page 9
Notes to Financial Statements	Page 11

Supplementary Information

Independent Auditor's Report on Supplementary Information	Page 25
Revenue	Page 26
Operating Expenses	Page 27
Independent Auditor's Report on Supplementary Schedule of Federal Financial Assistance	Page 28
Schedule of Federal Financial Assistance	Page 29
Report on Compliance Based on an Audit of the General Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	Page 30
Independent Auditor's Report on the Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	Page 32
Single Audit Report on the Internal Control Structure Used in Administering Federal Financial Assistance Programs	Page 34
Independent Auditor's Report on Compliance with the General Requirements Applicable to Federal Financial Assistance Programs	Page 37
Single Audit Opinion on Compliance with Specific Requirements Applicable to Major Federal Financial Assistance Programs	Page 39
Independent Auditor's Report on Compliance with Specific Requirements Applicable to Nonmajor Federal Financial Assistance Programs	Page 41

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.



CERTIFIED PUBLIC ACCOUNTANTS

8000 LANTANA BLVD.
SUITE 2000 EAST, HOUSTON, TEXAS 77054
(713) 865-2000 • FAX (713) 865-2000

WALTER H. HAWTHORN, C.P.A.
(1958-1997)
JAMES E. WAYMOUTH, C.P.A.
(1950-1997)
WENDY L. CARROLL, C.P.A.
(1967-1997)
WALTER H. HAWTHORN, C.P.A.
(1978)

D. SCOTT CARROLL, C.P.A.
ROBERT J. CARROLL, C.P.A.
ROBERT W. CARROLL, C.P.A.
WYLLIE CARROLL, C.P.A.
J. CARROLL CARROLL, C.P.A.
WYLLIE CARROLL, C.P.A.
WYLLIE CARROLL, C.P.A.
WYLLIE CARROLL, C.P.A.
WYLLIE CARROLL, C.P.A.
WYLLIE CARROLL, C.P.A.

December 18, 1996

Independent Auditor's Report

The Board of Commissioners
St. Helena Parish Hospital Service District No. 1
Greensburg, Louisiana

Commissioners:

We have audited the accompanying general purpose balance sheets of

**St. Helena Parish Hospital Service District No. 1
Greensburg, Louisiana**

a component unit of the St. Helena Parish Police Jury, Greensburg, Louisiana, as of October 31, 1996 and October 31, 1995 and the related statements of revenue and expenses, fund balances, and cash flows for the years then ended. These general purpose financial statements are the responsibility of St. Helena Parish Hospital Service District No. 1's management. Our responsibility is to express an opinion on these component unit financial statements based on our audit.

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

The general purpose financial statements include certain assets to which the District does not have title and corresponding expenses which affect these financial statements. If such items had been recorded in accordance with generally accepted accounting principles, property and plant would be reduced by \$1,163,006 and \$1,317,471, fund balance by \$1,163,006 and \$1,317,471 and depreciation expense by \$74,548 and \$82,360, for 1996 and 1995, respectively.

In our opinion, because of the effects of the matters discussed in the preceding paragraph, the general purpose financial statements referred to in the table of contents do not present fairly, in conformity with generally accepted accounting principles, the financial position of St. Helena Parish Hospital Service District No. 1, Greensburg, Louisiana as of October 31, 1996 and October 31, 1995, or the results of its operations or its cash flows for the year then ended.

In accordance with Government Auditing Standards, we have also issued a report dated December 19, 1996 on our consideration of St. Helena Parish Hospital Service District No. 1's internal control structure and a report dated December 19, 1996 on its compliance with laws and regulations.

Yours truly,

Hawthorne, Wagonmiller & Carroll, S.C.P.

St. Helena Parish Hospital Service District No. 1

Balance Sheet

October 31, 1996 and October 31, 1995

A s s e t s

	1996	1995
Current Assets		
Cash and cash equivalents		
Unrestricted	\$426,476	\$185,810
Restricted	382,877	279,877
Certificates of deposit	135,413	232,850
Assets limited as to use	15,700	14,918
Patient accounts receivable (net of estimated uncollectibles of \$164,948 and \$168,948 for 1996 and 1995, respectively)	125,451	75,316
Guaranteed third-party settlements	378,543	671,340
Accounts receivable - other	201,119	308,271
Supplies	131,438	128,344
Prepaid expenses	<u>60,419</u>	<u>68,284</u>
Total current assets	1,882,436	1,982,613
Assets Limited As to Use		
Under insurance agreement	258,700	279,089
Less amount required to meet current obligations	<u>15,700</u>	<u>14,508</u>
Noncurrent assets limited as to use	<u>242,900</u>	<u>264,581</u>
Property, Plant and Equipment		
Land		
Hospital	183,865	190,780
Morgan Hills	38,000	38,000
Buildings		
Hospital	1,869,174	1,869,174
Morgan Hills	767,877	767,877
Clinic	76,640	76,640
Nursing Home	1,098,370	1,098,370
Home Health	68,074	68,074
Equipment	1,163,335	1,148,423
	3,262,325	3,248,348
Less depreciation to date	<u>(2,172,143)</u>	<u>(1,927,387)</u>
Total property, plant and equipment	3,090,182	3,322,161
Total assets	<u>5,220,129</u>	<u>5,568,945</u>

The accompanying notes are an integral part of these statements.

Liabilities and Fund Balance

	<u>1996</u>	<u>1995</u>
Current Liabilities		
Mortgage and notes payable	\$80,915	\$85,628
Bonds payable	71,410	67,280
Capital leases	8,618	7,816
Accounts payable	446,933	535,753
Accrued liabilities	236,683	302,270
Deferred revenue	<u>193,882</u>	<u>181,882</u>
Total current liabilities	1,038,441	1,090,629
Long-Term Debt		
Mortgage and notes payable	852,273	908,804
Bonds payable	1,106,130	1,178,398
Capital leases	<u>8,768</u>	<u>10,280</u>
Total liabilities	2,905,612	3,208,246
Fund Balance		
Unassigned	1,332,587	1,483,351
Restricted	409,247	379,601
Contributed capital	<u>479,762</u>	<u>479,762</u>
Total fund balance	2,221,601	2,342,699
Total liabilities and fund balance	<u>5,127,213</u>	<u>5,550,945</u>

We conducted our audit of compliance with these requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, "Audit of State and Local Governments." These standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about St. Helena Parish Hospital Service District No. 1's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, St. Helena Parish Hospital Service District No. 1 complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort or earmarking; reporting; claims for advances and reimbursements; amounts claimed or used for matching and special tests and provisions that are applicable to its major federal financial assistance program for the year ended October 31, 1996.

This report is issued for the information of the Commissioners, management, Farmers Home Administration and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Yours truly,
Hawthorn, Wagonmuth & Carroll, L.L.P.

HAWTHORN, WARDWELL & CARROLL, L.L.P.

W. WARDWELL CARROLL, CPA
W. WARDWELL CARROLL, CPA
W. WARDWELL CARROLL, CPA
W. WARDWELL CARROLL, CPA
W. WARDWELL CARROLL, CPA
W. WARDWELL CARROLL, CPA
W. WARDWELL CARROLL, CPA
W. WARDWELL CARROLL, CPA
W. WARDWELL CARROLL, CPA
W. WARDWELL CARROLL, CPA



CERTIFIED PUBLIC ACCOUNTANTS

1000 SPANISH PLAZA SUITE 1000
DALLAS TEXAS 75241-1000
214-761-1000 - FAX 214-761-1000

W. WARDWELL CARROLL, CPA
W. WARDWELL CARROLL, CPA
W. WARDWELL CARROLL, CPA
W. WARDWELL CARROLL, CPA
W. WARDWELL CARROLL, CPA
W. WARDWELL CARROLL, CPA
W. WARDWELL CARROLL, CPA
W. WARDWELL CARROLL, CPA
W. WARDWELL CARROLL, CPA
W. WARDWELL CARROLL, CPA

December 19, 1996

**Independent Auditor's Report on the Internal Control
Structure Based on an Audit of General Purpose
Financial Statements Performed in Accordance With
Government Auditing Standards**

Board of Commissioners

St. Helena Parish Hospital Service District No. 1
Greensburg, Louisiana

Commissioners:

We have audited the accompanying general purpose financial statements of

**St. Helena Parish Hospital Service District No. 1
Greensburg, Louisiana**

a component unit of the St. Helena Parish Police Jury, Greensburg, Louisiana, as of and for the year ended October 31, 1996, and have issued our report thereon dated December 19, 1996, which contained an adverse opinion because the general purpose financial statements include certain assets to which the District does not have title.

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 general purpose financial statements are free of material misstatement.

The management of St. Helena Parish Hospital Service District No. 1 is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation

St. Helena Parish Hospital Service District No. 1
Statements of Fund Balance
Years Ended October 31, 1996 and October 31, 1995

	<u>1996</u>		<u>1995</u>	
	<u>Unrestricted Fund Balance</u>	<u>Restricted Fund Balance</u>	<u>Unrestricted Fund Balance</u>	<u>Restricted Fund Balance</u>
Balance, beginning of year	\$1,483,331	\$379,600	\$1,441,890	\$339,437
Additions				
Revenue over (under) expenses	(294,425)		(6,381)	
Transfer from restricted funds	53,891		47,862	
Ad valorem taxes collected		135,537		138,286
Taxes accrued		(1,055)		2,098
Accrued interest		500		426
	<u>1,332,282</u>	<u>512,568</u>	<u>1,483,311</u>	<u>482,247</u>
Deductions				
Bond principal		49,848		47,862
Interest expense		53,601		53,724
		<u>103,449</u>		<u>101,586</u>
Balance, end of year	<u>1,332,282</u>	<u>409,119</u>	<u>1,483,311</u>	<u>379,600</u>

The accompanying notes are an integral part of these statements.

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.

W. EDWARD CARROLL, CPA
ROBERT J. CARROLL, CPA
ROBERT V. JONES, CPA
DAVID J. LARSON, CPA
J. THOMAS MORGAN, CPA
DANIEL C. MORGAN, CPA
WILLIAM J. MORGAN, CPA
ROBERT H. MORGAN, CPA
WILLIAM J. MORGAN, CPA



CERTIFIED PUBLIC ACCOUNTANTS

MEMBER FIRM OF THE
NATIONAL BOARD OF ACCOUNTS
MEMBER FIRM OF THE
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

ROBERT W. MORGAN, CPA
THOMAS H. HALL, CPA
DAVID J. MORGAN, CPA
WILLIAM J. MORGAN, CPA
WILLIAM J. MORGAN, CPA
WILLIAM J. MORGAN, CPA
WILLIAM J. MORGAN, CPA

December 19, 1996

Independent Auditor's Report on Supplementary Information

The Board of Commissioners

St. Helena Parish Hospital Service District No. 1
Greensburg, Louisiana

Commissioners:

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole of St. Helena Parish Hospital Service District No. 1, a component unit of St. Helena Parish Police Jury, as of and for the years ended October 31, 1996 and October 31, 1995, which are presented in the preceding section of this report. The supplementary information presented hereinafter is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the audit procedures applied in the audit of the general purpose financial statements and, in our opinion, because of the matters discussed in the auditor's report, is not in conformity with generally accepted accounting principles.

Yours truly,

Hawthorn, Waymouth & Carroll, L.L.P.

This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated December 19, 1996.

The management of St. Helena Parish Hospital Service District No. 1 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, 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 and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs into the following categories:

Accounting Controls

Revenue/Receipts	Payroll
Purchases/Disbursements	Property Management
General Ledger	Receivables and Accrued Liabilities
Receivables	Debt
Fund Balance	

Administrative Controls

General Requirements

Political Activity	Davis-Bacon Act
Civil Rights	Cash Management
Relocation Assistance and Real Property Acquisition	Allowable Costs/Cost Principles
Federal Financial Reports	Administrative Requirements
Drug Free Work Place	

Specific Requirements

Types of Services	Reporting
Eligibility	Cost Allocation
Matching Level of Efforts or Earmarking	Special Requirements

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.

In planning and performing our audit of the general purpose financial statements of St. Helena Parish Hospital Service District No. 1, for the year ended October 31, 1996, 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 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 noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of the Commissioners, management, Parish Home Administration and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Yours truly,

Hawthorne, Wiggmuth & Carroll, L.L.P.

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

This report is intended for the information of the Commissioners, management, Farmans Home Administration and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Yours truly,

Hawthorne, Weymouth & Carroll, L.L.P.

W. WALTER CARROLL, CPA
W. WALTER CARROLL, CPA
W. WALTER CARROLL, CPA
W. WALTER CARROLL, CPA
W. WALTER CARROLL, CPA
W. WALTER CARROLL, CPA
W. WALTER CARROLL, CPA
W. WALTER CARROLL, CPA
W. WALTER CARROLL, CPA
W. WALTER CARROLL, CPA



DEFINED PUBLIC ACCOUNTANTS

2000 LANTANA PLACE BLVD.
SUITE 2000, GREENBURG, LOUISIANA
70063-2000 • TELEPHONE 850-225-1100

W. WALTER CARROLL, CPA
W. WALTER CARROLL, CPA
W. WALTER CARROLL, CPA
W. WALTER CARROLL, CPA
W. WALTER CARROLL, CPA
W. WALTER CARROLL, CPA
W. WALTER CARROLL, CPA
W. WALTER CARROLL, CPA
W. WALTER CARROLL, CPA
W. WALTER CARROLL, CPA

December 19, 1996

**Report on Compliance Based on an Audit of
the General Purpose Financial Statements Performed in
Accordance With Government Auditing Standards**

Board of Commissioners

St. Helena Parish Hospital Service District No. 1
Greensburg, Louisiana

Commissioners:

We have audited the accompanying general purpose financial statements of

**St. Helena Parish Hospital Service District No. 1
Greensburg, Louisiana**

a component unit of the St. Helena Parish Police Jury, Greensburg, Louisiana, as of and for the year ended October 31, 1996, and have issued our report thereon dated December 19, 1996, which contained an adverse opinion because the general purpose financial statements include certain assets to which the District does not have title.

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

Compliance with laws, regulations, contracts and grants applicable to St. Helena Parish Hospital Service District No. 1 is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the District'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 overall compliance with such provisions. Accordingly, we do not express such an opinion.

St. Helena Parish Hospital Service District No. 1
 Schedule of Federal Financial Assistance
 Year Ended October 31, 1996

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. No.	Reimbursement/ Expenditures
Department of Agriculture		
Direct Programs:		
*Rural Rental Housing Loan	10-415	\$770,582
*Rural Rental Housing Subsidies	10-415	50,621
Agency total		\$821,203
Department of Health and Human Services		
Rural Health Care Transition Grant Program	60-370	50,000
Agency total		 50,000
Grand total		\$871,203

*Major Programs

HAWTHORN, WARMOUTH & CARROLL, L.L.P.

11 BROAD STREET, 20TH FL.
BOSTON, MASSACHUSETTS 02108
TEL: 617-552-3300
FAX: 617-552-3301
A CHARITABLE ORGANIZATION
100 STATE STREET, 10TH FL.
BOSTON, MASSACHUSETTS 02108
TEL: 617-552-3300
FAX: 617-552-3301



DEFERRED PUBLIC ACCOUNTANTS

MEMBER FINANCIAL ACCOUNTING
INSTITUTE (FAI) - CERTIFIED PUBLIC ACCOUNTANTS
MEMBER AMERICAN INSTITUTE OF CERTIFIED FINANCIAL ACCOUNTANTS (AICPA)

HAWTHORN, WARMOUTH & CARROLL, L.L.P.
MEMBER OF:
JOHN J. HANCOCK CO., L.P.A.
MEMBER OF:
HAWTHORN, WARMOUTH & CARROLL, L.L.P.
MEMBER OF:
HAWTHORN, WARMOUTH & CARROLL, L.L.P.

December 19, 1996

**Independent Auditor's Report on Supplementary
Schedule of Federal Financial Assistance**

Board of Commissioners
St. Helena Parish Hospital Service District No. 1
Greensburg, Louisiana

Commissioners:

We have audited the general purpose financial statements of the St. Helena Parish Hospital Service District No. 1, Greensburg, Louisiana, a component unit of the St. Helena Parish Police Jury, Greensburg, Louisiana, as of and for the year ended October 31, 1996, and have issued our report thereon dated December 19, 1996, which contained an adverse opinion because the general purpose financial statements include certain assets to which the District does not have title. These general purpose financial statements are the responsibility of the St. Helena Parish Hospital Service District No. 1's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the St. Helena Parish Hospital Service District No. 1 taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Yours truly,
Hawthorn, Warmouth & Carroll, L.L.P.

St Helens Parish Hospital Service District No. 1
Operating Expenses
Years Ended October 31, 1996 and October 31, 1995

	1996	1995
Supplies and Other		
Food cost	\$163,130	\$144,402
Pharmacy	55,185	82,481
Medical supplies	443,977	435,924
Medical waste services	26,698	24,183
Total	<u>728,970</u>	<u>726,930</u>
General and Administrative		
Auto expense		\$127
Bank charges	\$159	180
Collection expense	7,538	8,247
Dues and subscriptions	15,044	18,123
Education	17,879	14,622
Employee benefits	2,080	13,589
Gas	26,660	22,017
Group insurance	40,521	28,500
Insurance	231,899	232,345
Lease expense	31,925	21,028
Maintenance contracts	18,182	13,455
Office supplies	41,075	31,288
Payroll taxes	225,268	229,520
Legal and professional	48,597	52,649
Postage	6,717	31,455
Printing		232
Miscellaneous	59,800	26,870
Repairs and maintenance	70,261	68,303
Rental charges	28,349	29,173
Sewerage	6,178	5,268
Telephone	64,562	64,393
Travel and educational	388,757	119,493
Utilities	112,809	138,853
Water	7,491	6,286
Advertising	5,487	15,468
Washing machine	16,950	16,774
Trash pick-up	2,321	2,389
Total	<u>1,191,611</u>	<u>1,382,903</u>

St. Helena Parish Hospital Service District No. 1
Revenue
Years Ended October 31, 1996 and October 31, 1995

	1996	1995
Patient Service Revenue		
Patient rooms - Hospital	\$289,133	\$217,747
Patient rooms - Nursing Home	1,482,274	1,522,499
Monitor rooms	31,249	31,206
Operating and emergency room	188,813	174,624
Medical and surgical supplies	263,044	221,397
Pharmacy	936,528	791,659
X-ray	283,760	232,296
EEG or EKG	119,068	145,359
Ultrasound	43,687	47,880
S.H.P. scan	16,647	26,763
Laboratory	741,064	678,983
Therapy	308,237	303,766
Doctor fees	67,483	61,253
Home Health	1,328,280	1,391,134
Dietary	28,336	23,130
Geriatric unit	2,489,605	2,193,253
Senior residences	<u> </u>	<u>40</u>
	8,009,518	7,744,133
Less deduction from revenue adjustment	<u>(2,095,261)</u>	<u>(1,551,273)</u>
	5,914,257	6,192,860
Other Operating Revenue		
Taxes	\$232,164	\$247,680
State revenue sharing	6,189	6,190
Miscellaneous	111,926	88,121
	<u>350,279</u>	<u>341,991</u>

2100 LAFAYETTE SQUARE, SUITE 100
HOUSTON, TEXAS 77055
PHONE: (713) 865-1000
FAX: (713) 865-1001
MEMBERSHIP: AICPA, CPA, CMA
INTERNATIONAL SOCIETY OF CPAs
SOCIETY OF CPAs - TEXAS
NATIONAL ASSOCIATION OF CPAs



CERTIFIED PUBLIC ACCOUNTANTS

2000 LAFAYETTE PLACE, SUITE 100
HOUSTON, TEXAS 77055
PHONE: (713) 865-1000 • FAX: (713) 865-1001

MEMBERSHIP: AICPA, CPA, CMA
INTERNATIONAL SOCIETY OF CPAs
SOCIETY OF CPAs - TEXAS
NATIONAL ASSOCIATION OF CPAs
MEMBERSHIP: AICPA, CPA, CMA
INTERNATIONAL SOCIETY OF CPAs
SOCIETY OF CPAs - TEXAS
NATIONAL ASSOCIATION OF CPAs

December 19, 1996

**Single Audit Report on the Internal Control Structure
Used in Administering Federal Financial Assistance Programs**

Board of Commissioners
St. Helena Parish Hospital Service District No. 1
Greensburg, Louisiana

Commissioners:

We have audited the accompanying general purpose financial statements of

**St. Helena Parish Hospital Service District No. 1
Greensburg, Louisiana**

a component unit of the St. Helena Parish Police Jury, Greensburg, Louisiana, as of and for the year ended October 31, 1996, and have issued our report thereon dated December 19, 1996, which contained an adverse opinion because the general purpose financial statements include certain assets to which the District does not have title. We have also audited St. Helena Parish Hospital Service District No. 1's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated December 19, 1996.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, "Audits of State and Local Governments." These standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether St. Helena Parish Hospital Service District No. 1 complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended October 31, 1996, we considered the internal control structure of St. Helena Parish Hospital Service District No. 1 in order to determine our auditing procedures for the purpose of expressing our opinions on the District's general purpose financial statements and on its compliance with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-128.