



ST. TAMMANY MEDICAL SERVICES DEFINED CONTRIBUTION PLAN

Financial Statements for the Years Ended
December 31, 1995 and 1994, Supplemental
Schedules for the Year Ended December 31, 1995
and Independent Auditors' Report

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

Release Date OCT 15 1995

**ST. TAMMANY MEDICAL SERVICES
DEFINED CONTRIBUTION PLAN**

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 1995 AND 1994	
Statements of Net Assets Available for Benefits	2
Statements of Changes in Net Assets Available for Benefits	3
Notes to Financial Statements	4
SUPPLEMENTAL SCHEDULES FOR THE YEAR ENDED DECEMBER 31, 1995	
Assets Held for Investment Purposes - Schedule 27(a)	7
Reportable Transactions - Schedule 27(b)	8



INDEPENDENT AUDITORS' REPORT

The Pension Administrative Committee St. Tammany Medical Services Defined Contribution Plan

We were engaged to audit the accompanying financial statements and supplemental schedules of St. Tammany Medical Services Defined Contribution Plan (the Plan) as of December 31, 1995 and 1994, and for the years then ended, as listed in the table of contents. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by Section 2500.103-4 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 3, which was verified by Citicorp National Bank, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 1995 and 1994, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to express, and do not express, an opinion on the accompanying 1995 and 1994 financial statements and supplemental schedules taken as a whole. The form and content of the information included in the 1995 and 1994 financial statements and supplemental schedules, other than that derived from the information verified by the trustee, have been audited by us in accordance with generally accepted auditing standards and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Deloitte & Touche LLP

June 7, 1996

**ST. TAMMANY MEDICAL SERVICES
DEFINED CONTRIBUTION PLAN**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 1995 AND 1994**

ASSETS	1995	1994
Cash	\$ -	\$ -
INVESTMENTS, at estimated fair value:		
Common trust funds	2,104,908	1,750,985
Fixed income		
Money market	299,170	191,810
Fixed income	2,681,008	1,788,880
Equity	<u>1,278,482</u>	<u>709,840</u>
Total investments	6,364,768	4,687,960
RECEIVABLES:		
Contributions receivable	-	216,584
Accrued income	<u>823</u>	<u>-</u>
Total receivables	823	216,584
Total assets	6,365,591	4,742,367
LIABILITIES		
Excess contributions from Plan Sponsor	<u>327,894</u>	<u>153,478</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$6,037,697</u>	<u>\$4,588,889</u>

See notes to financial statements.

**ST. TAMMANY MEDICAL SERVICES
DEFINED CONTRIBUTION PLAN**

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 1993 AND 1994**

	1993	1994
ADDITIONS:		
Net appreciation in fair value of investments	\$ 638,868	\$ -
Interest and dividend income	227,793	185,840
Contributions from employees	<u>981,357</u>	<u>946,552</u>
	1,719,900	1,187,190
DEDUCTIONS:		
Net depreciation in fair value of investments	-	158,627
Benefit payments	89,693	74,815
Trustee fees	<u>44,086</u>	<u>54,518</u>
	<u>132,179</u>	<u>287,960</u>
NET INCREASE	1,645,801	839,600
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	<u>4,581,889</u>	<u>3,352,279</u>
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	<u>\$6,227,690</u>	<u>\$4,191,879</u>

See notes to financial statements.

ST. TAMMANY MEDICAL SERVICES DEFINED CONTRIBUTION PLAN

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 1996 AND 1994

I. SIGNIFICANT ACCOUNTING POLICIES

Books of Accounting - The financial statements of the St. Tammany Medical Services Defined Contribution Plan (the Plan) have been prepared on the accrual basis of accounting.

Investments - The Plan's investments are held by the Plan's trustee, Hibernia National Bank (Hibernia). Under the terms of a trust agreement, Hibernia administers the investment transactions of the Plan on behalf of the participants and has discretionary authority over the Plan's assets, which can include investing in Hibernia administered accounts. The investments and changes therein are reported at fair value as determined by the trustee. The money market investment is stated at cost, which approximates market value.

The common trust funds and mutual funds are managed by Hibernia and administered by Federated Securities Corporation. As administrator, Federated Securities Corporation is responsible for calculating the per unit market value of the respective funds' net assets. Under the terms of the common trust fund and mutual fund prospectuses, the Plan can elect to sell of the investments by redeeming them to the respective fund on monthly valuation dates for common trust funds or daily for mutual funds, at a unit price equal to the per unit interest of the market value of the funds' net assets. The investments in these funds are stated at the Plan's pro rata interest in the market value of the funds' net assets.

Administrative Expenses - An affiliate of St. Tammany Medical Services, Inc. (the Plan Sponsor) bears most of the administrative costs of the Plan. The trustee fees that are borne by the Plan are treated as an investment expense and are deducted from investment earnings allocated to the participants' accounts.

II. DESCRIPTION OF THE PLAN

The Plan is a noncontributory, defined contribution pension plan covering all full-time employees of St. Tammany Parish Hospital (the employer) who have completed the minimum requirements of one year of service and are 21 years of age or older. An employee is credited with one year of service for each calendar year in which the participant has completed 1,000 or more hours of service with the employer. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan requires employer contributions equal to 6% of the aggregate compensation of all participants. Contributions are remitted to the trustee and are invested in accordance with the provisions of the Plan. Employer contributions on behalf of participants are 100% vested after five years of credited service.

Income earned on investments and the net realized and unrealized appreciation is reinvested. The value of investments are allocated to participants' accounts in the ratio of each participant's adjusted beginning balance to the adjusted beginning balance for all participants. The adjusted beginning balance is defined as the account balance at the beginning of the period less withdrawals, distributions, forfeitures and other payments made during the period. Forfeitures of terminated employees' non-vested account balances are applied as a credit against employer contributions.

Upon retirement, death, or disability, the participant is entitled to receive the value of his account within 60 days after the close of the plan year in which the event occurred. The participant may elect to receive the vested portion of the account in a lump-sum distribution or in periodic payments. Terminated employees receive benefits no later than 60 days after the end of the annual plan year after the break in service occurs. Benefits payable to terminated employees were \$17,812 and \$134,112 at December 31, 1993 and 1994, respectively.

Additional information regarding the description of the Plan is provided in the Summary of Plan Description of St. Theresa's Medical Services Defined Contribution Plan which is made available to all participants.

3. INVESTMENTS

Financial information relating to investments is included in the accompanying financial statements based on information provided by the trustee. That information, which has not been audited by independent auditors, is summarized below:

At December 31, 1993 and 1994, the estimated fair values and cost of the Plan's investments, as determined by the trustee, were:

	1993		1994	
	Estimated Fair Value	Cost	Estimated Fair Value	Cost
Hibernia Employee Benefit Intermediate Term Bond Fund - Fixed Income				
Cameron Trust Fund	\$2,324,908	\$1,822,812	\$1,783,885	\$1,561,487
Hibernia Tower Cash Reserve Fund - Money Market Fund	299,379	298,379	197,859	199,993
Hibernia Tower Total Return Bond Fund - Fixed Income Mutual Fund	2,691,028	2,488,518	1,793,983	1,898,899
Hibernia Tower Capital Appreciation Fund - Equity Mutual Fund	1,279,463	1,089,771	719,941	721,514
	<u>\$6,694,787</u>	<u>\$5,870,481</u>	<u>\$4,495,668</u>	<u>\$4,470,443</u>

A summary of investment income and realized and unrealized appreciation (depreciation) in investment, as reported by the trustee, follows for the years ended December 31:

	1998	1994
Interest and dividend income	<u>\$ 237,793</u>	<u>\$ 140,843</u>
Intermediate Term Bond Fund	\$ 388,590	\$ 14,193
Total Return Bond Fund	218,808	(79,634)
Capital Appreciation Fund	<u>223,654</u>	<u>(42,141)</u>
Unrealized appreciation (depreciation) in value of investments	<u>\$ 434,140</u>	<u>\$ (118,872)</u>

4. PLAN TERMINATION

Although the Plan Sponsor has not expressed any intent to do so, the Plan Sponsor has the right to modify, suspend, or discontinue contributions to the Plan at any time, and such action shall not be deemed to be a termination of the Plan. The Plan Sponsor also has the right to terminate the Plan subject to the provisions of ERISA.

In the event the Plan terminates, the balance in each participant's or retired participant's account shall become fully vested immediately and nonforfeitable. Each participant, retired participant or beneficiary shall be entitled to receive any amounts then credited to his or her account.

5. INCOME TAX STATUS

The Internal Revenue Service has ruled that the Plan qualifies under Section 401(a) of the Internal Revenue Code (IRC) and is, therefore, not subject to tax under present income tax law. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Pension Administration Committee is not aware of any course of action or series of events that have occurred that might adversely affect the Plan's qualified status.

6. SUBSEQUENT EVENT

As of January 1, 1996, an agreement to the Plan substituted St. Tammany Parish Hospital in place of St. Tammany Medical Services as the Plan Sponsor. A determination letter will be filed in connection with this agreement.

**ST. TAMMANY MEDICAL SERVICES
DEFINED CONTRIBUTION PLAN**

**SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES -
SCHEDULE 27(a)
DECEMBER 31, 1998**

Identity of Issue	Description	Cost	Current Value
Hibornia Employee Health Insurance Term Bond Fund (15,133 shares)	Fixed Income Common Trust Fund	\$1,922,812	\$2,234,980
Hibornia Tower Cash Reserve Fund	Money Market Fund	150,378	258,378
Hibornia Tower Total Return Bond Fund (158,934 shares)	Fixed Income Mutual Fund	2,585,128	2,691,628
Hibornia Tower Capital Appreciation Fund (76,358 shares)	Equity Mutual Fund	<u>1,698,711</u>	<u>1,278,483</u>
		<u>\$3,276,831</u>	<u>\$6,364,761</u>

ST. TAMMANY MEDICAL SERVICES
DEFINED CONTRIBUTION PLAN

SUPPLEMENTAL SCHEDULE OF REPORTABLE TRANSACTIONS - (SCHEDULE 279d)
YEAR ENDED DECEMBER 31, 1998

Description	Number of Transactions	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain (Loss)
Category (d) - A seller of transactions in a security of the same class aggregating 1% of plan assets						
Hibernia Trust- Cash Reserve Fund*	14	\$1,185,718	-	\$1,281,718	\$1,385,718	-
Hibernia Trust- Cash Reserve Fund*	14	-	1,215,400	1,241,463	1,273,063	-
Hibernia Trust- Capital Appreciation Fund*	11	336,817	-	336,817	336,817	-
Hibernia Employee Benefit Intermediate Term Bond Fund*	4	241,215	-	241,215	241,215	-
Hibernia Trust Total Return Bond Fund*	25	789,918	-	508,958	789,918	-

*Trust was not category (d), (e) or (f) reportable transactions during 1995.

*Trust is interest.