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**HOSPITAL SERVICE DISTRICT NO. 1**  
Parish of Vermilion  
State of Louisiana  
Kaplan, Louisiana  
  
Financial Report  
  
Years Ended September 30, 1997 and 1998

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 4-15-98

TABLE OF CONTENTS

	<u>Page</u> <u>No.</u>
Independent Auditor's Report	1-1
<b>FINANCIAL STATEMENTS</b>	
Balance Sheets	3
Statements of Operations	4
Statement of Changes in Fund Balance	5
Statements of Cash Flows	6
Notes to Financial Statements	7-13
Independent Auditor's Report on Additional Information	14
<b>ADDITIONAL INFORMATION</b>	
Summary of Depreciable Assets and Depreciation	15
Schedules of Net Patient Service Revenue	16
Schedules of In-Patient Service Revenue	17
Schedules of Out-Patient Service Revenue	18
Schedules of Other Operating Income	18
Schedules of Professional Expenses	19
Schedules of General and Administrative Expenses	20
Schedules of Nonoperating Income	21
Schedule of Commissioners, Meetings Attended and Compensation	22
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	23-24



**Darnall, Sikes  
& Frederick.**

(A Corporation of Louisiana)

Report Form 104, Revised 1986

✓	1987 Balance Sheet	100
✓	1987 Income Statement	101
✓	1987 Statement of Retained Earnings	102
✓	1987 Statement of Cash Flows	103
✓	1987 Statement of Assets and Liabilities	104
✓	1987 Statement of Operations	105
✓	1987 Statement of Changes in Equity	106
✓	1987 Statement of Financial Position	107
✓	1987 Statement of Financial Position	108
✓	1987 Statement of Financial Position	109
✓	1987 Statement of Financial Position	110
✓	1987 Statement of Financial Position	111
✓	1987 Statement of Financial Position	112
✓	1987 Statement of Financial Position	113
✓	1987 Statement of Financial Position	114
✓	1987 Statement of Financial Position	115
✓	1987 Statement of Financial Position	116
✓	1987 Statement of Financial Position	117
✓	1987 Statement of Financial Position	118
✓	1987 Statement of Financial Position	119
✓	1987 Statement of Financial Position	120

**Independent Auditor's Report**

**Board of Commissioners**  
**Hospital Service District No. 1**  
**Parish of Vermilion, State of Louisiana**  
**Rapier, Louisiana**

1987 Balance Sheet  
 100  
 1987 Income Statement  
 101  
 1987 Statement of Retained Earnings  
 102  
 1987 Statement of Cash Flows  
 103  
 1987 Statement of Assets and Liabilities  
 104  
 1987 Statement of Operations  
 105  
 1987 Statement of Changes in Equity  
 106  
 1987 Statement of Financial Position  
 107  
 1987 Statement of Financial Position  
 108  
 1987 Statement of Financial Position  
 109  
 1987 Statement of Financial Position  
 110  
 1987 Statement of Financial Position  
 111  
 1987 Statement of Financial Position  
 112  
 1987 Statement of Financial Position  
 113  
 1987 Statement of Financial Position  
 114  
 1987 Statement of Financial Position  
 115  
 1987 Statement of Financial Position  
 116  
 1987 Statement of Financial Position  
 117  
 1987 Statement of Financial Position  
 118  
 1987 Statement of Financial Position  
 119  
 1987 Statement of Financial Position  
 120

We have audited the accompanying financial statements of the Hospital Service District No. 1, Parish of Vermilion, State of Louisiana, a component unit of the Vermilion Parish Police Jury, as of and for the years ended September 30, 1987 and 1986, as stated in the table of contents. These financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Hospital Service District No. 1, Parish of Vermilion, State of Louisiana, as of September 30, 1987 and 1986, and the results of its operations and its 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 December 10, 1987, on our consideration of the Hospital's internal control structure and on its compliance with laws and regulations.

**Accountant**  
 DARNALL, SIKES & FREDERICK  
 1000 PINE STREET  
 MONROE, LOUISIANA 70132

As discussed more fully in Note 13 to the financial statements, the Hospital has experienced significant losses. The financial statements do not include any adjustment relating to the amounts and classification of liabilities that might be necessary if the Hospital Service District No. 1, Parish of Vermilion, State of Louisiana, is unable to continue operation of the facility.

*Darnall, Sikes & Frederick*

A Corporation of Certified Public Accountants

Burrise, Louisiana  
December 18, 1997

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HOSPITAL SERVICE DISTRICT NO. 1  
Parish of Iberian  
State of Louisiana

Balance Sheets  
September 30, 1997 and 1996

ASSETS

	<u>1997</u>	<u>1996</u>
<b>CURRENT ASSETS</b>		
Cash on hand and in banks	\$ 791,648	\$ 188,322
Assets whose use is limited - required for current liabilities	33,821	39,379
Accounts receivable - patients, net	1,599,718	1,768,838
Estimated third party payor settlements	168,313	134,184
Inventory	112,825	188,099
Accrued interest receivable	3,707	2,281
Prepaid expenses	67,558	39,674
Other receivables	<u>48,367</u>	<u>21,363</u>
Total current assets	<u>2,823,612</u>	<u>2,468,182</u>
<b>ASSETS WHOSE USE IS LIMITED BY THE BOARD FOR CAPITAL IMPROVEMENTS</b>		
Cash and certificates of deposit	457,988	419,321
Less assets whose use is limited and that are required for current liabilities	<u>(133,821)</u>	<u>(138,379)</u>
	<u>324,167</u>	<u>280,942</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Depreciable assets	4,448,819	4,341,848
Less accumulated depreciation	<u>(3,672,732)</u>	<u>(3,432,488)</u>
Net depreciable assets	776,087	909,360
Land	<u>79,322</u>	<u>79,322</u>
	<u>1,863,238</u>	<u>1,933,682</u>
<b>TOTAL ASSETS</b>	<u>\$ 4,700,837</u>	<u>\$ 4,813,187</u>

LIABILITIES AND FUND BALANCE

	<u>1991</u>	<u>1990</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 713,589	\$ 851,813
Current maturities of obligation		
under capital lease	23,810	36,279
Other payables	154,093	4,784
Accrued wages payable	13,388	81,000
Accrued vacation payable	31,046	62,755
Estimated third-party paper settlements	<u>699,138</u>	<u>796,627</u>
Total current liabilities	<u>1,648,923</u>	<u>1,828,299</u>
<b>LONG-TERM DEBT</b>		
Obligations under capital lease	<u>50,763</u>	<u>11,268</u>
<b>FUND BALANCE</b>	<u>1,598,093</u>	<u>1,216,322</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$4,782,827</u>	<u>\$4,813,287</u>

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

HOSPITAL SERVICE DISTRICT NO. 1  
Parish of Vermilion  
State of Louisiana

Statements of Operations  
Years Ended September 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
<b>OPERATING REVENUE</b>		
Net patient service revenue	\$6,442,284	\$ 6,169,812
Other revenue	<u>178,839</u>	<u>187,810</u>
	<u>\$ 6,621,123</u>	<u>\$ 6,357,622</u>
<b>OPERATING EXPENSES</b>		
Professional	5,119,685	5,593,974
General and administrative	1,643,283	1,562,388
Depreciation	249,199	232,887
Provision for bad debts	<u>508,366</u>	<u>368,222</u>
	<u>7,520,533</u>	<u>7,757,471</u>
<b>LOSS FROM OPERATIONS</b>	(899,410)	(1,402,799)
<b>NONOPERATING INCOME</b>	<u>382,237</u>	<u>318,924</u>
<b>NET LOSS</b>	<u>\$ (517,173)</u>	<u>\$ (1,083,874)</u>

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



HOSPITAL SERVICE DISTRICT NO. 1  
Parish of Terrebonne  
State of Louisiana

Statement of Changes in Fund Balances  
Years Ended September 30, 1993 and 1994

	Donated Capital	Plant Fund	Operating Fund	Total
FUND BALANCE, September 30, 1993	\$35,882	\$2,188,385	\$ 1,829,569	\$ 4,254,096
Donated capital	15,800	-	-	15,800
Net Income (Loss)	-	28,873	(1,858,665)	(1,829,792)
FUND BALANCE, September 30, 1994	\$51,682	\$2,186,380	\$ 871,140	\$ 3,228,232
Donated capital	17,800	-	-	17,800
Net Income (Loss)	-	29,380	(1,249,362)	(1,220,182)
FUND BALANCE, September 30, 1995	\$67,882	\$2,194,383	\$ 821,775	\$ 3,094,098

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

HOSPITAL SERVICE DISTRICT NO. 1  
 Parish of Vermilion  
 State of Louisiana

Statements of Cash Flows  
 Years Ended September 30, 1993 and 1994

	<u>1993</u>	<u>1994</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$(139,382)	\$(1,062,876)
Adjustments to reconcile net loss to cash provided by operating activities		
Depreciation	245,199	232,587
Change in assets and liabilities		
Accounts receivable - patients	147,130	56,808
Estimated third party paper settlements	(86,338)	637,378
Other receivables	(29,722)	(890)
Inventories	13,524	5,597
Accrued interest receivable	(2,081)	1,737
Prepaid expenses	(7,878)	1,487
Accounts payable	45,777	293,821
Other payables and accrued expenses	(69,555)	(1,328)
Net cash provided by operating activities	<u>275,795</u>	<u>83,783</u>
<b>Cash flows from investing activities</b>		
Proceeds from certificates of deposit	28,000	142,000
Purchase of property and equipment	(408,877)	(306,285)
Transfer from (to) restricted fund	(62,622)	33,733
Net cash used by investing activities	<u>(443,499)</u>	<u>(130,552)</u>
<b>Cash flows from financing activities</b>		
Borrowed capital	17,000	13,000
Payments on capital lease obligations	(28,862)	(67,168)
Net cash used by financing activities	<u>(11,862)</u>	<u>(54,168)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	120,434	(79,937)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>228,322</u>	<u>308,260</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 348,756</u>	<u>\$ 228,323</u>
 <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
	<u>1993</u>	<u>1994</u>
Cash paid for interest	\$ 25,318	\$ 6,905

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

HOSPITAL SERVICE DISTRICT NO. 1  
Parish of Vermilion  
State of Louisiana

Notes to Financial Statements  
September 30, 1997 and 1996

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Organization**

Hospital Service District No. 1 is a component unit of the Vermilion Parish Police Jury, the governing body of the parish and the government body with oversight authority, and is exempt from federal and state income taxes.

**Method of Accounting**

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

**Accounts Receivable**

Accounts receivable are shown net of provision for doubtful accounts of \$142,428 and \$142,700 as September 30, 1997 and 1996, respectively and contractual allowances of \$2,748,833 and \$823,000 for 1997 and 1996, respectively.

**Inventory**

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

**Cash and Cash Equivalents**

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

**Floor and Equipment**

Floors and equipment are stated at cost. Depreciation is computed on the double declining balance method for assets purchased prior to January 1, 1972, and on the straight-line method for assets purchased after January 1, 1972, over the life years recommended by the American Hospital Association.

HOSPITAL SERVICE DISTRICT NO. 1  
Parish of Vermilion  
State of Louisiana

Notes to Financial Statements  
September 30, 1987 and 1986

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Land

The land for the Hospital site was received by donation and the value used reflects the estimated fair market value after the Hospital building was completed.

Federal and State Income Taxes

The Hospital has been ruled exempt from federal and state income taxes. Therefore, no provision is made.

Cash and Certification of Deposit

The bank balance of cash and certification of deposit is covered by federal depository insurance or by collateral held by the banks in the Hospital's name.

Net Patient Revenue

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.

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.

NOTE 2. NET PATIENT REVENUES

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

HOSPITAL SERVICE DISTRICT NO. 1  
Parish of Vermilion  
State of Louisiana

Notes to Financial Statements  
September 30, 1997 and 1996

NOTE 1 NET PATIENT REVENUES (Continued)

Medicare

Inpatient acute care services rendered to Medicare program beneficiaries are paid on 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 Medicare cost reports have been audited by the Medicare fiscal intermediary through September 30, 1996.

Medicaid

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

The Hospital receives a substantial portion of its revenues from the Medicare and Medicaid programs at discounted rates. During the year ended September 30, 1997, the following revenues were obtained from these programs:

Medicare and Medicaid gross patient charges	\$18,648,456
Contractual adjustments	<u>5,337,357</u>
Net patient service revenue	<u>\$13,311,099</u>
Percent of total net patient revenue	<u>33%</u>

HOSPITAL SERVICE DISTRICT NO. 1  
Parish of Vermilion  
State of Louisiana

Notes to Financial Statements  
September 30, 1993 and 1994

NOTE 3 ASSETS WHOSE USE IS LIMITED

Assets whose use is limited consists of a checking account and certificate of deposit designated by the Board of Directors to be used for capital asset acquisitions and improvements.

NOTE 4 PENSION PLAN

The Hospital has a compulsory defined contribution pension plan covering all full time employees. Employee and employer each contributed four and one half percent of annual pay. Total pension expense for the Hospital for the years ended September 30, 1993 and 1994 was \$89,687 and \$81,376, respectively.

NOTE 5 CONTINGENT LIABILITIES

Various malpractice suits are pending against the Hospital. These suits have been turned over to the Hospital's insurance carrier. The Hospital is fully insured should any loss be incurred, therefore, no liability is shown in these financial statements.

In the normal course of business, there could be various outstanding contingent liabilities such as, but not limited to, the following:

- Louisiana alleging negligence in care
- Environmental pollution
- Violation of regulatory body's rules and regulations
- Violation of federal and/or state laws

No accrual for potential contingent liabilities, such as, but not limited to, those described above, are reflected in the accompanying financial statements. No such liabilities have been asserted, and, therefore, no estimate of loss, if any, is determinable.

Third Party Cost-Based Revenues - Cost reimbursements are subject to examination by agencies administering the Medicare and Medicaid programs. The Medicare program has discontinued its cost-based reimbursement system for inpatient services. Currently, the District receives a fixed fee for each patient as determined by the government using the patient's diagnosis. The District is contingently liable for retroactive adjustments made by the Medicare and Medicaid programs as the result of their examinations as well as retroactive changes in interpretations applying statutes, regulations, and general instructions of those programs. The amount of such adjustments cannot be determined.

HOSPITAL SERVICE DISTRICT NO. 1  
Parish of Vermilion  
State of Louisiana

Notes to Financial Statements  
September 30, 1997 and 1998

NOTE 6 EMPLOYEE BENEFIT TRUST FUNDS

On February 1, 1978, the Hospital implemented a self-insurance program for employee health benefits. The plan is self-funded from the Hospital and employee contributions and benefit payments are made, pursuant to the plan provisions, from the portion of these contributions which have been placed in the Benefit Trust Account. The self-insurance program is underwritten.

The Benefit Trust Account is an irrevocable trust, and can be used only to pay claims and employee benefit insurance premiums. The Fund is accounted for as a separate entity and the books are kept on an annual basis commencing February 1, and ending January 31, of each year and, accordingly, is not reflected in these financial statements.

At September 30, 1997, claims incurred but not reported totalled \$20,593 and the balance in the Benefit Trust Account was \$68,733. The Trust was fully funded, therefore no liability has been accrued at September 30, 1997.

NOTE 7 OBLIGATION UNDER CAPITAL LEASE

During 1995, the Hospital entered into a capital lease agreement with General Electric Company for the purchase of a Radiographic and Fluoroscopic Room. The obligation under capital lease has been recorded in the financial statements at the present value of the future minimum lease payments discounted at an interest rate of 7.25%. The capital lease is for a period of 60 months. The Radiographic and Fluoroscopic Room was capitalized at a value of \$278,818, less accumulated depreciation of \$125,828 calculated through September 30, 1997.

During 1991, the Hospital entered into several capital lease agreements with International Business Machines (IBM) for the purchase of a 48600 computer system. The obligations under capital lease have been recorded in the financial statements at the present value of future minimum lease payments discounted at interest rates ranging from 8.13% to 9.45%. The capital leases are for periods ranging from 36 to 60 months. The computer was capitalized at a value of \$77,937, less accumulated depreciation of \$48,181 calculated through September 30, 1997.

During 1993, the Hospital entered into a capital lease agreement with Bankers Leasing Association, Inc. for the purchase of an Opera Chemistry System. The obligation under capital lease has been recorded in the financial statements at the present value of the future minimum lease

HOSPITAL SERVICE DISTRICT NO. 1  
Parish of Iberville  
State of Louisiana

Notes to Financial Statements  
September 30, 1990 and 1989

NOTE 7 DEBTIGATION UNDER CAPITAL LEASE (Continued)

payments discounted at an interest rate of 11.75%. The capital lease is for a period of 48 months. The Open Chemistry System was capitalized at a value of \$30,375, less accumulated depreciation of \$1,529 calculated through September 30, 1990.

Minimum lease payments are due as follows:

	1990	\$30,842
	1989	18,750
	2000	18,750
	2001	18,750
	2002	<u>6,882</u>
		\$1,799
Less: amount representing interest		<u>12,284</u>
Present value of future minimum lease payments		18,565
Less: current maturities		<u>11,831</u>
Long-term portion		<u>\$56,732</u>

NOTE 8 CONCENTRATION OF CREDIT RISK

As September 30, 1990, the bank balances of cash and cash equivalents totaled \$1,826,703, which was covered by Federal Depository Insurance of \$314,539 and Federal National Mortgage Association Securities with market value of \$1,479,433 which is pledged by the bank in the name of the Hospital.

The Hospital, located in Kaplan, Louisiana, grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements in which payment collection is significantly certain.

NOTE 9 THIRD-PARTY PAYOR SETTLEMENT APPEALS

The Hospital's 1987 and 1988 Medicare cost reports have been filed under protest to preserve the appeal rights for prior years' disallowances. The issues presented pertain primarily to the disallowance of reimbursement for



HOSPITAL SERVICE DISTRICT NO. 1  
Parish of Vermilion  
State of Louisiana

Notes to Financial Statements  
September 30, 1997 and 1996

**NOTE 9 THIRD-PARTY PAYOR SETTLEMENT APPEALS (Continued)**

Inpatient psychiatric care which were received based on length of stay days which were in excess of the Hospital's target days as established by the Medicare program. Potential refunds represent contingent gains and, accordingly, have not been reflected in the financial statements.

**NOTE 10 LEASE AGREEMENT**

On February 6, 1991, the Hospital entered into a three year lease agreement with Optima Management, LLC to occupy the north wing of the Hospital. The monthly rental payments are \$1,500 per occupied bed and \$500 per unoccupied bed, with a minimum rental payment of \$7,500 per month.

**NOTE 11 GOING CONCERN**

The Hospital has experienced losses from operations for the past several years. These losses have been attributable to a deterioration of patient days as well as significant losses generated by the operation of the Hospital's emergency room. Management has initiated plans to mitigate the adverse effects of the conditions previously mentioned. These plans include, but are not limited to, (1) reducing or delaying expenditures where possible (2) hiring physicians to increase admits to the Hospital, (3) leasing hospital beds and possibly services to a third party and (4) contracting purchases through a buying service to obtain more favorable pricing. If management's plans do not result in material changes to the Hospital's operations, there may be serious doubt about its ability to continue operations. No adjustments to the balance sheet have been made to account for discontinued operations, should such an event occur.

**NOTE 12 SUBSEQUENT EVENT**

The Board of Commissioners on October 21, 1991, adopted a resolution authorizing the issuance of 565,000 Series 1997 Certificates of Indebtedness. The bonds were issued for the purpose of paying a portion of the cost of improving, maintaining and operating hospital facilities as well as for the payment of contractual obligations to vendors and lessors of various equipment. The certificates are secured by an irrevocable pledge and dedication of the funds to be derived by the taxes from the levy and collection of a special tax of seven and seven-tenths hundredths (7.57) mills to be levied in each of the years 1993 through 1991, pursuant to an election held on January 18, 1992. Repayment terms require principal payments annually for the years 1999-2000, together with interest accrued at a rate of 5%.

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**Darnall, Sikes  
& Frederick.**

(A Corporation of Certified Public Accountants)

Corporate Form 990-0 (1997) 1

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**Independent Auditor's Report  
on additional Information**

**Board of Commissioners**  
**Hospital Service District No. 1**  
**Parish of Vermilion, State of Louisiana**  
**Bossier, Louisiana**

Officers and Directors: 1 12  
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 Directors: 1 12

Our report on our audits of the basic financial statements of the Hospital Service District No. 1, Parish of Vermilion, State of Louisiana, a component unit of the Vermilion Parish Police Jury, for the years ended September 30, 1997 and 1996, appears on page 1. These audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying information on pages 15 through 22 is presented for purposes of additional analysis, and is not a required part of the basic financial statements and, in our opinion, is fairly stated in all material respects as relation to the basic financial statements taken as a whole.

*Darnall, Sikes & Frederick*

A Corporation of Certified Public Accountants

Bossier, Louisiana  
 December 10, 1997

Officers and Directors: 1 12  
 Officers: 1 12  
 Directors: 1 12

HOSPITAL SERVICE CONTRACT NO. 1  
 Parish of Vermilion  
 State of Louisiana

Summary of Depreciable Assets and Depreciation  
 Years Ended September 30, 1957 and 1956

ASSETS

	Balance <u>9/30/56</u>	Additions	Reductions	Balance <u>9/30/57</u>
Building	\$1,700,175	\$ -	\$ -	\$1,700,175
Parking lot	48,129	-	-	48,129
Fixed equipment	1,121,993	17,737	-	1,139,730
Major movable equipment	1,198,847	78,515	-	1,277,362
Other equipment	<u>212,581</u>	<u>678</u>	<u>-</u>	<u>213,259</u>
	<u>\$4,281,625</u>	<u>\$106,930</u>	<u>\$ -</u>	<u>\$4,388,555</u>

## DEPRECIATION

<u>Balance</u> <u>8/31/08</u>	<u>Additions</u>	<u>Excesses</u>	<u>Balance</u> <u>8/31/09</u>	<u>Book Value</u> <u>8/31/09</u>
\$ 878,373	\$ 34,627	\$ -	\$ 912,800	\$ 789,373
24,886	1,370	-	25,376	21,743
534,479	107,878	-	642,358	567,369
780,377	92,008	-	872,386	762,447
<u>134,830</u>	<u>9,512</u>	<u>-</u>	<u>144,342</u>	<u>79,122</u>
<u>\$2,432,373</u>	<u>\$248,199</u>	<u>\$ -</u>	<u>\$2,677,773</u>	<u>\$1,771,053</u>

(See independent auditor's report on additional information.)

HOSPITAL SERVICE DISTRICT NO. 1  
Parish of Iberville  
State of Louisiana

Schedule of Net Patient Service Revenue  
Years Ended September 30, 1997 and 1998

	<u>1997</u>	<u>1998</u>
IN-PATIENT SERVICE REVENUE	\$ 7,395,281	\$ 8,568,693
OUT-PATIENT SERVICE REVENUE	<u>4,817,651</u>	<u>5,815,858</u>
	<u>12,212,932</u>	<u>14,384,551</u>
DEDUCTIONS FROM PATIENT SERVICE REVENUE:		
Contractual allowances	9,887,161	7,349,127
Discounts	<u>182,177</u>	<u>165,828</u>
	<u>10,069,338</u>	<u>7,514,955</u>
Net Patient Service Revenue	<u>\$ 2,143,594</u>	<u>\$ 6,869,596</u>

See Independent auditor's report on additional information.

HOSPITAL SERVICE DISTRICT NO. 1  
Parish of Terrebonne  
State of Louisiana

Schedule of In-Patient Service Revenue  
Years Ended September 30, 1997 and 1998

	<u>1997</u>	<u>1998</u>
<b>ROUTINE SERVICES</b>		
Room and board	\$ 819,988	\$ 158,943
<b>SPECIAL SERVICES</b>		
Anesthesiology	57,508	98,913
Blood administration	8,834	10,013
Critical care unit	375	1,254
Electrocardiology	44,208	51,783
Emergency room	38,703	34,888
Intravenous therapy	189,826	285,878
Laboratory	156,927	195,303
Medical and surgical	511,886	475,853
Nuclear medicine	48,539	38,766
Operating room	182,668	112,908
Pharmacy	428,896	358,443
Physical therapy	4,834	5,688
Psychiatric	4,429,855	3,185,750
Radiology	75,518	76,326
Recovery room	58,135	11,878
Respiratory therapy	332,859	319,891
Ultrasound	<u>51,636</u>	<u>86,311</u>
	<u>\$7,385,281</u>	<u>\$8,548,493</u>

See Independent Auditor's report on additional information.

HOSPITAL SERVICE DISTRICT NO. 1  
Parish of Vermilion  
State of Louisiana

Schedule of Out-Patient Service Revenue  
Years Ended September 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Anesthesiology	\$ 35,836	\$ 62,790
Blood administration	3,853	1,136
Clinic	236,480	63,961
Emergency room	180,217	138,627
Electrocardiology	17,840	43,685
Home health	1,097,362	1,124,448
Intravenous therapy	43,090	34,439
Laboratory	591,438	643,790
Medical and surgical	198,693	198,471
Medical staff - weekend physician	215,713	193,313
Nuclear medicine	5,794	11,964
Operating room	55,488	65,648
Pharmacy	139,933	155,233
Psychiatric	1,846,878	2,818,759
Radiology	340,068	332,667
Recovery room	8,310	8,873
Respiratory therapy	41,853	32,371
Ultrasound	<u>65,405</u>	<u>66,813</u>
	<u>\$4,817,151</u>	<u>\$5,035,898</u>

Schedule of Other Operating Income  
Years Ended September 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Cafeteria sales	\$ 12,400	\$ 29,688
Recovery of bad debt	108,083	151,818
Cytosine income	13,147	-
Bed income income	<u>21,000</u>	<u>-</u>
	<u>\$ 154,630</u>	<u>\$ 181,506</u>

See independent auditor's report on additional information.



HOSPITAL SERVICE DISTRICT NO. 1  
Parish of Terrebonne  
State of Louisiana

Schedule of Professional Expenses  
Years ended September 30, 1993 and 1994

	1993			1994		
	Professional Fees	Supplies and Other Expenses	Total	Professional Fees	Supplies and Other Expenses	Total
ambulance	\$ 89,611	\$ 4,484	\$ 94,095	\$ 76,440	\$ 3,850	\$ 80,290
blood bank	-	11,798	11,798	-	11,798	11,798
clinic	214,009	44,728	258,737	214,560	47,408	261,968
clinical services	840	3,792	4,632	3,508	1,874	5,382
physiotherapy	-	3,800	3,800	-	3,348	3,348
radiology room	175,459	3,287	178,746	168,420	5,509	173,929
radiation	204,000	57,400	261,400	448,000	49,400	497,400
recreational therapy	-	8,100	8,100	-	17,500	17,500
laboratory	159,640	176,840	336,480	178,800	188,000	366,800
medical and surgical	8,832	116,400	125,232	13,200	111,304	124,504
medical records	54,774	16,440	71,214	37,740	21,711	59,451
medical staff	548,864	16,750	565,614	506,240	3,673	509,913
optical and other	3,750	90,300	94,050	1,475	43,111	44,586
optical services	460,411	16,368	476,779	460,000	14,000	474,000
operating room	88,864	31,874	120,738	93,500	34,404	127,904
therapy	88,445	174,287	262,732	94,800	171,654	266,454
physical therapy	8,750	440	9,190	8,800	84	8,884
physician	-	1,383,712	1,383,712	-	2,000,170	2,000,170
radiology	93,800	98,548	192,348	97,411	65,444	162,855
radiology room	8,300	-	8,300	18,400	-	18,400
radiology therapy	8,300	88,288	96,588	-	88,130	88,130
	<u>\$1,758,601</u>	<u>\$1,771,876</u>	<u>\$3,530,477</u>	<u>\$1,714,440</u>	<u>\$1,279,404</u>	<u>\$2,993,844</u>

See independent auditor's report on additional information.

HOSPITAL SERVICE DISTRICT NO. 1  
Parish of Vermilion  
State of Louisiana

Schedule of General and Administrative Expenses  
Years Ended September 30, 1987 and 1988

	1987			1988		
	Personal Services	Supplies and Other Expenses	Total	Personal Services	Supplies and Other Expenses	Total
Administrative:	\$ 71,466	\$ 13,361	\$ 84,827	\$ 71,422	\$ 13,475	\$ 84,897
Administrative - fiscal	34,703	32,444	67,147	34,443	21,380	55,823
Administrative - other	-	34,000	34,000	-	81,000	81,000
Business office	103,217	13,361	116,578	106,506	16,586	123,092
Credit and collections	-	12,881	12,881	-	21,485	21,485
Item processing	24,736	4,766	29,502	24,133	4,105	28,238
Library	100,001	80,714	180,715	107,144	82,707	189,851
Employee benefits	-	204,714	204,714	-	202,362	202,362
Hospital security	-	-	-	-	48	48
Housekeeping	44,207	18,400	62,607	54,720	19,267	73,987
Insurance	-	154,250	154,250	-	191,138	191,138
Laundry	-	27,875	27,875	-	24,683	24,683
Lines	-	3,404	3,404	-	3,479	3,479
Miscellaneous	-	2,647	2,647	-	-	-
Plant operations	75,130	168,555	243,685	85,125	211,103	296,228
Printing and duplicating	-	25,788	25,788	-	24,438	24,438
Supplies, processing and distribution	44,154	3,254	47,408	38,486	3,438	41,924
Telephone and communications	-	87,384	87,384	-	81,262	81,262
	<u>\$514,052</u>	<u>\$609,281</u>	<u>\$1,123,333</u>	<u>\$502,154</u>	<u>\$720,724</u>	<u>\$1,222,878</u>

See Independent auditor's report on additional information.

HOSPITAL SERVICE DISTRICT NO. 1  
Parish of Vermilion  
State of Louisiana

Schedule of Nonoperating Income  
Years Ended September 30, 1997 and 1998

	<u>1997</u>	<u>1998</u>
Grant Income	\$ 25,000	\$ 20,314
Interest	28,120	34,943
Rentage Income	302,271	181,827
Miscellaneous	12,827	2,814
Net	8,927	2,922
Sale of medical records	2,279	2,380
Trading machines	<u>3,828</u>	<u>3,582</u>
	<u>\$382,127</u>	<u>\$578,925</u>

See Independent auditor's report on additional information.

HOSPITAL SERVICE DISTRICT NO. 1  
Parish of Vermilion  
State of Louisiana

Schedule of Commissioners, Meetings Attended and Compensation  
Year Ended September 30, 1987

<u>Name of Commissioner</u>	<u>Meetings Attended</u>	<u>Compensation</u>
Edison Moshire	14	\$700
Ronald Howard	13	\$650
Tuan Bourque	13	\$650
Susan Bourque	5	\$250
Claris Chevalier	4	\$200
Tom Boudoin	14	\$700
Clarence Francis	13	\$650
Lori Finch	8	\$400
Del Dean David	9	\$450

See independent auditor's report on additional information.



**Dornall, Sikes  
& Frederick.**

(A Corporation of Louisiana Public Accountants)

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 Salt Lake City, Utah 84102  
 Portland, Oregon 97201  
 Sacramento, California 95811  
 San Francisco, California 94102  
 Los Angeles, California 90001  
 San Diego, California 92101  
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 San Jose, California 95101  
 San Francisco, California 94102  
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 San Francisco, California 94102  
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**Independent Auditor's Report on Compliance  
and Internal Control over Financial  
Reporting Based on an Audit of Financial  
Statements Performed in accordance  
with Government Auditing Standards**

**The Board of Commissioners  
Hospital Service District No. 1  
Parish of Vermilion, State of Louisiana  
Kaplan, Louisiana**

We have audited the financial statements of the Hospital Service District No. 1, Parish of Vermilion, State of Louisiana, a component unit of the Vermilion Parish Public Jury, as of and for the year ended September 30, 1997, and have issued our report thereon dated December 10, 1997.

**Compliance**

As part of obtaining reasonable assurance about whether the Hospital's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Hospital's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

*Darnall, Sikes & Frederick*

A Corporation of Certified Public Accountants

Bossier, Louisiana  
December 18, 1987