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HOSPITAL SERVICE DISTRICT NO. 1A
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
RICHLAND PARISH HOSPITAL - MILLS
HOSPITAL ENTERPRISE FUND
YEARS ENDED SEPTEMBER 30, 1997, 1998 AND 1999

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Under provisions of state law, this report is a public document. A copy of the report has been furnished to the auditor, for publicity and other appropriate officials. The report is available to the public inspection at the following House office of the Legislative Auditor and where copies are available at the office of the parish clerk of court. Release Date: 11/19/98

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INDEPENDENT AUDITING REPORT

Board of Commissioners

Hospital Service District No. 14
Parish of Richland, State of Louisiana
Delhi, Louisiana

We have audited the accompanying general purpose financial statements of Hospital Service District No. 14, Parish of Richland, (the Hospital), a component unit of the Richland Parish Police Jury, as of and for the years ended September 30, 1997, 1996 and 1995, listed in the foregoing 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 audits 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 Hospital Service District No. 14, Parish of Richland, as of and for the years ended September 30, 1997, 1996 and 1995, and the results of its operations and cash flow for the years then ended, in conformity with generally accepted accounting principles applicable to governmental entities.

In accordance with Governmental Auditing Standards, we have also issued a report dated December 12, 1997, on our consideration of the Hospital's internal control structure and a report dated December 12, 1997, on its compliance with laws and regulations.

Board of Commissioners
Hospital Service District No. 1A
Parish of Bienville, State of Louisiana
Page Two

Our audits were performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information listed in the table of contents 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 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.

Earley S. Wells

Certified Public Accountant

December 12, 1993

HOSPITAL SERVICE DISTRICT NO. 1A
 OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
 RICHLAND PARISH HOSPITAL - BELMONT
 HOSPITAL ENTERPRISE FUND
 BALANCE SHEETS - UNRESTRICTED FUNDS
 SEPTEMBER 30, 1997, 1996 AND 1995

	1997	1996	1995
ASSETS			
Current			
Cash and cash equivalents (Note 3)	\$ 607,373	\$ 640,761	\$ 500,508
Accounts receivable net of estimated allowances \$437,000, \$537,000 and \$437,000 in 1997, 1996 and 1995, respectively (Note 4)	1,897,408	1,998,734	1,818,446
Accounts receivable	26,837	18,075	18,364
Inventory	203,806	212,817	213,883
Prepaid expenses	37,704	38,938	39,794
Due from specific purpose fund	-0-	143,813	17,731
Total Current Assets	<u>2,773,438</u>	<u>2,173,238</u>	<u>1,808,426</u>
Property, plant and equipment, less accumulated depreciation of \$2,596,768, \$2,385,648 and \$2,385,348, in 1997, 1996 and 1995, respectively (Note 5)	1,767,323	1,823,057	1,960,168
Assets whose use is limited (Note 6)	2,453,443	2,000,437	1,913,833
Other (Note 7)	<u>318,128</u>	<u>328,233</u>	<u>318,566</u>
Total Assets	<u>\$ 4,319,932</u>	<u>\$ 3,324,965</u>	<u>\$ 3,520,393</u>
LIABILITIES AND FUND BALANCE			
Current			
Accounts payable	\$ 248,070	\$ 190,886	\$ 210,927
Accrued expenses	238,887	187,037	143,961
Current portion of lease obligation	-0-	5,857	8,858
Total Current Liabilities	<u>486,957</u>	<u>383,880</u>	<u>363,746</u>
Long-Term			
Capital lease obligations (Note 8)	-0-	660	5,631
Total Liabilities	<u>486,957</u>	<u>384,540</u>	<u>369,377</u>
Fund Balance - Unrestricted	<u>1,832,975</u>	<u>2,940,425</u>	<u>3,151,016</u>
Total Liabilities and Fund Balance	<u>\$ 2,319,932</u>	<u>\$ 3,324,965</u>	<u>\$ 3,520,393</u>

See accompanying notes to financial statements.

HOSPITAL SERVICE DISTRICT NO. 1A
 OF THE PARISH OF BOSSHARD, STATE OF LOUISIANA
 BOSSHARD PARISH HOSPITAL - DELHI
 HOSPITAL ENTERPRISE FUND
 STATEMENTS OF OPERATIONS - UNRESTRICTED FUNDS
 YEARS ENDED SEPTEMBER 30, 1997, 1998 AND 1999

	1997	1998	1999
Revenue			
Net patient service revenue	\$ 10,073,088	\$ 8,836,858	\$ 7,470,913
Grants	75,000	174,870	87,701
Gain (loss) on disposal of assets	(6,288)	1,435	(18,903)
Contributions	808	1,866	-0-
Other operating revenue	<u>877,388</u>	<u>986,031</u>	<u>975,833</u>
Total Revenue	<u>11,819,896</u>	<u>9,999,958</u>	<u>8,515,544</u>
Expenses			
Salaries	5,107,734	4,900,802	4,016,768
Benefits and payroll taxes	809,236	662,884	348,883
Pension plan (Rosa 10)	307,703	297,643	247,184
Supplies and drugs	550,508	554,917	512,376
Professional fees	484,354	418,275	478,983
Other expenses	2,024,426	1,847,814	1,732,180
Insurance	168,880	215,564	249,461
Interest expense	209	1,509	904
Depreciation and amortization	666,484	380,683	312,702
Provision for bad debts	<u>180,273</u>	<u>300,308</u>	<u>203,423</u>
Total Expenses	<u>10,160,386</u>	<u>9,367,218</u>	<u>8,150,384</u>
Operating Income (Loss)	<u>1,659,510</u>	<u>632,740</u>	<u>365,160</u>
Nonoperating Income Loss			
Interest income on investments whose use is limited	116,868	87,263	75,788
Interest income, other	<u>18,883</u>	<u>9,381</u>	<u>16,881</u>
Total Nonoperating Income (Loss)	<u>135,751</u>	<u>96,644</u>	<u>92,669</u>
Excess of Revenue over Expenses	<u>\$ 1,023,759</u>	<u>\$ 729,084</u>	<u>\$ 457,829</u>

See accompanying notes to financial statements.

HOSPITAL SERVICE DISTRICT NO. 1a
 OF THE PARISH OF BOSSARD, STATE OF LOUISIANA
 RICHLAND PARISH HOSPITAL - DEBIC
 HOSPITAL ENTERPRISE FUND
 STATEMENTS OF CHANGES IN FUND BALANCE - UNRESTRICTED FUNDS
 YEARS ENDED SEPTEMBER 30, 1987, 1988 AND 1989

	1987	1988	1989
CHANGES IN FUND BALANCE:			
Balance, beginning of year	\$ 4,946,900	\$ 6,238,394	\$ 3,578,474
Excess of revenue over expenses	<u>884,326</u>	<u>708,338</u>	<u>881,330</u>
Fund balance, September 30	<u>\$ 5,831,226</u>	<u>\$ 6,946,732</u>	<u>\$ 4,459,804</u>
COMPOSITION OF FUND BALANCE:			
Contributions			
Transfer from Richland Parish Hospital Service District No. 1	\$ 2,117,400	\$ 2,117,400	\$ 2,117,400
Excess of revenue over expenses	<u>3,713,826</u>	<u>4,829,332</u>	<u>2,342,404</u>
Total	<u>\$ 5,831,226</u>	<u>\$ 6,946,732</u>	<u>\$ 4,459,804</u>

See accompanying notes to financial statements.

HOSPITAL SERVICE DISTRICT NO. 1A
 OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
 RICHLAND PARISH HOSPITAL - BELMONT
 HOSPITAL ENTERPRISE FUND
 STATEMENTS OF CASH FLOWS - UNRESTRICTED FUNDS
 YEARS ENDED SEPTEMBER 30, 1997, 1996 AND 1995

	1997	1996	1995
Cash Flows From Operating Activities:			
Operating income (loss)	\$ 758,831	\$ 600,059	\$ 732,847
Interest expense considered capital financing activity	389	1,700	794
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	600,443	322,623	298,233
(Gain) loss on disposal of assets	8,284	(1,433)	18,582
Provision for bad debts	396,773	382,208	294,474
Change in current assets (increase) decrease			
Accounts receivable	(889,643)	(382,425)	(102,218)
Accrued interest receivable	(8,583)	(3,829)	(7,477)
Inventory	7,032	8,894	(22,384)
Prepaid expenses	1,713	823	(3,987)
Due from specific purpose fund	541,877	(136,354)	(17,711)
Change in current liabilities (increase) decrease			
Accounts payable	87,258	(68,123)	65,233
Accrued expenses	35,660	43,094	29,318
Change in other assets (increase) decrease	<u>10,313</u>	<u>18,521</u>	<u>(118,852)</u>
Net cash provided by operating activities	<u>826,751</u>	<u>732,883</u>	<u>1,122,324</u>
Cash Flows From Investing Activities:			
Cash invested in assets whose use is limited	(652,168)	(295,293)	(673,887)
Cash proceeds from assets whose use is limited	4,142	7,889	8,483
Interest earned	<u>129,731</u>	<u>187,232</u>	<u>88,983</u>
Net cash provided by investing activities	<u>\$ (518,295)</u>	<u>\$ (100,172)</u>	<u>\$ (576,421)</u>

See accompanying notes to financial statements.

HOSPITAL SERVICE DISTRICT NO. 1A
 OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
 RICHLAND PARISH HOSPITAL - BELLE
 HOSPITAL ENTERPRISE FUND
 STATEMENTS OF CASH FLOWS - UNRESTRICTED FUNDS (Continued)
 YEARS ENDED SEPTEMBER 30, 1997, 1996 AND 1995

	1997	1996	1995
Cash Flows from Capital and Related Financing Activities:			
Proceeds from sales of property, plant and equipment	\$ 7,918	\$ 1,419	\$ 1,918
Acquisition of capital assets	(356,999)	(362,311)	(373,113)
Principal payments on long-term debt	(2,457)	(8,894)	(8,492)
Interest paid on long-term debt	<u>(258)</u>	<u>(3,182)</u>	<u>(314)</u>
Net cash used by capital and related financing activities	<u>(351,896)</u>	<u>(732,968)</u>	<u>(732,001)</u>
Net increase (decrease) in cash and cash equivalents	(293,389)	148,440	197,814
Cash and cash equivalents, beginning of year	<u>840,762</u>	<u>692,322</u>	<u>494,508</u>
Cash and cash equivalents, end of year	<u>\$ 547,373</u>	<u>\$ 840,762</u>	<u>\$ 692,322</u>
Supplemental disclosure of cash flow information:			
Cash paid during the year for:			
Interest	<u>\$ 258</u>	<u>\$ 3,182</u>	<u>\$ 314</u>

See accompanying notes to financial statements.

HOSPITAL SERVICE DISTRICT NO. 1A
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
RICHLAND PARISH HOSPITAL - DELHI
HOSPITAL ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 1997, 1996 AND 1995

NOTE 1 - ORGANIZATION AND OPERATIONS

Legal Organization

Richland Parish Hospital Service District No. 1A (the Hospital or the District) was created by an ordinance of the Richland Parish Police Jury on April 18, 1989. The District is comprised of and embraces the territory contained within Ward 1 of the Parish of Richland, State of Louisiana, as constituted as of the date of the ordinance.

Effective as of October 1, 1989, Richland Parish Hospital Service District No. 1 (which operated hospitals in Delhi and Rayville) transferred operations of the Hospital to Delhi to Richland Parish Hospital Service District No. 1A, along with all related assets, liabilities, and equity.

The Hospital is a political subdivision of the Richland Parish Police Jury whose jurors are elected officials. The Hospital's commissioners are appointed by the Richland Parish Police Jury. As the governing authority of the Parish, for reporting purposes, the Richland Parish Police Jury is the financial reporting entity for the Hospital. Accordingly, the Hospital was determined to be a component unit of the Richland Parish Police Jury based on Statement No. 14 of the National Committee on Governmental Accounting. The accompanying financial statements present information only on the funds maintained by the governmental services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

Nature of Business

The Hospital provides outpatient, skilled nursing (through "swing-beds"), home health, psychiatric and acute inpatient hospital services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Enterprise Fund

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the focus of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

HOSPITAL SERVICE DISTRICT NO. 1A
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
RICHLAND PARISH HOSPITAL - DELHI
HOSPITAL ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 1997, 1996 AND 1995

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Method of Accounting

The Hospital uses the accrual method of accounting. 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 third party reimbursement agreements with third party payors. Retrospective adjustments are accrued on an estimated basis in the period the related settlements are determined. Expenses are recorded when incurred. Hospital accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:111 and to the guide set forth in the Louisiana Governmental Health Guide, the NCPHA Health and Accounting Guide - Health Care Organizations published by the American Institute of Certified Public Accountants, and standards set by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of deposits in checking and money market accounts and certificates of deposit with original maturities of 90 days or less. Certificates of deposit with original maturities over 90 days are classified as short-term investments. Cash and cash equivalents and short-term investments are stated at cost, which approximates market value. The caption "cash and cash equivalents" does not include amounts whose use is limited to temporary cash investments.

Credit Risk

The District provides medical care primarily to Richland Parish residents and grants credit to patients substantially all of whom are local residents.

The Hospital's estimate of collectibility is based on an evaluation of historical collections compared to gross charges and an analysis of aged accounts receivable to establish an allowance for uncollectible accounts.

Significant Concentration of Economic Dependence

The Hospital has an economic dependence on a small number of staff physicians. These physicians admit over 90% of the Hospital's patients.

Third Party Payer Business

Contractual agreements with governmental agencies provide for reimbursement based on a fixed price per patient stay based upon the patient's primary diagnosis for Medicare inpatient services and on a fixed price per patient day

HOSPITAL SERVICE DISTRICT NO. 1A
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
RICHLAND PARISH HOSPITAL - BELLI
HOSPITAL ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 1997, 1996 AND 1995

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For Medicaid inpatient services, Medicare and Medicaid outpatients and home health services are reimbursed based upon the lesser of reasonable cost (subject to certain limits) or charges to patients. These reimbursements are subject to audit and retroactive adjustments by each payer.

Inventories

Inventories are stated at the lesser of cost determined by the First-In, First-Out method, or market basis.

Income Taxes

The entity is a political subdivision and exempt from taxation. Additionally, the District has applied for and received approval to be recognized as an organization described under Section 501(c)(3) of the Internal Revenue Code.

Property, Plant and Equipment

Property, plant and equipment is recorded at cost for purchased assets or at fair market value on the date of any donation. The Hospital uses straight-line depreciation for financial reporting and third party reimbursement. The following estimated useful lives are generally used:

Building and Improvements	5 to 40 years
Machinery and Equipment	3 to 20 years
Furniture and Fixtures	3 to 10 years

Expenditures for additions, major renewals and betterments are capitalized and expenditures for maintenance and repairs are charged to operations as incurred.

The cost of assets retired or otherwise disposed of and related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses resulting from property disposals are credited or charged to operations currently.

Changes in Reporting Classification

The classification of certain prior year amounts have been changed to reflect consistent reporting when compared to current year balances. The financial statement format has been changed to reflect changes in the Alpha Audit and Accounting Guide - Health Care Organizations, issued June 1, 1995.

HOSPITAL SERVICE DISTRICT NO. 1A
 OF THE PARISH OF BOSSHART, STATE OF LOUISIANA
 RICHARD SWARTH HOSPITAL - DELRE
 HOSPITAL ENTERPRISE FUND
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED SEPTEMBER 30, 1997, 1996 AND 1995

NOTE 3 - DEPOSITS

Included in cash and cash equivalents and assets whose use is limited are cash on hand and deposits with the depository banks for checking accounts and certificates of deposits. Of the \$3,038,833 total deposits at September 30, 1997, \$3,843,334 was secured at balance sheet date by Federal depository insurance coverage and by pledged securities. At September 30, 1996 and 1995, all deposits were secured. For all deposits, the market value and carrying value are the same.

NOTE 4 - ACCOUNTS RECEIVABLE

A summary of accounts receivable is presented below:

	1997	1996	1995
Net patient accounts receivable	\$ 1,439,613	\$ 1,398,880	\$ 1,385,683
Other accounts receivable	489	240	844
Estimated third-party payer retentions	<u>483,688</u>	<u>56,584</u>	<u>316,848</u>
	2,124,890	1,995,794	1,951,499
Estimated uncollectibles	<u>(137,880)</u>	<u>(137,880)</u>	<u>(137,880)</u>
Total	\$ <u>1,987,010</u>	\$ <u>1,857,914</u>	\$ <u>1,813,619</u>

The Hospital receives a substantial portion of its revenues from the Medicare and Medicaid programs at discounted rates. The following is a summary of Medicare and Medicaid patient revenues for the years ended September 30, 1997, 1996 and 1995:

	1997	1996	1995
Medicare and Medicaid gross patient charges	\$ 12,843,626	\$ 11,265,572	\$ 8,373,324
Contractual adjustments	<u>(4,386,568)</u>	<u>(3,375,810)</u>	<u>(2,088,316)</u>
Program patient service revenue	\$ <u>8,457,058</u>	\$ <u>7,889,762</u>	\$ <u>6,285,008</u>
Percent of total patient revenues	<u>43%</u>	<u>43%</u>	<u>34%</u>

Included in 1995 contractual adjustments is \$18,083 recovered in a lawsuit against the Louisiana Department of Health and Hospitals for claims during the period of June 1987 through June 1994. The amount is recognized in this fiscal year when it became available and measurable as a result of the settlement of the lawsuit.

HOSPITAL SERVICE DISTRICT NO. 1a
 OF THE PARISH OF BOECKLE, STATE OF LOUISIANA
 BOECKLE PARISH HOSPITAL - DELHI
 HOSPITAL ENTERPRISE FUND
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED SEPTEMBER 30, 1997, 1996 AND 1995

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT

The following is a summary of property, plant and equipment and related accumulated depreciation for the years ended September 30, 1997, 1996 and 1995.

	<u>ASSET COST</u>			
	<u>September 30, 1996</u>	<u>Acquisitions</u>	<u>Deductions</u>	<u>September 30, 1997</u>
Land	\$ 115,000	\$ -0-	\$ -0-	\$ 115,000
Buildings and improvements	2,628,313	663,969	-0-	3,292,282
Major movable equipment	2,314,809	468,693	308,439	2,475,063
Construction in progress	325,803	21,788	662,389	-0-
Total	\$ 3,383,925	\$ 1,154,450	\$ 970,828	\$ 3,567,547

	<u>ACCUMULATED DEPRECIATION</u>			
	<u>September 30, 1996</u>	<u>Acquisitions</u>	<u>Deductions</u>	<u>September 30, 1997</u>
Buildings and improvements	\$ 1,135,000	\$ 183,719	\$ -0-	\$ 1,318,719
Major movable equipment	1,321,836	329,253	313,812	1,338,087
Total	\$ 2,456,836	\$ 512,972	\$ 313,812	\$ 2,782,780

	<u>ASSET COST</u>			
	<u>September 30, 1995</u>	<u>Acquisitions</u>	<u>Deductions</u>	<u>September 30, 1996</u>
Land	\$ 115,000	\$ -0-	\$ -0-	\$ 115,000
Buildings and improvements	2,598,457	79,856	-0-	2,678,313
Major movable equipment	2,093,814	183,294	71,300	2,215,808
Construction in progress	3,643	185,823	18,732	373,669
Total	\$ 5,210,914	\$ 449,073	\$ 90,032	\$ 5,659,955

	<u>ACCUMULATED DEPRECIATION</u>			
	<u>September 30, 1995</u>	<u>Acquisitions</u>	<u>Deductions</u>	<u>September 30, 1996</u>
Buildings and improvements	\$ 965,298	\$ 183,731	\$ -0-	\$ 1,149,029
Major movable equipment	1,218,000	195,890	21,303	1,435,213
Total	\$ 2,183,298	\$ 379,621	\$ 21,303	\$ 2,584,222

HOSPITAL SERVICE DISTRICT NO. 1A
 OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
 RICHLAND PARISH HOSPITAL - DELHI
 HOSPITAL ENTERPRISE FUND
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED SEPTEMBER 30, 1997, 1996 AND 1995

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	NET COST			
	September 30, 1995	Additions	Reductions	September 30, 1996
Land	\$ 115,000	\$ -0-	\$ -0-	\$ 115,000
Buildings and improvements	2,367,693	30,704	-0-	2,398,397
Major movable equipment	1,775,816	150,994	73,164	1,853,646
Construction in progress	823	4,318	-0-	5,141
Total	\$ 4,279,336	\$ 185,026	\$ 73,164	\$ 4,391,202
	<u>ACCUMULATED DEPRECIATION</u>			
	September 30, 1995	Additions	Reductions	September 30, 1996
Buildings and improvements	\$ 887,294	\$ 147,802	\$ -0-	\$ 1,035,096
Major movable equipment	1,137,622	129,253	58,664	1,207,611
Total	\$ 2,024,916	\$ 277,055	\$ 58,664	\$ 2,243,307

Property, plant and equipment was transferred from Hospital Service District No. 1 of Richland Parish as of October 1, 1989 as historical cost. The accumulated depreciation was transferred at the recorded value to continue the existing basis of valuation and accounting.

NOTE 4 - ASSETS WHOSE USE IS LIMITED

The following assets are restricted as to use as designated below:

	1992	1994	1995
Restricted by Hospital Board			
To be used for asset additions and replacements			
Certificates of deposit	\$ 1,547,037	\$ 1,924,784	\$ 1,838,491
To be used for unemployment funds			
Certificates of deposit	53,749	53,482	52,211
USA trust deposits	28,422	28,421	28,421
Assets whose use is limited	\$ 1,629,208	\$ 1,996,687	\$ 1,919,123

HOSPITAL SERVICE DISTRICT NO. 1A
 OF THE PARISH OF ROCKLAND, STATE OF LOUISIANA
 ROCKLAND PARISH HOSPITAL - DELBI
 HOSPITAL ENTERPRISES FUND
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED SEPTEMBER 30, 1987, 1990 AND 1993

NOTE 1 - OTHER ASSETS

Other assets consist of the following:

	1991	1990	1989
Start-up cost	\$ 73,178	\$ 91,573	\$ 120,989
Medical scholarships receivable	198,080	129,053	88,643
Unamortized fees	<u>33,882</u>	<u>81,862</u>	<u>128,131</u>
Total	<u>\$ 318,120</u>	<u>\$ 328,292</u>	<u>\$ 318,263</u>

Start-up costs are expenses incurred in establishing a rural health clinic. These expenses were capitalized and are being amortized over a 48 month period.

Medical scholarships receivable are amounts paid to student doctors for tuition. These scholarships are an incentive to attract physicians to the local community. If the physician establishes his or her practice locally, then the scholarship is deemed as being repaid over time. Otherwise, there are provisions for the physician to repay the scholarship with interest.

Unamortized fees is an amount paid for a local physician's practice which is not of amortization over a 48 month period.

NOTE 2 - CAPITAL LEASE OBLIGATIONS

The following is a summary of capital lease obligations:

	1992	1990	1989
A lease purchase obligation for copiers was entered on December 1, 1991. The lease calls for 48 monthly payments of \$109 which includes principal and interest of 12.00% per annum. The lease is secured by the copiers, with a book value of \$18,839 as of September 30, 1987. During January 1995 this lease was renegotiated and two new copiers were added. The new lease purchase obligation calls for 8 quarterly payments of \$1,731 which includes principal and interest at 12.00% per annum.	0	-0-	\$ 4,737
			\$ 44,181

HOSPITAL SERVICE DISTRICT NO. 1A
 OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
 RICHLAND PARISH HOSPITAL - OULCHI
 HOSPITAL ENTERPRISE FUND
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED SEPTEMBER 30, 1997, 1996 AND 1995

NOTE 8 - CAPITAL LEASE OBLIGATIONS (Continued)

	1997	1996	1995
A lease purchase obligation for a vending machine was entered on January 4, 1996. The lease calls for 12 monthly payments of \$48, which includes principal and interest at 8% per annum.	\$ _____ -0- -0-	\$ _____ 883 3,637	\$ _____ 3,333 15,933
Less current portion	_____ -0-	_____ 3,637	_____ 8,886
Capital lease obligation, excluding current portion	\$ _____ -0-	\$ _____ 643	\$ _____ 3,637

The assets and liabilities under capital leases are recorded at the fair value of the assets. The assets are depreciated over their estimated productive lives. Depreciation of assets under capital leases is included in depreciation expense.

The following is a summary of property held under capital leases:

	1997	1996	1995
Copiers	\$ _____ -0-	\$ _____ 34,799	\$ _____ 34,799
Vending machine	_____ -0-	_____ 3,508	_____ 3,508
	_____ -0-	_____ 34,799	_____ 38,299
Less accumulated depreciation	_____ -0-	_____ (23,265)	_____ (14,316)
Total	\$ _____ -0-	\$ _____ 14,533	\$ _____ 23,983

HOSPITAL SERVICE DISTRICT NO. 18
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
RICHLAND ENGLISH HOSPITAL - DELCO
HOSPITAL ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 1997, 1998 AND 1999

NOTE 9. - AFFILIATED ORGANIZATION

Affiliated organizations include Richland Parish Hospital Service District No. 1, Richland Parish Hospital Service District No. 18, and the Richland Parish Police Jury. The districts are related because they are all political subdivisions of the Richland Parish Police Jury who appoints their commissioners.

During the fiscal years ended September 30, the Hospital had the following transactions and balances with its affiliated organization, Richland Parish Hospital Service District No. 18, aka Richardson Medical Center.

	<u>1997</u>	<u>1998</u>	<u>1999</u>
Beginning amount due to Richardson Medical Center	\$ 29,893	\$ 29,328	\$ 12,821
Expenses incurred by the Hospital and payable by the Hospital	38,084	34,438	28,328
Payments by the Hospital to Richardson Medical Center	<u>(36,169)</u>	<u>(28,923)</u>	<u>(21,321)</u>
Ending amount due to Richardson Medical Center	\$ <u>21,808</u>	\$ <u>34,843</u>	\$ <u>20,328</u>

NOTE 10. - PENSION PLAN

The Hospital elected to withdraw from the Social Security System effective as of January 1, 1993. In place of the Social Security System, the Hospital established a defined contribution annuity plan. Employees are eligible to participate upon date of employment and, after one year of service, the employee is fully vested in the employer's matching contribution. Contributions to the plan by the Hospital are determined by the Board of Commissioners, at a minimum of 7.5% of the participant's compensation. The amounts charged to pension expense under this plan were \$187,322, \$197,863 and \$247,184 for the years ended September 30, 1997, 1998 and 1999, respectively.

NOTE 11. - COMPENSATED ABSENCES

Employees of the Hospital are entitled to paid days off and sick days depending on length of service. The Hospital accrued \$99,193, \$77,992 and \$70,252 of vacation pay at September 30, 1997, 1998 and 1999, respectively. It is impracticable to estimate the amount of compensation for future accrued

HOSPITAL SERVICE DISTRICT NO. 18
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
RICHLAND PARISH HOSPITAL - DELHI
HOSPITAL ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 1987, 1986 AND 1985

NOTE 11 - COMPENSATED SERVICES - (Continued)

size pay and, accordingly, no liability has been recorded in the accompanying financial statements. The Hospital's policy is to recognize the cost of unvested sick pay when actually paid to employees.

NOTE 12 - PROFESSIONAL LIABILITY FUND

The Hospital participates in the Louisiana Patient's Compensation Fund ("PCF") established by the State of Louisiana to provide medical professional liability coverage to healthcare providers. The Fund provides for \$400,000 in coverage per occurrence above the first \$100,000 per occurrence for which the Hospital is at risk. The Fund places no limitation on the number of occurrences covered. In connection with the establishment of the PCF, the State of Louisiana enacted legislation limiting the amount of healthcare provider settlement for professional liability to \$100,000 per occurrence and limited the PCF's exposure to \$400,000 per occurrence.

The Hospital's membership in the Louisiana Hospital Association Trust Fund provides additional coverage for professional medical malpractice liability. The trust fund bills members in advance, based upon an estimate of their services. At policy year-end, premiums are redetermined utilizing actual utilization of the hospital. The trust fund presumes to be a "Grantor Trust" and, accordingly, income and expenses are reported to member hospitals. The Hospital has not included these allocations or equity in the trust in its financial statements which reflect cash transactions with the trust fund as insurance expense or a deduction thereof.

NOTE 13 - CONTINGENCIES

The Hospital evaluates contingencies based upon the best available evidence. The Hospital believes that no allowances for loss contingencies is considered necessary. To the extent that resolution of contingencies results in amounts which vary from the Hospital's estimates, future earnings will be charged or credited.

The principal contingencies are described below:

Governmental Third Party Reimbursement Programs (Note 4) - The Hospital 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 these programs. The amount of such adjustments cannot be determined.

HOSPITAL SERVICE DISTRICT NO. 14
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
RICHLAND PARISH HOSPITAL - Delta
HOSPITAL ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 1991, 1990 AND 1989

NOTE 11 - CONTINGENCIES - (Continued)

Further, in order to continue receiving reimbursement from the Medicare programs, the Hospital entered into an agreement with a government agent allowing the agent access to the Hospital's Medicare patient medical records for purposes of making medical necessity and appropriate level of care determinations. The agent has the ability to deny reimbursement for Medicare patient claims which have already been paid to the Hospital.

Professional Liability Risk (Note 11) - The Hospital is contingently liable for losses from professional liability not underwritten by the Louisiana Physicians' Compensation Fund or the Louisiana Hospital Association Trust Fund as well as for assessments by the Louisiana Hospital Association Trust Fund.

The Hospital participates in the Louisiana Hospital Association Self-Insurance Workers' Compensation Trust Fund. Should the Fund's assets not be adequate to cover claims made against it, the Hospital may be assessed its pro rata share of the resulting deficit. It is not possible to estimate the amount of additional assessments, if any. Accordingly, the Hospital is contingently liable for assessments by the Louisiana Hospital Association Trust Fund.

The Hospital also participates in the Louisiana Hospital Association Self-Insurance Employee Benefits Trust Fund. If the Fund's assets are not adequate to cover the claims made against it, the Hospital will be assessed its pro rata share of the resulting deficit. It is not possible to estimate the amount of additional assessments, if any. Accordingly, the Hospital is contingently liable for assessments by the Louisiana Hospital Association Trust Fund.

The District's management is aware that many older computer systems are unable to handle data as of or after January 1, 2000, causing existing equipment and software to be obsolete. The District's management is addressing the need and cost for upgrades and/or replacements with department heads and vendors. The cost of upgrades and/or replacements for all other computer hardware or software cannot be reasonably estimated at this time. The ability of outside organizations to deal with this problem could have a financial impact on the District. The cost of this outside impact cannot be reasonably estimated at this time.

HOSPITAL SERVICE DISTRICT NO. 1A
 OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
 RICHLAND PARISH HOSPITAL - BUDGET
 SPECIFIC PURPOSE FUND
 BALANCE SHEETS - RESTRICTED FUNDS
 SEPTEMBER 30, 1997, 1998 AND 1999

	1997	1998	1999
ASSETS			
Cash and cash equivalents (Note 2)	\$ -0-	\$ 161,877	\$ 138,881
LIABILITIES AND FUND BALANCE			
Due to general fund	\$ -0-	\$ 161,877	\$ 17,721
Fund balance	-0-	-0-	138,881
Total Liabilities and Fund Balance	\$ -0-	\$ 161,877	\$ 138,881

STATEMENTS OF CHANGES IN FUND BALANCE - RESTRICTED FUNDS
 YEARS ENDED 1997, 1998 AND 1999

	1997	1998	1999
Balance, beginning of year	\$ -0-	\$ 118,881	\$ 138,881
Grants (Note 1)	-0-	-0-	-0-
Interest income	-0-	5,333	8,482
Transfer to general fund	-0-	(126,128)	(132,121)
Balance, September 30	\$ -0-	\$ -0-	\$ 138,881

See accompanying notes to financial statements.

HOSPITAL SERVICE DISTRICT NO. 1A
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
RICHLAND PARISH HOSPITAL - BELLAIR
SPECIFIC PURPOSE FUND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 1997, 1996 AND 1995

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

SPECIFIC PURPOSE FUND

The Specific Purpose fund was established to account for proceeds of grant funds. The Hospital received an Emergency Room Renovation Grant of \$130,000 from the State of Louisiana. The funds will be used for the expansion of the Emergency Department, including the purchase of equipment. The grant is a matching grant, therefore the Hospital will be required to spend an additional \$130,000 for the expansion and equipment.

METHOD OF ACCOUNTING

The Hospital uses the accrual method of accounting. Revenue is reported when earned, net of the provision for contractual adjustments based upon each payor's agreement with the Hospital. Expenditures are recorded when incurred. Hospital accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:514 and to the guide set forth in the Louisiana Governmental Audit Guide, the AICPA audit and accounting Guide - Health Care Organizations, published by the American Institute of Certified Public Accountants, and standards set by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of two certificates of deposit with an original maturity of 90 days or less. Cash and cash equivalents are stated at cost, which approximates market value.

HOSPITAL SERVICE DISTRICT NO. 1A
 OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
 RICHLAND PARISH HOSPITAL - (MELHI)
 HOSPITAL ENTERPRISE FUND
 NET PATIENT SERVICE REVENUE
 YEARS ENDED SEPTEMBER 30, 1997, 1998 AND 1999

	1997	1998	1999
Respite Services:			
Adult and pediatric	\$ 1,264,379	\$ 1,213,793	\$ 1,137,666
Swing bed	<u>183,873</u>	<u>147,008</u>	<u>134,330</u>
Total Respite Services	<u>1,448,252</u>	<u>1,360,801</u>	<u>1,271,996</u>
Other Professional Services:			
Operating room			
Inpatient	343,419	389,389	387,874
Outpatient	208,815	185,664	310,783
Swing bed	<u>6,396</u>	<u>8,388</u>	<u>6,348</u>
Total	<u>558,630</u>	<u>583,441</u>	<u>704,905</u>
Anesthesia			
Inpatient	63,284	381,464	77,793
Outpatient	78,488	72,303	64,478
Swing bed	<u>3,366</u>	<u>6,176</u>	<u>3,483</u>
Total	<u>145,138</u>	<u>459,943</u>	<u>145,754</u>
Radiology			
Inpatient	344,370	460,893	308,188
Outpatient	493,264	388,728	284,174
Swing bed	<u>37,801</u>	<u>28,827</u>	<u>31,183</u>
Total	<u>875,435</u>	<u>878,448</u>	<u>623,545</u>
Laboratory			
Inpatient	442,327	483,251	482,170
Outpatient	321,518	188,381	313,678
Swing bed	<u>47,969</u>	<u>62,457</u>	<u>39,438</u>
Total	<u>811,814</u>	<u>734,089</u>	<u>835,286</u>
Blind			
Inpatient	17,664	17,245	17,664
Outpatient	7,083	2,250	3,338
Swing bed	<u>640</u>	<u>3,868</u>	<u>482</u>
Total	<u>25,387</u>	<u>23,363</u>	<u>21,484</u>

HOSPITAL SERVICE DISTRICT NO. 1A
 OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
 RICHLAND PARISH HOSPITAL - DELHI
 HOSPITAL ENTERPRISE FUND
 NET PATIENT SERVICE REVENUE (Continued)
 YEARS ENDED SEPTEMBER 30, 1997, 1996 AND 1995

	1997	1996	1995
Respiratory therapy			
Inpatient	\$ 1,186,310	\$ 962,186	\$ 706,042
Outpatient	73,438	16,712	27,322
Being had	<u>211,605</u>	<u>288,898</u>	<u>136,131</u>
Total	<u>1,469,353</u>	<u>1,267,896</u>	<u>869,495</u>
Physical therapy			
Inpatient	88,091	67,662	57,848
Outpatients	153,063	84,809	77,190
Being had	<u>33,821</u>	<u>51,806</u>	<u>29,208</u>
Total	<u>274,975</u>	<u>204,277</u>	<u>154,246</u>
Occupational therapy			
Inpatient	<u>1,346</u>	<u>-0-</u>	<u>3,538</u>
Electrocardiology			
Inpatient	342,363	128,297	82,438
Outpatient	513,680	68,222	47,867
Being had	<u>8,266</u>	<u>1,322</u>	<u>1,872</u>
Total	<u>864,309</u>	<u>197,841</u>	<u>132,177</u>
Central supply			
Inpatient	612,286	522,420	612,690
Outpatient	329,611	512,794	517,858
Being had	<u>148,788</u>	<u>202,173</u>	<u>42,266</u>
Rosa Health	<u>221,629</u>	<u>128,279</u>	<u>108,182</u>
Total	<u>1,312,314</u>	<u>865,666</u>	<u>873,196</u>
Pharmacy			
Inpatient	1,818,090	1,673,822	1,364,826
Outpatients	366,317	172,453	183,329
Being had	<u>520,444</u>	<u>189,826</u>	<u>222,426</u>
Total	<u>2,704,851</u>	<u>2,036,099</u>	<u>1,770,581</u>
Partial-day psychiatric program			
Outpatient	\$ <u>428,120</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

HOSPITAL SERVICE DISTRICT NO. 2A
 OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
 RICHLAND PARISH HOSPITAL - DELTA
 HOSPITAL ENTERPRISE FUND
 NET PATIENT SERVICE REVENUE (Continued)
 YEARS ENDED SEPTEMBER 30, 1997, 1996 AND 1995

	1997	1996	1995
Cardio rehabilitation			
Outpatient	\$ 12,390	\$ -0-	\$ -0-
Emergency room			
Inpatient	87,187	70,964	50,838
Outpatient	349,285	408,462	176,499
Swing bed	180	-0-	10
Total	<u>436,652</u>	<u>479,426</u>	<u>327,347</u>
Observation room			
Outpatient	<u>14,438</u>	<u>10,588</u>	<u>8,606</u>
Clinic			
Outpatient	<u>180,118</u>	<u>158,188</u>	<u>-0-</u>
Rural health clinic			
Outpatient	<u>187,882</u>	<u>181,220</u>	<u>-0-</u>
Home health			
Skilled nursing visits	2,139,990	2,176,400	1,782,808
Physical therapy visits	66,080	79,680	69,488
Occupational therapy visits	3,320	16,880	5,708
Speech therapy visits	1,180	5,600	4,216
Social service visits	22,190	3,900	4,916
Aide visits	<u>1,628,820</u>	<u>1,736,820</u>	<u>1,311,168</u>
Total	<u>3,861,620</u>	<u>4,311,680</u>	<u>3,277,808</u>
Total Other Professional Services			
Inpatient	9,121,128	9,711,813	7,875,382
Outpatient	3,425,196	2,022,398	1,190,819
Swing bed	5,038,486	881,316	485,626
Home Health	<u>6,081,028</u>	<u>6,238,826</u>	<u>3,181,381</u>
Total Other Professional Services	<u>13,686,838</u>	<u>18,952,881</u>	<u>12,653,811</u>
cross Patient Service Charges	<u>13,143,028</u>	<u>13,238,866</u>	<u>16,083,613</u>
Deductions from Revenue:			
Contractual adjustments	5,043,098	4,398,134	3,158,983
Policy discount	<u>25,912</u>	<u>36,682</u>	<u>12,417</u>
Total Deductions from Revenue	<u>5,069,010</u>	<u>4,434,816</u>	<u>3,271,400</u>
Net Patient Service Revenue	<u>\$ 18,917,828</u>	<u>\$ 18,917,828</u>	<u>\$ 18,917,828</u>

HOSPITAL SERVICE DISTRICT NO. 16
 OF THE PARISH OF RICHMOND, STATE OF LOUISIANA
 RICHMOND PARISH HOSPITAL - DELHI
 HOSPITAL ENTERPRISE FUND
 OTHER OPERATING REVENUES
 YEARS ENDED SEPTEMBER 30, 1987, 1986 AND 1985

	1987	1986	1985
Telephone	\$ 199	\$ 38	\$ 149
Television	8,436	10,819	11,361
Cafeteria	41,955	43,028	39,395
Medical records	1,968	1,439	1,330
Vending machines	30,327	28,886	28,331
Rentals	49,200	48,380	49,200
LHA insurance refund	6,878	-0-	13,517
Clinic management charges	736,931	831,157	829,700
Miscellaneous	<u>263</u>	<u>138</u>	<u>433</u>
Total other operating revenues	\$ <u>873,387</u>	\$ <u>954,033</u>	\$ <u>973,387</u>

HOSPITAL SERVICE DISTRICT NO. 1A
 OF THE PARISH OF BOSSHARD, STATE OF LOUISIANA
 BOSSHARD PUBLIC HOSPITAL - HELL
 HOSPITAL ENTERPRISE FUND
 SCHEDULE OF OPERATING EXPENSES - SALARIES AND BENEFITS
 THREE YEARS SEPTEMBER 30, 1997, 1996 AND 1995

	1997	1996	1995
Administration	\$ 434,227	\$ 383,588	\$ 408,468
Plant operations and maintenance	89,399	87,262	76,723
Housekeeping	188,803	88,917	79,381
History	111,852	103,979	98,558
Insurance	36,887	37,338	48,581
Central supply	7,858	-	-
Pharmacy	105,489	87,564	83,831
Medical records	92,888	73,896	66,103
Nursing services	808,640	896,771	878,394
Operating room	175,854	185,529	163,981
Anesthesiology	8,343	8,196	8,343
Radiology	102,884	94,892	64,312
Laboratory	6,361	8,497	-
Respiratory therapy	189,485	171,239	157,454
Physical therapy	46,004	34,949	48,593
IRG	31,864	15,890	23,346
Partial-day psychiatric program	330,778	-	-
Cardiac rehabilitation	24,258	-	-
Rural health clinic	301,188	100,422	-
Emergency Room	879,397	700,804	523,889
Home health	1,351,764	1,293,243	1,098,898
Clinic and physicians offices	<u>134,333</u>	<u>368,634</u>	<u>318,432</u>
Total salaries	<u>3,137,756</u>	<u>4,701,837</u>	<u>4,558,168</u>
Payroll taxes	89,344	68,038	51,381
Benefit insurance	533,843	358,748	373,334
Other	<u>36,827</u>	<u>17,584</u>	<u>18,020</u>
Total benefits	<u>660,018</u>	<u>464,368</u>	<u>462,815</u>
Total salaries and benefits	<u>\$ 3,807,774</u>	<u>\$ 5,166,213</u>	<u>\$ 5,021,003</u>

HOSPITAL SERVICE DISTRICT NO. 1A
 OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
 RICHLAND PARISH HOSPITAL - BELRI
 HOSPITAL ENTERPRISE FUND
 SCHEDULE OF OPERATING EXPENSES - PROFESSIONAL FEES
 YEARS ENDING SEPTEMBER 30, 1997, 1996 AND 1995

	1997	1996	1995
Anesthesiology	\$ 24,380	\$ 24,468	\$ 22,278
Laboratory	174,211	171,844	187,047
Physical therapy	3,903	3,938	2,320
Partial-day psychiatric program	43,518	0-	0-
Cardiac rehabilitation	200	0-	0-
Renal health clinic	0-	4,533	0-
Emergency room	15,268	0-	3,480
Home health	<u>1,824</u>	<u>1,332</u>	<u>1,282</u>
Total professional fees	\$ <u>464,394</u>	\$ <u>418,215</u>	\$ <u>416,387</u>

HOSPITAL SERVICE DISTRICT NO. 18
 OF THE PARISH OF BOSSHARD, STATE OF LOUISIANA
 KIDLAND-BAKERS HOSPITAL - DELHI
 HOSPITAL ENTERPRISE FUND
 SCHEDULE OF OPERATING EXPENSES - OTHER EXPENSES
 YEARS ENDING SEPTEMBER 30, 1987, 1986 AND 1985

	1987	1986	1985
Contract services	\$ 211,304	\$ 121,436	\$ 189,362
Management fees - psychiatric partial hospitalization	158,880	2,390	-
Legal and accounting	88,479	57,606	80,773
Supplies	573,842	613,813	498,873
Repairs and maintenance	117,870	81,708	87,744
Utilities	92,600	111,209	93,981
Telephone	73,353	68,322	47,567
Travel	187,182	186,863	187,750
Meals	28,687	6,841	23,280
Education	77,487	88,340	75,708
Recruitment and advertising	38,743	28,384	17,318
Clinic auxiliary expense	388,791	137,898	427,168
Miscellaneous	44,336	15,250	35,888
	<u>\$ 1,676,326</u>	<u>\$ 1,847,828</u>	<u>\$ 1,732,128</u>
Total other expenses			

HOSPITAL SERVICE DISTRICT NO. 1A
 OF THE PARISH OF ROCKLAND, STATE OF LOUISIANA
 ROCKLAND MARIAGE HOSPITAL - BELHI
 SCHEDULE OF FEE DUES AND
 OTHER COMPENSATION PAID TO BOARD MEMBERS
 YEARS ENDING SEPTEMBER 30, 1997, 1998 AND 1999

	-----	TERM	-----			
	<u>START</u>		<u>ENDING</u>	1997	1998	1999
Board Members:						
Mr. Sidney Peckins	04/18/88		04/18/99	NONE	NONE	NONE
Mr. Charles Black	04/18/88		04/18/91	NONE	NONE	NONE
Mrs. Eleanor Jones	04/18/88		04/14/99	NONE	NONE	NONE
Mr. Jimmy Rogers	04/18/88		10/05/99	NONE	NONE	NONE
Dr. Paul Gordon	08/20/93		10/05/99	NONE	NONE	NONE

Marvin H. Rader, CPA
Bobby G. Lasser, CPA
John S. Wells, CPA
Robert C. Miller, CPA
Paul A. Delaney, CPA

Linda L. Wright, CPA
Melissa L. Hasty, CPA

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Independent Auditors' Report on Internal Control
Structure Based on an Audit of General Purpose Financial
Statements Prepared in Accordance with
GOVERNMENT ACCOUNTING STANDARDS

Board of Commissioners
Hospital Service District No. 1A
Parish of Richland, State of Louisiana
Bella, Louisiana 71228

We have audited the general purpose financial statements of the Richland Parish Hospital Service District No. 1A (the District) for the years ended September 30, 1987, 1988 and 1989, and have issued our report thereon dated December 10, 1989.

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 general purpose financial statements are free of material misstatement.

The management of the District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the District for the years ended September 30, 1987, 1988 and 1989, 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.

Board of Commissioners
Hospital Service District No. 1A
Parish of Richland, State of Louisiana
Page Two

A material weakness is a reportable 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described on the accompanying schedule are material weaknesses.

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


Certified Public Accountants

December 15, 1997

BOCCLAND PARISH HOSPITAL
AUDITOR'S COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

- Finding:** Major purchases of equipment and the related approved by the Board of Commissioners were not reflected in the minutes of the Board of Commissioners' meetings.
- Recommendation:** We recommend the Board establish a dollar threshold for items to be approved by the Board before the Minutes when the purchase.
- Response:** The Board has established a dollar threshold in accordance to the Louisiana Bid Law.
- Finding:** Timecards for employees being paid overtime did not include daily entries of when work began and ended.
- Recommendation:** We recommend that all employees being paid overtime enter the times they start and stop work each day. Those not being paid overtime should enter the total time worked. All employees should complete time entries daily, as they occur.
- Response:** Employees will complete time entries daily as they occur and time cards reflecting over-time will have the beginning and ending time documented.

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Independent Auditor's Report on Compliance
Based on an Audit of General Purpose
Financial Statements Performed in Accordance with
GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Hospital Service District No. 14
Parish of Richland, State of Louisiana
Delta, Louisiana 71332

We have audited the general purpose financial statements of the Richland Parish Hospital Service District No. 14 (the District) as of and for the years ended December 30, 1997, 1996 and 1995, and have issued our report thereon dated December 22, 1997.

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.

Compliance with laws, regulations, contracts and grants applicable to the District is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the 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.

The results of our tests disclosed three instances of noncompliance that are required to be reported under Government Auditing Standards. The accompanying schedule summarizes our comments and suggestions regarding these matters.

While performing our audit, we read the responses to the questions in the Systems Survey and Compliance Questionnaire completed by management and adopted by the Board of Commissioners and found no evidence that would indicate that the Hospital Service District had not answered the questions correctly. However, it should be noted that our audit was not directed primarily towards the answers to the questions in the questionnaire.

Board of Commissioners
Hospital Service District No. 14
Parish of Kisland, State of Louisiana
Page Two

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

Easley, Lester & Wells
Certified Public Accountants

December 12, 1997

ROCKLAND PARISH HOSPITAL
AUDITOR'S COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 1991

- Finding:** The District's deposits with one financial institution exceeded the Federal Depository Insurance limits and the securities pledged to the name of the District.
- Recommendation:** We recommend obtaining additional pledged securities and monitor deposits on a monthly basis.
- Response:** Deposits will be monitored monthly and additional securities have been obtained.
- Finding:** The District acquired radiology equipment with credit terms exceeding ninety days without the approval of the State Bond Commission.
- Recommendation:** We recommend obtaining State Bond Commission approval on debt exceeding ninety days.
- Response:** Future purchases with credit terms will not exceed ninety days without the approval of the State Bond Commission.
- Finding:** The District did not acquire bids on purchases of equipment subject to the Louisiana Bid Law.
- Recommendation:** We recommend acquiring bids and opening the bids during a public meeting of the Board of Commissioners for purchases of equipment subject to the Louisiana Bid Law.
- Response:** Future bids will be acquired in accordance with Louisiana Bid Law, then opened and appropriate action taken and noted during meeting(s) of the Board of Commissioners.