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**HOSPITAL SERVICE DISTRICT #2
OF BEAUREGARD PARISH
DeBossier, Louisiana**

**Financial Statements and
Supplementary Information
Years Ended October 31, 1977 and 1978**

Under provisions of state law, this report is a public document. A copy of this report is available to any Louisiana resident upon request. The public is invited to inspect and copy this report. Any person who wishes to inspect or copy this report should contact the office of the controller of state

Released Date: March 1, 1978

T A B L E O F C O N T E N T S

	<u>Page</u>
Independent Auditor's Report on the Financial Statements	1
EXHIBIT A - Balance Sheets	2 - 3
EXHIBIT B - Statements of Revenue and Expenses	4
EXHIBIT C - Statements of Retained Earnings	5
EXHIBIT D - Statements of Cash Flow	6
Notes to Financial Statements	7 - 13
Independent Auditor's Report on Internal Control Structure Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	14 - 20
Independent Auditor's Report on Compliance Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	21
Supplementary Information	22
Independent Auditor's Report on Supplementary Information	23
Supplementary Information	
Schedule of Patient Service Revenue	24
Schedule of Other Revenue	25



BROUSSARD & COMPANY, APC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Hospital Service District No. 2
of Beauregard Parish
Bossier, Louisiana

We have audited the accompanying balance sheets of Hospital Service District No. 2 of Beauregard Parish as of October 31, 1997 and 1998, and the related statements of revenue and expense, retained earnings, and cash flows for the years then ended. 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. 2 of Beauregard Parish as of October 31, 1997 and 1998, and the results of its operations and the 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 January 24, 1998, on our consideration of Hospital Service District No. 2 of Beauregard Parish internal control structure and a report dated January 16, 1998, on the compliance with laws and regulations.

January 28, 1998
jgto

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HOSPITAL SERVICE DISTRICT #2 OF SHREVEPORT PARISH
Shreveport, Louisiana

Balance Sheets
October 31,

ASSETS

	<u>1997</u>	<u>1996</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 833,896	\$ 745,876
Assets whose use is limited - required for current liabilities	343,891	344,889
Unpaid accounts receivable, net of estimated uncollectibles of \$8,304,823 in 1997 and \$7,343,827 in 1996	3,782,743	4,667,876
Insurance	427,451	369,814
Interest receivable	83,884	58,871
Prepaid insurance	141,140	151,041
Other prepaid expenses	13,883	18,258
Total Current Assets	<u>5,526,788</u>	<u>6,335,725</u>
ASSETS WHOSE USE IS LIMITED		
By Board For Funded Depreciation	4,173,876	3,796,843
By bond indenture	831,414	896,717
Less assets whose use is limited - required for current liabilities	<u>(1,362,863)</u>	<u>(1,714,329)</u>
Noncurrent Assets Whose Use is Limited	<u>4,642,427</u>	<u>3,979,231</u>
PROPERTY, PLANT AND EQUIPMENT		
Land	218,668	255,668
Buildings	9,208,258	9,288,218
Equipment	9,808,363	9,500,867
Construction in progress	418,200	43,897
Less accumulated depreciation	<u>(10,280,818)</u>	<u>(10,321,851)</u>
Net Property, Plant and Equipment	<u>9,376,471</u>	<u>9,467,800</u>
TOTAL ASSETS	<u>\$14,525,736</u>	<u>\$18,822,612</u>

The accompanying notes are an integral part of the financial statements.

LIABILITIES AND EQUITY

	<u>1997</u>	<u>1996</u>
CURRENT LIABILITIES		
Current portion of long-term debt	\$ 318,000	\$ 318,000
Accrued interest payable	41,890	44,888
Refunds payable	1,393	-
Current portion of capital lease obligations	-	-
Estimated third party payer settlements - Medicare/Medicaid	580,478	654,360
Due to West Louisiana Health Services, Inc.	558,413	428,713
Total Current Liabilities	<u>1,509,182</u>	<u>1,447,062</u>
LONG-TERM DEBT		
Long-term debt, net of current portion	<u>3,240,000</u>	<u>3,240,000</u>
Total Long-Term Debt	<u>3,240,000</u>	<u>3,240,000</u>
EQUITY		
Contributed capital	4,470,248	4,470,248
Retained earnings	15,482,804	8,400,000
Total Equity	<u>19,953,052</u>	<u>12,870,248</u>
TOTAL LIABILITIES AND EQUITY	<u>\$19,953,052</u>	<u>\$19,953,052</u>

HOSPITAL SERVICE CONTRACT #1 OF BERKSHIRE PACIFIC
Bossieres, Louisiana

EXHIBIT B

Statements of Revenues and Expenses
For the Years Ended October 31,

	<u>1983</u>	<u>1982</u>
NET PATIENT SERVICE REVENUE	222,177,109	221,791,714
OTHER REVENUE (Schedule B-2)	<u>466,876</u>	<u>466,867</u>
TOTAL REVENUE	<u>222,643,985</u>	<u>222,258,581</u>
EXPENSES		
Nursing expenses	3,349,981	3,349,359
Other professional service expenses	9,177,409	8,481,126
General service expenses	2,647,383	2,199,124
Fiscal and administrative service expenses	4,122,334	4,187,124
Depreciation	1,831,271	789,121
Provision for bad accounts	<u>2,182,839</u>	<u>2,122,359</u>
Total Expenses	<u>21,312,287</u>	<u>22,828,122</u>
INCOME FROM OPERATIONS	99,431,698	1,430,459
NON-OPERATING REVENUE AND (EXPENSES):		
Interest income	282,200	282,487
Interest expense	(184,089)	(184,784)
Gain (loss) on disposal of plant and equipment	(3,224)	(84,388)
Gains	<u>12,243</u>	<u>1,182</u>
Total Non-operating Revenue and (Expenses)	<u>106,620</u>	<u>1,195,482</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 1,044,388</u>	<u>\$ 1,428,149</u>

The accompanying notes are an integral part of the financial statements.

HOSPITAL SERVICE DISTRICT #2 OF BRANCHWOOD PARISH
BRANCHWOOD, LOUISIANA

EXHIBIT C

Statements of Retained Earnings
For the Years Ended October 31.

	<u>1991</u>	<u>1990</u>
RETAINED EARNINGS, November 1,	\$ 9,431,797	\$ 8,890,853
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>1,431,287</u>	<u>1,431,285</u>
RETAINED EARNINGS, October 31,	<u>\$10,863,084</u>	<u>\$ 10,322,138</u>

The accompanying notes are an integral part of the financial statements.

HOSPITAL SERVICE DISTRICT #2 OF BRASSFIELD PARISH
Denham, Louisiana

SCHEDULE B

Statements of Cash Flows
For the Years Ended October 31,

	<u>1997</u>	<u>1996</u>
Cash Flows From Operating Activities:		
Income from operations	\$ 834,400	\$ 1,453,542
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation	1,031,371	785,131
Provision for losses on accounts receivable, net	(439,344)	(443,433)
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	2,424,400	(408,939)
(Increase) in other receivables	"	474,732
(Increase) decrease in inventory	(87,327)	12,718
(Increase) decrease in interest receivable	(25,822)	(12,214)
Decrease (increase) in prepaid expenses	18,648	(12,182)
(Decrease) increase in payables and other accrued expenses	302,242	802,818
Total adjustments	<u>3,052,048</u>	<u>2,084,510</u>
Net Cash Provided by Operating Activities	3,028,314	3,266,317
Cash Flows From Investing Activities:		
(Increase) decrease in assets whose use is limited	(1,312,210)	(1,827,094)
Interest income	<u>201,200</u>	<u>202,852</u>
Net Cash (Used) Provided by Investing Activities	<u>(1,111,010)</u>	<u>(1,624,242)</u>
Cash Flows From Capital and Related Financing Activities:		
Capital expenditures	(1,800,187)	(2,210,894)
Proceeds from Certificates of indebtedness	"	1,690,800
Principal payments on bonds	(210,800)	(125,800)
Principal payments under capital lease obligations	"	(26,686)
Interest expense	<u>(154,800)</u>	<u>(158,784)</u>
Net Cash (Used) by Capital and Related Financing Activities	<u>(2,360,267)</u>	<u>(2,629,464)</u>
Increase (Decrease) in Cash and Cash Equivalents	(342,779)	(363,147)
Cash and Cash Equivalents, beginning of year	<u>145,820</u>	<u>1,044,342</u>
Cash and Cash Equivalents, end of year	<u>\$ 103,041</u>	<u>\$ 681,195</u>
Cash Paid For Interest	<u>\$ 154,800</u>	<u>\$ 158,784</u>

The accompanying notes are an integral part of the financial statements.

HOSPITAL SERVICE DISTRICT #2 OF MONROEGARD PARISH
Bossier, Louisiana.

NOTE TO FINANCIAL STATEMENTS
October 31, 1977 and 1976

Note 1 - Organization and Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

GASB No. 35 requires that governments' proprietary activities apply all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1988, unless those pronouncements conflict with or contradict GASB pronouncements. Financial Accounting Standards Board ("FASB") Statements and Interpretations, Accounting Principles Board opinions and Accounting Research Bulletins. Governments are given the option whether or not to apply all FASB Statements and Interpretations issued after November 30, 1988, except for those that conflict with or contradict GASB pronouncements. The Hospital has elected NOT to implement FASB Statements and Interpretations issued after November 30, 1988.

The Bossiergard Memorial Hospital facilities are owned by the Hospital Service District #2 of Bossiergard Parish. It is owned as a nonprofit corporation organized by the Bossiergard Parish Police Jury under the provisions of chapter 18 of Title 48 of the Louisiana revised statutes of 1972 and Act No. 608 of the Louisiana Legislature for the year 1976. The governing authority of the Hospital Service District is a Board of Commissioners appointed to office by the Bossiergard Parish Police Jury.

On June 8, 1978, the Board of Commissioners of the Hospital Service District entered into an agreement with the Board of Trustees of Bossiergard Memorial Hospital to manage and operate the hospital facilities under the terms of this agreement, which will expire in 99 years from the date executed if all the renewal periods expire as described. The Board of Trustees of Bossiergard Memorial Hospital would collect all revenues and deposits to the account of the Hospital Service District and pay all necessary expenses incurred during the normal operations of the hospital. The Hospital Service District would then reimburse Bossiergard Memorial Hospital for these expenses.

During the year ended October 31, 1974, the Board of Trustees of Bossiergard Memorial Hospital elected to change their name to the Board of Trustees of West Louisiana Health Services, Inc. The nonprofit corporation's name was changed to West Louisiana Health Services, Inc.

Reporting Entity - As more fully described in paragraph one above, the Hospital Service District #2 of Bossiergard Parish is governed by a board appointed by the Bossiergard Parish Police Jury. Therefore, the Hospital Service District is a component unit of the Bossiergard Parish Police Jury.

Net Patient Service Revenue - Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated deductive adjustments under reimbursement agreements with third-party payers. Deductive 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.

Continued

HOSPITAL SERVICE DISTRICT #2 OF SHREVEPORT PARISH
Shreveport, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)
October 31, 1987 and 1986

Note 1 - Reimbursement and Summary of Significant Accounting Policies (Continued)

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.

Medicare - Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient consult 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 reimbursement claims at a tentative rate with final settlement determined after submission of annual cost reports by the hospital and audits thereof by the Medicare fiscal intermediary. The hospital's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the hospital.

Also, the Transitional Care Unit of the hospital is excluded from certain cost limits applied by Medicare regulations until October, 1991. The application of these limits could reduce net patient revenue of this department.

Medicaid - Inpatient acute care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per patient day. 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 also has entered into payment agreements with certain commercial Louisiana carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Charity Care - The hospital presently does not maintain records to identify and monitor the level of charity care it provides. These unidentified amounts are charged to bad debts and are included in bad debt expenses on the Statement of Revenue and Expenses.

Inventory - Inventories are stated at the lower of cost or market. Cost is determined by the first-in, first-out method.

Property, plant and equipment - The property, plant and equipment of the hospital is recorded at cost. Depreciation accounted to \$1,831,271 and \$288,140 for the years ended October 31, 1987 and 1986, respectively, and was calculated using the straight-line method over the estimated useful lives of the various assets shown below:

Continued

HOSPITAL SERVICE DISTRICT #2 OF BEAUREGARD PARISH
BOZIERE, LOUISIANA

Notes to Financial Statements (Continued)
October 31, 1991 and 1990

Note 3 - Organization and Summary of Significant Accounting Policies (Continued)

	Method	Life
Buildings	SL	5-40 Years
Equipment	SL	3-10 Years

The costs of maintenance and repairs of property and equipment are charged to expense as incurred. Expenditures for additions, improvements and replacements are capitalized. The cost and related accumulated depreciation of property and equipment retired are removed from the accounts and any resulting gain or loss is recognized.

Cash and Cash Equivalents

The hospital considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Investments

Investments are stated at cost or amortized cost, which approximates market.

Note 4 - Lease Term One is Limited

Under the terms of the bond indenture on outstanding Hospital Service Bonds of Hospital Service District #2 of the Parish of Beaugard, State of Louisiana, dated June 27, 1979, all of the income, revenues, and receipts earned by the District from the operation of the new hospital facility must be deposited as the same are collected in the Hospital Operating Fund. Moneys in the Hospital Operating Fund shall be first used for the payment of all reasonable and necessary expenses of operating and maintaining the hospital.

From the excess moneys in the Hospital Operating Fund, the following funds shall be established, maintained and administered in the following order of priority and for the following expense purposes:

1. On or before the 30th day of each month of each year a sum equal to one-twelfth (1/12th) of the total amount of principal and interest falling due in the coming year, together with such additional proportionate sums as may be required to pay said principal and interest as the same respectively become due shall be deposited into a "Hospital Service Bond and Interest Sinking Fund". These deposits shall be fully sufficient to pay promptly the principal and interest installments as they become due, and may only be used for that purpose.

Continued

HOSPITAL SERVICE DISTRICT #2 OF BAYBOURNE PARISH
Bossier, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)
October 31, 1987 and 1986

Note 2 - Assets Which Are So Limited (Continued)

- B. Beginning with the first month in which the Hospital becomes revenue producing, a sum at least equal to 1% of the monthly amount paid to the above mentioned Sinking Fund, shall be deposited monthly on or before the 10th day of each month into a "Hospital Revenue Bond Reserve Fund". These monthly deposits shall continue until there is no deposit an amount equal to \$214,180. The money in the Reserve Fund is to be retained solely for the purpose of paying the principal and interest on bonds payable for which sufficient funds are not on deposit in the Bond and Interest Sinking Fund as to which there would otherwise be default.
- C. Commencing with the month following completion of construction of the Hospital, on or before the 10th day of each month, an amount equal to \$1,980 shall be deposited into a "Hospital Depreciation and Contingencies Fund". Money in this fund shall be used to care for depreciation, maintenance, addition, improvements and replacements necessary to operate properly the Hospital. Money in this fund may also be used to pay principal on loan(s) on the bonds falling due at any time there is not sufficient money for payment in the Sinking or Reserve Fund.

Subject to the foregoing priorities, the balance of the reserve funds on deposit in the Hospital operating fund may be used by the Borrower for the purpose of paying or paying bonds or for any other lawful corporate purpose.

Proved depreciation is so designated by the Board to replace and repair buildings and equipment.

Note 3 - Bonds Payable

On June 17, 1978, Hospital Revenue Bonds of Hospital Service District #2 in the amount of \$3,300,000 were issued to secure financing for a new community hospital. These Hospital Revenue Bonds bear interest at a rate of 8% and are to be retired over a 20 year period by making annual principal and interest payments on June 17 of each year of between \$211,780 and \$228,880.

The Hospital Service District also issued \$1,800,000 of Certificates of Indebtedness on April 1, 1984. Interest is charged at 8.12% and the certificates will be retired over eight years. Annual principal and interest payments range from \$242,428 to \$221,846.

Scheduled principal and interest payments of long-term debt are as follows:

HOSPITAL SERVICE DISTRICT #2 OF SHREVEPORT PARISH
Shreveport, Louisiana

Notes to Financial Statements (Continued)
October 31, 1997 and 1998

NOTE 3 - Notes Payable (Continued)

Year Ending October 31,	Principal	Interest	Total
1998	\$ 328,000	\$ 170,480	\$ 498,480
1999	328,000	154,180	479,180
2000	328,000	137,831	470,831
2001	328,000	120,360	470,360
2002	328,000	102,432	462,432
Thereafter	1,716,000	858,188	2,574,188
Totals	\$ 3,456,000	\$ 1,403,371	\$ 4,859,371

NOTE 4 - Due to West Louisiana Health Services, Inc.

On October 31, 1997 and 1998, the Hospital Service District had a payable of \$889,479 and \$128,732, respectively, to West Louisiana Health Services, Inc. These balances arise principally from the timing difference of recording accounts payable and accrued liabilities on the books of West Louisiana Health Services, Inc. and the actual payment by the Hospital Service District.

NOTE 5 - Compensated Absences

Employees of the hospital are entitled to compensated absences. Compensated absences totaling \$834,850 and \$783,150 for the years ended October 31, 1997 and 1998, respectively, are a vested benefit, and are accrued in the financial statements of the operator West Louisiana Health Services, Inc.

NOTE 6 - Defined Contribution Plan

The Hospital provides pension benefits for all of its full-time and part-time employees who meet certain age and service requirements through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. The Hospital contributes 5% of eligible participants' compensation. The participant is required to contribute 3% of compensation. The Hospital's contributions for each employee (and plan earnings allocated to the employee's account) are fully vested after six years service. Hospital contributions for, and plan earnings forfeited by, employees who leave employment before six years of service are used to reduce the Hospital's current period contribution requirement.

The Hospital's total payroll in fiscal year 1997 was \$9,403,000. The Hospital's contributions were calculated using the base salary amount of \$5,487,000. The Hospital's 5% contribution of covered employees, net of forfeitures, amounted to \$274,350. The eligible employees 3% contribution amounted to \$164,910.

Continued

HOSPITAL SERVICE DISTRICT #1 OF MISSOURI PARISH
Gretna, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)
October 31, 1997 and 1996

Note 7 - Retained Earnings

Following is a comparison of retained earnings at October 31, 1997 and 1996:

	1997	1996
Reserved for bond retirement	\$ 428,302	\$ 428,188
Designated for funded depreciation	4,373,076	3,188,140
Unreserved/un-designated	8,300,388	5,488,088
Total	\$13,101,766	\$9,104,416

Note 8 - Cash and Investments

At October 31, 1997, the district has cash and investments (bank balances) totaling \$5,806,388 as follows:

Demand deposits	\$ 45,688
Interest-bearing demand deposits	718,300
Time deposits	5,042,380
Total	\$ 5,806,368

Note 8 - Cash and Investments (Continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by Federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the Federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. As October 31, 1997, the district has \$5,806,368 in deposits (bank balances before outstanding checks or deposits in transit). Of the preceding deposits, all deposits were secured from risk by Federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agent bank (SSAB Category 1), except for \$428,302.

Even though the pledged securities are considered uncollateralized (Category 1) under the provisions of GASB Statement 3, Louisiana Revised Statute 50:1328 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent bank has failed to pay deposited funds upon demand.

Note 9 - Contributed Capital

Contributed capital of \$4,428,348 is a result of the transfer of assets which occurred between Beauregard Memorial Hospital and the District in 1979.

Continued

HOSPITAL SERVICE DISTRICT #1 OF BERKSHIRE PARISH
Orlando, Louisiana

Notes to Financial Statements (Continued)
October 31, 1997 and 1996

Note 10- Construction in Progress

The hospital has several construction projects in progress at October 31, 1997. The following is a schedule of such projects.

	Estimated Total Costs	Costs Incurred To Date	Estimated Completion Date
Wastery and Bureau Station	\$ 217,000	\$ 150,000	December, 1997
Two Doctor Health Clinic	421,000	84,000	May, 1998
Emergency Room Addition	840,000	84,000	May, 1998

Note 11- Board of Commissioners

The Board of Commissioners received no compensation for the fiscal years ending October 31, 1997 and 1996.

Note 12- Hospital Insurance

The hospital is a member of the Louisiana Patient's Compensation Fund for the purpose of malpractice insurance. All participating hospitals share proportionately in the expense of the fund.

Note 13- Concentrations of Credit Risk

The hospital is located in Berkidder, Louisiana. The hospital grants credits without collateral to its patients; most of them are local residents and are insured under third party payer agreements. The mix of receivables from patients and third party payers was as follows:

	1997	1996
Medicare	18%	18%
Medicaid	14	10
Other	68	72
	<u>100%</u>	<u>100%</u>

Note 14- Contingencies

Certain claims, suits and complaints arising in the ordinary course of operations are pending against the hospital. In the opinion of management, all such matters are of such kind or involve such amounts, as would not have a significant effect on the financial position or results of operations of the hospital if disposed of unfavorably.

The hospital is self-insured for employee medical benefits. Under this arrangement, the employee contributes a portion of the cost with the hospital paying the difference to a third-party administrator. A portion of the monthly contribution is used to purchase a re-insurance contract that covers individual claims exceeding \$50,000. The accrued liability for incurred but not reported health insurance benefit claims at October 31, 1997 was \$170,000.



BROUSSARD & COMPANY, APC

CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Commissioners
Hospital Service District No. 2 of
Bossier Parish
Bossier, Louisiana

We have audited the financial statements of Hospital Service District No. 2 of Bossier Parish, as of and for the year ended October 31, 1997, and have issued our report thereon dated January 26, 1998.

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

The management of Hospital Service District No. 2 of Bossier Parish is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of 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 financial statements of Hospital Service District No. 2 of Bossier Parish, for the year ended October 31, 1997, 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 financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

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Board of Commissioners
Hospital Service District No. 2 of
Bonaville Parish

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in accounts that would be material in relation to the primary government financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of management and the Hospital Service District No. 2 of Bonaville Parish. However, this report is a matter of public record and its distribution is not limited.



January 26, 1998
jgh



BROUSSARD & COMPANY, APC

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Hospital Service District No. 3 of
Bossier Parish
DeRidder, Louisiana

We have audited the financial statements of Hospital Service District No. 3 of Bossier Parish, as of and for the year ended October 31, 1997, and have issued our report thereon dated January 26, 1998.

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

Compliance with laws, regulations, contracts and grants applicable to Hospital Service District No. 3 of Bossier Parish, is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Hospital Service District No. 3 of Bossier Parish compliance with certain provisions of laws, regulations, and contracts. However, the objective of our audit of the 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 the following instance of noncompliance that is required to be reported herein under Government Auditing Standards. Under state law, cash, cash equivalents and certificates of deposit must be secured by Federal Deposit Insurance on the pledge of securities listed by the fiscal agent bank. As October 31, 1997, the Hospital had funds on deposit with a financial institution in excess of Federal Deposit Insurance limits and/or pledged securities of the fiscal agent bank in the amount of \$408,900. Subsequent to year end, the fiscal agent bank pledged securities in amounts sufficient to secure the under collateralized funds at year end.

This report is intended for the information of management and the Hospital Service District No. 3 of Bossier Parish. However, this report is a matter of public record and its distribution is not limited.

January 26, 1998
jgho

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BROUSSARD & COMPANY, APC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

Board of Trustees
Hospital Service District #3
of Bienville Parish
MORNING, Louisiana

Our report on our audits of the basic financial statements of Hospital Service District #3 of Bienville Parish as of October 31, 1991 and 1992, and for the years then ended appears on page 1. The audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

January 26, 1993
jgs

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HOSPITAL SERVICE DISTRICT #2 OF BRACKENRIDGE HARRIS
 Parish, Louisiana

Schedule B-1

Schedule of Patient Service Revenue
 For The Year Ended October 31,

	<u>2021</u>	<u>2020</u>
INPATIENT		
Nursing revenue from daily patient services	\$ 6,382,466	\$ 6,482,128
Nursing revenue from labor, delivery and nursery	1,446,343	1,422,623
Nursing revenue from surgery	1,268,136	1,153,284
Nursing revenue from recovery	294,323	388,880
Emergency rooms	1,844,823	1,848,725
Anesthesia	1,233,724	1,182,128
Central supply	5,609,171	5,884,258
Laboratory	1,322,988	1,441,841
Blood bank	342,842	97,852
Electrodiagnosis	274,248	424,248
ED	12,222	14,111
Radiology	847,522	821,817
Nuclear medicine	214,814	382,774
Pharmacy	1,817,203	1,844,202
IT	1,288,842	1,388,174
Physical therapy	402,122	428,288
Respiratory therapy	1,248,222	1,858,852
Vitamins	246,888	242,242
Cash lab	881,222	-
Total Inpatient	<u>21,324,251</u>	<u>21,458,228</u>
OUTPATIENT		
Nursing revenue	571,466	547,226
Emergency rooms	491,118	433,422
Anesthesia	7,188	4,822
Central supply	1,242,224	1,228,218
Laboratory	1,844,802	1,822,802
Blood bank	48,478	27,428
Electrodiagnosis	122,442	212,212
ED	12,222	10,222
Radiology	1,822,222	1,822,222
Nuclear medicine	412,822	312,212
Pharmacy	882,222	922,212
IT	122,222	112,802
Physical therapy	112,222	212,212
Respiratory therapy	112,122	122,212
Home health care	1,222,224	1,222,224
Vitamins	422,242	122,222
Cardiac rehab	222,242	222,222
Total Outpatient	<u>10,222,212</u>	<u>9,222,212</u>
TOTAL PATIENT SERVICE REVENUE	<u>31,546,463</u>	<u>30,680,440</u>

HOSPITAL SERVICE DISTRICT #2 OF BERENSON PARISH
Baldwin, Louisiana

Schedule D-2

Schedules of Other Revenue
For the Years Ended October 31,

	<u>1997</u>	<u>1996</u>
Radiology		
Telephone revenues	\$ 289,991	\$ 288,880
Medical records fees	3,888	3,771
Array sales	9,223	8,778
Vending machine	8,588	1,859
Child care license	24,288	22,818
Clinic rental income	878	204
Pharmacy sales to employees	13,588	14,884
Stenographer	98,917	82,808
Signed	-	1,848
Reliance income	88,833	88,883
Speech therapy	12,887	8,388
	<u>8,830</u>	<u>8,835</u>
TOTAL OTHER REVENUES	<u>\$ 488,878</u>	<u>\$ 488,887</u>