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HOSPITAL SERVICE DISTRICT NO. 18
OF THE PARISH OF BOULDER, STATE OF LOUISIANA
RICHMOND MEDICAL CENTER
HOSPITAL ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 1997, 1996 AND 1995

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Under provisions of state law, this report is a public document. A copy of the report is available to the public, or anyone who requests it, 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: MAR 17 1998

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Hospital Service District No. 18
Parish of Richland, State of Louisiana
Rayville, Louisiana

We have audited the accompanying general purpose financial statements of Hospital Service District No. 18, 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. 18, 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 Government Auditing Standards, we have also issued a report dated December 10, 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. 18
Parish of Richland, 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, Lester & Wells

Certified Public Accountants
December 12, 1997

HOSPITAL SERVICE DISTRICT NO. 18
 OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
 RICHARDSON MEDICAL CENTER
 HOSPITAL ENTERPRISE FUND
 BALANCE SHEETS - UNRESTRICTED FUNDS
 SEPTEMBER 30, 1997, 1996 AND 1995

ASSETS	1997	1996	1995
Current			
Cash and cash equivalents (Note 3)	\$ 198,017	\$ 489,323	\$ 833,312
Accounts receivable net of estimated uncollectibles of \$148,800, \$748,008 and \$558,008 in 1997, 1996 and 1995, respectively (Note 4)	2,310,798	2,387,209	1,796,580
Accrued interest	50,878	50,368	7,947
Inventory	281,693	287,892	287,853
Prepaid expenses	<u>181,542</u>	<u>176,180</u>	<u>182,885</u>
Total Current Assets	3,023,728	3,386,972	2,998,577
Property, plant and equipment, less accumulated depreciation of \$3,351,344, \$3,128,284, and \$4,839,899 in 1997, 1996 and 1995, respectively (Note 5)	2,329,894	2,199,883	2,066,743
Assets limited as to use (Note 6)	3,035,893	1,734,638	3,187,371
Other (Note 7)	<u>84,341</u>	<u>83,472</u>	<u>181,835</u>
Total Assets	<u>\$ 8,313,858</u>	<u>\$ 7,221,322</u>	<u>\$ 6,298,625</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Current			
Accounts payable	\$ 729,133	\$ 314,618	\$ 479,338
Accrued expenses	140,100	127,941	259,177
Current portion of lease obligations and long-term debt	<u>50,883</u>	<u>49,325</u>	<u>315,918</u>
Total Current Liabilities	920,116	491,884	854,433
Long-term			
Capital lease obligations and notes payable (Note 8)	<u>82,544</u>	<u>92,338</u>	<u>78,981</u>
Total Liabilities	1,002,660	584,222	933,414
Fund Balance - unrestricted	<u>7,311,198</u>	<u>6,637,100</u>	<u>5,365,211</u>
Total Liabilities and Fund Balance	<u>\$ 8,313,858</u>	<u>\$ 7,221,322</u>	<u>\$ 6,298,625</u>

See accompanying notes to Financial statements.

HOSPITAL SERVICE DISTRICT NO. 18
 OF THE PARISH OF BOECKLARD, STATE OF LOUISIANA
 RICHARDSON MEDICAL CENTER
 HOSPITAL ENTERPRISE FUND
 STATEMENTS OF OPERATIONS - UNRESTRICTED FUNDS
 FOR THE YEARS ENDED SEPTEMBER 30, 1993, 1994 AND 1995

	1997	1996	1995
Revenue			
Net patient service revenue	\$ 13,311,490	\$ 14,439,304	\$ 18,815,997
Property taxes	548,912	238,384	134,829
Grants	29,008	38,714	75,800
Donations	5,278	-	1,722
Gains (loss) on disposal of equipment	63,773	3,483	13,030
Other operating revenue	<u>198,808</u>	<u>112,881</u>	<u>165,820</u>
Total Revenue	<u>13,827,269</u>	<u>14,848,448</u>	<u>19,013,369</u>
Expenses			
Salaries	3,184,304	3,309,748	4,168,856
Benefits and payroll taxes	164,870	314,948	384,825
Pension plan (Roth 401)	314,854	332,538	717,000
Supplies and drugs	168,695	824,217	807,382
Professional fees	1,946,379	2,346,104	1,635,158
Other expenses	2,734,605	2,970,988	1,837,497
Insurance	268,619	270,988	233,343
Decontrol expenses	29,610	12,713	13,367
Depreciation and amortization	485,614	391,673	374,920
Provision for bad debts	<u>3,025,544</u>	<u>1,894,254</u>	<u>538,378</u>
Total Expended	<u>13,015,240</u>	<u>13,829,351</u>	<u>19,260,409</u>
Operating Income (Loss)	<u>792,029</u>	<u>1,019,097</u>	<u>752,960</u>
Non-Operating Income (Loss)			
Interest income on investments limited as to use	108,493	84,695	39,383
Interest income other	<u>17,172</u>	<u>17,185</u>	<u>22,822</u>
Total Nonoperating Income (Loss)	<u>125,665</u>	<u>101,880</u>	<u>62,205</u>
Excess of Revenues Over Expenses	<u>\$ 817,694</u>	<u>\$ 1,120,977</u>	<u>\$ 815,165</u>

See accompanying notes to financial statements.

HOSPITAL SERVICE DISTRICT NO. 18
 OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
 RICHMOND MEDICAL CENTER
 HOSPITAL ENTERPRISE FUND
 STATEMENTS OF CHANGES IN FUND BALANCE - UNRESTRICTED FUNDS
 FOR THE YEARS ENDED SEPTEMBER 30, 1992, 1993 AND 1994

	1991	1992	1993
CHANGES IN FUND BALANCE:			
Balance, beginning of year	\$ 4,438,979	\$ 3,268,871	\$ 4,376,768
Excess of revenues over expenses	<u>911,676</u>	<u>1,171,038</u>	<u>859,803</u>
Balance, September 30	\$ <u>5,350,655</u>	\$ <u>4,439,909</u>	\$ <u>5,236,571</u>
COMPOSITION OF FUND BALANCE:			
Contributions			
Transfer from Richland Parish Hospital Service District No. 1	\$ 3,543,100	\$ 3,543,100	\$ 3,543,100
Excess of revenues over expenses	<u>1,807,555</u>	<u>896,809</u>	<u>693,471</u>
Total	\$ <u>5,350,655</u>	\$ <u>4,439,909</u>	\$ <u>4,236,571</u>

See accompanying notes to financial statements.

HOSPITAL SERVICE DISTRICT NO. 18
 OF THE PARISH OF BOSSHARD, STATE OF LOUISIANA
 RICHARDSON MEDICAL CENTER
 HOSPITAL ENTERPRISE FUND
 STATEMENTS OF CASH FLOWS - UNRESTRICTED FUNDS
 FOR THE YEARS ENDED SEPTEMBER 30, 1993, 1994 AND 1995

	1993	1994	1995
Cash Flows from Operating Activities:			
Operating income (loss)	\$ 197,814	\$ 1,889,465	\$ 827,643
Interest expense considered capital financing activity	15,410	11,713	15,243
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	440,033	575,474	594,263
(Gain) loss on disposal of assets	(65,713)	(9,483)	(13,122)
Provision for bad debts	(1,826,564)	(1,098,224)	(338,378)
Change in current assets (increase) decrease			
Accounts receivable	1,323,583	583,378	738,864
Accrued interest receivable	(79,318)	(2,631)	(3,321)
Inventory	(3,612)	(139)	(16,323)
Prepaid expenses	71,018	4,695	(59,134)
Prepaid	-0-	-0-	33,180
Change in current liabilities (increase) decrease			
Accounts payable	210,505	35,080	118,767
Accrued expenses	12,532	(121,828)	(338,422)
Change in other assets (increase) decrease	<u>13,328</u>	<u>18,378</u>	<u>(81,363)</u>
Net cash provided by operating activities	<u>2,812,123</u>	<u>889,868</u>	<u>3,135,527</u>
Cash Flows from Investing Activities:			
Cash invested in assets whose use is limited	(3,408,880)	(660,647)	(768,417)
Cash proceeds from assets whose use is limited	98,283	95,312	185,588
Interest earned	<u>123,482</u>	<u>83,583</u>	<u>87,282</u>
Net cash provided by investing activities	<u>8,42,127,375</u>	<u>0,148,248</u>	<u>0,162,453</u>

(Continued)

See accompanying notes to financial statements.

HOSPITAL SERVICE DISTRICT NO. 18
OF THE PARISH OF EIDELAND, STATE OF LOUISIANA
RICHARDSON MEDICAL CENTER
HOSPITAL ENTERPRISE FUND
STATEMENTS OF CASH FLOWS - UNRESTRICTED FUNDS (Continued)
FOR THE YEARS ENDED SEPTEMBER 30, 1991, 1990 AND 1989

	1991	1990	1989
Cash Flows from Capital and Related Financing Activities:			
Proceeds of new loans	\$ -0-	\$ -0-	\$ 44,980
Proceeds from sales of property, plant and equipment	19,194	1,483	17,394
Acquisition of capital assets	(506,872)	(498,678)	(618,718)
Principal payments on long-term debt	(34,293)	(127,408)	(153,188)
Interest paid on long-term debt	<u>(12,459)</u>	<u>(12,713)</u>	<u>(12,267)</u>
Net cash used by capital and related financing activities	<u>(434,420)</u>	<u>(627,314)</u>	<u>(728,691)</u>
Net Increase (Decrease) in cash and cash equivalents	(11,581)	(125,990)	(75,611)
Cash and cash equivalents at beginning of year	<u>409,322</u>	<u>535,312</u>	<u>708,923</u>
Cash and cash equivalents at end of year	\$ <u>397,741</u>	\$ <u>409,322</u>	\$ <u>533,312</u>
Supplemental disclosures of cash flow information:			
Cash paid during the year for:			
Interest	\$ <u>12,459</u>	\$ <u>12,713</u>	\$ <u>12,267</u>

The Hospital entered into capital lease obligations of \$44,980, \$48,144, and \$11,300 for equipment in 1991, 1990 and 1989, respectively.

See accompanying notes to financial statements.

HOSPITAL SERVICE DISTRICT NO. 18
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
RICHARDSON MEDICAL CENTER
HOSPITAL ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 1997, 1996 AND 1995

NOTE 1 - ORGANIZATION AND OPERATIONS

Legal Organization

Richland Parish Hospital Service District No. 18 (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 the entire parish excluding 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 in Rayville and clinic in Natchitoches to Richland Parish Hospital Service District No. 18, 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 such 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 and acute inpatient hospital services. In September 1993, the District opened a unit to provide geriatric psychiatric services and was recognized as a Medicare "distinct part" unit effective October 1, 1993. Also in 1993, the District began operations of a Rural Health Clinic.

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 intent 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. 18
OF THE PARISH OF RICHMOND, STATE OF LOUISIANA
ROCHESTER MEDICAL CENTER
HOSPITAL ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE 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. Net patient service revenue is reported at the estimated net realizable amounts from patients, third party payors and others for services rendered, including estimated retroactive adjustments under third party reimbursement agreements with third party payors. Retroactive adjustments are accrued on an estimated basis in the period the related obligations are determined. Expenses are recorded when incurred. Hospital accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 28:114 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.

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 or temporary cash investments.

Credit Risk

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

The Hospital's estimate of collectibility is based on evaluation of individual 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 Revenues

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 acute services and on a fixed price per patient day for Medicaid Inpatient acute and psychiatric services. Medicare and Medicaid

HOSPITAL SERVICE DISTRICT NO. 18
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
RICHMOND MEDICAL CENTER
HOSPITAL ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 1997, 1996 AND 1995

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Outpatients and home health services are reimbursed based upon the lower of reasonable cost (subject to certain limits) or charges to patients. Medicare Inpatient psychiatric services are reimbursed based upon the reasonable cost of services to patients (subject to certain limits). These reimbursements are subject to audit and retrospective adjustments by each payer.

Inventory

Inventories are stated at the lower 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.

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 method of determining depreciation for financial reporting and third party reimbursement. The following estimated useful lives are generally used.

Buildings and Improvements	5 to 40 years
Machinery and Equipment	3 to 20 years
Furniture and Fixtures	3 to 20 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 disposal's are credited or charged to operations currently.

Changes in Reporting Classification

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

HOSPITAL SERVICE DISTRICT NO. 18
OF THE PARISH OF ROCKLAND, STATE OF LOUISIANA
RICHMOND MEDICAL CENTER
HOSPITAL ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 1997, 1996 AND 1995

NOTE 3 - DEPOSITS

Included in cash and cash equivalents and assets limited as to use are cash on hand and deposits with the depositing banks for checking accounts and certificates of deposits. Of the \$1,820,643 total deposits at September 30, 1995, \$118,494 was not insured at the balance sheet date by Federal Depository Insurance coverage or pledged securities. At September 30, 1996, all deposits were insured as of the balance sheet date. Of the \$1,437,910 total deposits at September 30, 1997, \$187,196 was not insured at the balance sheet date by Federal Depository Insurance coverage or pledged securities. 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	\$ 2,888,443	\$ 2,329,738	\$ 2,306,682
Other accounts receivable	31,781	50,062	22,299
Estimated third-party paper settlements	<u>182,834</u>	<u>508,417</u>	<u>7,784</u>
	2,899,298	3,058,217	2,356,681
Estimated uncollectibles	<u>(168,820)</u>	<u>(748,089)</u>	<u>(358,800)</u>
Total	<u>\$ 2,730,478</u>	<u>\$ 2,310,128</u>	<u>\$ 1,997,881</u>

The Hospital receives a substantial portion of its revenues from the Medicare and Medicaid programs as 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 charges	\$ 14,899,819	\$ 18,334,765	\$ 12,826,541
Contractual adjustments	<u>(5,669,026)</u>	<u>(16,182,682)</u>	<u>(9,870,002)</u>
Program Patient Service Revenue	<u>\$ 9,230,793</u>	<u>\$ 2,152,083</u>	<u>\$ 2,956,539</u>
Percent of Total Net Patient Revenues	<u>33%</u>	<u>13%</u>	<u>15%</u>

Included in contractual adjustments in 1995 is \$15,580 recovered in a lawsuit against the Louisiana Department of Health and Hospitals for claims during the period from June 1982 through June 1994. The amount was recognized when it became available and measurable as a result of the lawsuit settlement.

HOSPITAL SERVICE DISTRICT NO. 18
OF THE PARISH OF SACCALAIS, STATE OF LOUISIANA
RICHARDSON MEDICAL CENTER
HOSPITAL ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 1997, 1996 AND 1995

NOTE 5 - 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.

	ASSET COST			
	September 30, 1996	Additions	Deductions	September 30, 1997
Land	\$ 18,000	\$ -0-	\$ -0-	\$ 18,000
Land improvements	28,867	-0-	-0-	28,867
Buildings and improvements	2,918,889	19,000	38,873	2,930,044
Major movable equipment	4,618,665	528,315	280,261	4,887,894
Total	\$ 7,784,321	\$ 547,315	\$ 319,134	\$ 8,012,502

	ACCUMULATED DEPRECIATION			
	September 30, 1996	Additions	Deductions	September 30, 1997
Land improvements	\$ 17,484	\$ 993	\$ -0-	\$ 18,477
Buildings and improvements	2,933,816	117,497	26,473	2,985,294
Major movable equipment	3,272,884	228,283	273,500	3,227,667
Total	\$ 6,384,184	\$ 356,773	\$ 300,073	\$ 6,440,884

	ASSET COST			
	September 30, 1995	Additions	Deductions	September 30, 1996
Land	\$ 18,000	\$ -0-	\$ -0-	\$ 18,000
Land improvements	27,861	10,288	-0-	28,867
Buildings and improvements	2,847,371	131,893	-0-	2,918,889
Major movable equipment	4,925,381	693,284	-0-	4,618,665
Total	\$ 8,020,513	\$ 825,465	\$ -0-	\$ 8,845,978

	ACCUMULATED DEPRECIATION			
	September 30, 1995	Additions	Deductions	September 30, 1996
Land improvements	\$ 15,850	\$ 1,330	\$ -0-	\$ 17,484
Buildings and improvements	2,888,726	127,282	-0-	2,933,816
Major movable equipment	3,021,452	268,251	-0-	3,272,884
Total	\$ 6,026,028	\$ 416,863	\$ -0-	\$ 6,442,891

HOSPITAL SERVICE DISTRICT NO. 18
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
RICHARDSON MEDICAL CENTER
HOSPITAL ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 1997, 1996 AND 1995

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	<u>ASSET COST</u>			September 30, 1995
	September 30, 1996	Additions	Deductions	
Land	\$ -0-	\$ 16,000	\$ -0-	\$ 16,000
Land improvements	17,601	-0-	-0-	17,601
Buildings and improvements	3,803,703	386,849	-0-	4,190,552
Major movable equipment	<u>4,213,684</u>	<u>376,923</u>	<u>(16,323)</u>	<u>4,574,284</u>
Total	<u>\$ 8,234,988</u>	<u>\$ 779,772</u>	<u>\$ (16,323)</u>	<u>\$ 9,008,437</u>
	<u>ACCUMULATED DEPRECIATION</u>			
	September 30, 1996	Additions	Deductions	September 30, 1995
Land improvements	\$ 14,544	\$ 1,484	\$ -0-	\$ 16,028
Buildings and improvements	1,896,133	189,491	-0-	2,085,624
Major movable equipment	<u>3,371,038</u>	<u>247,336</u>	<u>(55,152)</u>	<u>3,563,222</u>
Total	<u>\$ 5,381,715</u>	<u>\$ 438,311</u>	<u>\$ (55,152)</u>	<u>\$ 5,764,874</u>

NOTE 4 - ASSETS LIMITED AS TO USE

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

	1997	1996	1995
Restricted by Hospital Board To be used for asset additions and replacements			
Certificates of deposit	\$ 1,355,838	\$ 1,708,001	\$ 1,345,550
To be used for unemployment funds			
Certificates of deposit	26	25,191	26,328
IRA Trust deposits	<u>-0-</u>	<u>21,466</u>	<u>17,663</u>
Assets limited as to use	<u>\$ 1,355,864</u>	<u>\$ 1,754,658</u>	<u>\$ 1,389,541</u>

HOSPITAL SERVICE DISTRICT NO. 18
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
RODGERSON MEDICAL CENTER
HOSPITAL ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 1997, 1996 AND 1995

NOTE 7 - OTHER ASSETS

Other assets consist of the following:

	1997	1996	1995
Start-up costs	\$ 59,000	\$ 52,800	\$ 45,000
Medical scholarships receivable	<u>21,363</u>	<u>30,477</u>	<u>14,455</u>
Total	<u>\$ 80,363</u>	<u>\$ 83,277</u>	<u>\$ 59,455</u>

Start-up costs are expenses incurred in establishing a wound care unit. These expenses are capitalized and amortized over a 60 month period.

Medical scholarships receivable are amounts paid to student doctors for tuition. The 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 a period of time. Otherwise, there are provisions for the physician to repay the scholarship with interest.

NOTE 8 - LONG-TERM DEBT

Following is a summary of notes and capital lease obligations as September 30.

	1997	1996	1995
A note payable to Richland State Bank for laparoscope equipment was made on April 1, 1995, with a maturity date January 1, 1998. The note calls for 48 monthly payments of \$2,330, which includes principal and interest at 8% per annum. The note is secured with a book value of \$37,382, \$49,343, and \$61,432 as of September 30, 1997, 1996 and 1995, respectively.	\$ -	\$ -	\$ 2,390

HOSPITAL SERVICE DISTRICT NO. 18
OF THE PARISH OF BOSSHARD, STATE OF LOUISIANA
RICHARDSON MEDICAL CENTER
HOSPITAL ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 1993, 1994 AND 1995

NOTE 8 - LONG-TERM DEBT (Continued)

	<u>1993</u>	<u>1994</u>	<u>1995</u>
A note payable to Richland State Bank for an office building was made on April 1, 1993, with a maturity date March 1, 1999. The note calls for 96 monthly payments of \$1,410, which includes principal and interest at 8% per annum. The note is secured by the office building with a book value of \$63,389, \$73,869, and \$77,508 as of September 30, 1993, 1994 and 1995, respectively.	\$ 21,990	\$ 36,568	\$ 48,982
A note payable to allow for eye surgery equipment was made on October 1, 1993, with a maturity date of January 7, 1998. The note calls for 36 monthly payments of \$1,813 which includes principal and interest at 8% annum. The note is secured by the equipment with a book value of \$23,688, \$28,319 and \$31,373 as of September 30, 1993, 1994 and 1995, respectively.	-0-	-0-	32,868
A note payable to ISAC Corporation for property and malpractice insurance was made on October 1, 1995 with a maturity date of June 1, 1996. The note calls for 9 monthly payments of \$7,703 which includes principal and interest at 8.081% per annum. The note is secured by unsecured premiums, dividends and loan payments.	-0-	-0-	59,818
Capital lease obligations, at varying rates of imputed interest from 0 percent to 72 percent collateralized by leased equipment.	<u>328,437</u>	<u>183,861</u>	<u>69,538</u>
Total note and capital lease obligations	348,427	340,329	178,490
Less current maturities of long-term debt and capital lease obligations	<u>55,881</u>	<u>68,373</u>	<u>813,818</u>
Long-term debt	\$ <u>292,546</u>	\$ <u>271,956</u>	\$ <u>884,672</u>

HOSPITAL SERVICE DISTRICT NO. 16
OF THE PARISH OF RIDGELAND, STATE OF LOUISIANA
RICHARDSON MEDICAL CENTER
HOSPITAL ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 1997, 1996 AND 1995

NOTE 8 - LONG-TERM DEBT (Continued)

A table of principal maturities over the next five years follows:

<u>Total</u> <u>Ended September 30</u>	<u>Princ and Interm</u>
1998	\$ 58,700
1999	33,718
2000	37,890
2001	21,200
2002	<u>6,388</u>
Total	\$ <u>158,696</u>

The Hospital leases equipment under capital lease agreements expiring in various years. The assets and liabilities under capital leases are recorded at the fair value of the asset. The assets are depreciated over their estimated useful 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
Laser copiers	\$ 118,544	\$ 93,132	\$ 59,818
Vending machine	-	2,772	2,772
2840B computer	<u>84,481</u>	<u>84,481</u>	<u>58,499</u>
	178,025	148,385	118,876
Less: accumulated depreciation	<u>(89,827)</u>	<u>(71,481)</u>	<u>(58,763)</u>
Total	\$ <u>88,198</u>	\$ <u>76,904</u>	\$ <u>60,113</u>

HOSPITAL SERVICE DISTRICT NO. 18
OF THE PARISH OF ST. CLAIR, STATE OF LOUISIANA
RICHARDSON MEDICAL CENTER
HOSPITAL ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 1997, 1996 AND 1995

NOTE 8 - LEASE-TERM DEBT (continued)

Minimum future lease payments under capital leases as of September 30, 1997, and for each subsequent year in aggregate are provided below:

<u>Year Ended September 30</u>	<u>Amount</u>
1998	\$ 31,793
1999	29,240
2000	25,481
2001	25,815
2002	<u>8,320</u>
Total minimum lease payments	130,649
Less: Amounts representing interest	<u>29,884</u>
Net minimum lease payments	<u>\$ 100,765</u>

Interest rates on capital leases vary from 0.81 to 10.81 and are imputed based on the lessor's implicit rate of return.

NOTE 9 - AFFILIATED ORGANIZATION

Affiliated organizations include Richland Parish Hospital Service District No. 1, Richland Parish Hospital Service District No. 1A, 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. 1a, the Richland Parish Hospital - Delhi.

	<u>1997</u>	<u>1996</u>	<u>1995</u>
Beginning amount due from Richland Parish Hospital - Delhi	\$ 20,493	\$ 20,208	\$ 12,821
Revenue earned by the Hospital	28,008	24,828	28,228
Receipts received by Richland Parish Hospital - Delhi	<u>(28,148)</u>	<u>(24,822)</u>	<u>(21,222)</u>
Ending amount due from Richland Parish Hospital - Delhi	<u>\$ 20,353</u>	<u>\$ 20,214</u>	<u>\$ 19,827</u>

HOSPITAL SERVICE DISTRICT NO. 18
OF THE PARISH OF ROCKLAND, STATE OF LOUISIANA
RICHARDSON MEDICAL CENTER
HOSPITAL ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 1997, 1996 AND 1995

NOTE 10 - PENSION PLAN

The Hospital elected to withdraw from the Social Security System effective January 1, 1984. In place of Social Security, the Hospital established a nonqualified defined contribution annuity plan. Employees are eligible to participate upon the 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 7.38 of the participant's compensation. The amounts charged to pension expense under this plan were \$116,646, \$132,038, and \$137,028, for the years ended September 30, 1997, 1996 and 1995, respectively.

NOTE 11 - COMPENSATION RESERVES

Employees of the Hospital are entitled to paid days off and sick days depending on length of service. The Hospital accrued \$113,343, \$113,038, and \$98,108 of vacation pay at September 30, 1997, 1996 and 1995, respectively. It is impracticable to estimate the amount of compensation for future unvested sick 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 RISK

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 \$408,000 in coverage per occurrence above the limit \$180,000 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 settlements for professional liability to \$200,000 per occurrence and limited the PCF's exposure to \$408,000 per occurrence.

NOTE 13 - CONTINGENCIES

The Hospital evaluates contingencies based upon the best available evidence. The Hospital believes that no allowances for loss contingencies are 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.

HOSPITAL SERVICE DISTRICT NO. 18
OF THE PARISH OF BOSSHARD, STATE OF LOUISIANA
RICHARDSON MEDICAL CENTER
HOSPITAL ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 1997, 1996 AND 1995

NOTE 13 - CONTINGENCIES (Continued)

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.

Further, in order to continue receiving reimbursement from the Medicare program, the Hospital entered into an agreement with a governmental 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 12) - The Hospital is contingently liable for losses from professional liability not underwritten by the Louisiana Patient's Compensation Fund or the Hospital's insurance carrier.

The Hospital participates in the Louisiana Hospital Association Self-Insurance Workers's 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 deficits. 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. On December 8, 1996 the Hospital ceased participation in the Louisiana Hospital Association Insurance Workers's Compensation Trust Fund and obtained a full indemnity worker's compensation insurance policy.

The Hospital also participated in the Louisiana Hospital Association Self-Insurance Employee Benefit 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. On February 1, 1997, the Hospital terminated participation in the Louisiana Hospital Association Self-Insurance Employee Benefit Trust Fund and entered into a Preferred Provider Organization insurance policy.

HOSPITAL SERVICE DISTRICT NO. 18
OF THE PARISH OF RICHMOND, STATE OF LOUISIANA
RICHARDSON MEDICAL CENTER
HOSPITAL ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 1993, 1992 AND 1991

NOTE 11 - CONTINGENCIES (Continued)

Two physicians have filed a suit against the Hospital based upon a medical dispute. The Hospital intends to vigorously defend itself. Management is unable to reasonably estimate a liability, if any, should the plaintiffs prevail. To the extent litigation costs are incurred, they shall be charged against operations as litigation services are obtained and billings received.

The District's management is aware that many older computer systems are unable to handle dates on 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 and 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. 18
 OF THE PARISH OF RICHMOND, STATE OF LOUISIANA
 RICHARDSON MEDICAL CENTER
 HOSPITAL ENTERPRISE FUND
 NET PATIENT SERVICE REVENUE
 FOR THE YEARS ENDED SEPTEMBER 30, 1991, 1990 AND 1989

	1991	1990	1989
Routine Services:			
Adult and pediatric	\$ 1,162,381	\$ 1,441,210	\$ 1,331,829
Intrusive made well	186,375	121,500	180,800
Swing-bed	155,882	131,810	144,820
Senior care	<u>1,300,438</u>	<u>1,383,816</u>	<u>140</u>
Total Routine Services	<u>\$ 2,805,076</u>	<u>\$ 3,078,336</u>	<u>\$ 3,558,199</u>
Other Professional Services:			
Operating room			
Inpatient	297,758	364,832	238,298
Outpatient	521,505	438,383	539,289
Swing bed	24,328	17,188	8,327
Senior care	<u>1,338</u>	<u>3,388</u>	<u>180</u>
Total	<u>\$844,929</u>	<u>\$823,793</u>	<u>\$886,194</u>
Anesthesia			
Inpatient	121,868	253,058	176,896
Outpatient	426,953	346,794	293,397
Swing bed	21,411	12,548	6,213
Senior care	<u>260</u>	<u>3,313</u>	<u>40</u>
Total	<u>\$671,492</u>	<u>\$615,713</u>	<u>\$576,656</u>
Radiology			
Inpatient	761,763	790,829	835,940
Outpatient	1,187,667	1,655,832	887,435
Swing bed	29,329	29,839	32,688
Senior care	<u>13,866</u>	<u>68,482</u>	<u>40</u>
Total	<u>\$2,002,625</u>	<u>\$2,524,982</u>	<u>\$2,756,103</u>
Laboratory			
Inpatient	696,313	1,015,689	832,334
Outpatient	643,328	826,174	688,388
Swing bed	78,768	64,348	63,858
Senior care	<u>69,086</u>	<u>100,913</u>	<u>40</u>
Total	<u>\$1,487,495</u>	<u>\$2,007,124</u>	<u>\$1,584,620</u>

(Continued)

HOSPITAL SERVICE DISTRICT NO. 10
 OF THE CITIES OF RICHLAND, STATE OF LOUISIANA
 ROCKAWOOD MEDICAL CENTER
 HOSPITAL ENTERPRISE FUND
 NET PATIENT SERVICE REVENUE (Continued)
 FOR THE YEARS ENDED SEPTEMBER 30, 1997, 1996 AND 1995

	1997	1996	1995
Blood			
Inpatient	\$ 38,341	\$ 31,158	\$ 38,100
Outpatient	3,471	4,719	3,991
Swing bed	3,698	3,868	3,378
Senior care	<u> 0-</u>	<u> 86</u>	<u> 0-</u>
Total	<u> 45,510</u>	<u> 40,831</u>	<u> 45,469</u>
Respiratory therapy			
Inpatient	1,317,876	1,434,645	1,307,707
Outpatient	110,368	96,009	83,643
Swing bed	387,353	481,935	399,764
Senior care	<u>17,486</u>	<u>42,682</u>	<u> 0-</u>
Total	<u> 1,733,183</u>	<u> 1,955,271</u>	<u> 1,891,114</u>
Physical therapy			
Inpatient	73,049	84,043	84,457
Outpatient	30,950	151,833	172,089
Swing bed	44,309	54,818	67,634
Senior care	<u>50,278</u>	<u>93,938</u>	<u> 0-</u>
Total	<u> 198,586</u>	<u> 384,632</u>	<u> 324,180</u>
Occupational therapy			
Inpatient	10,347	8,842	0-
Outpatient	11,499	2,955	171
Home health	34,614	8,930	23,463
Swing bed	7,848	180	0-
Senior care	<u>318,000</u>	<u>326,564</u>	<u> 0-</u>
Total	<u> 382,308</u>	<u> 347,471</u>	<u> 23,634</u>
Electrocardiology			
Inpatient	268,060	328,122	274,999
Outpatient	208,318	172,646	173,683
Swing bed	3,914	2,199	1,117
Senior care	<u>13,213</u>	<u>38,641</u>	<u> 0-</u>
Total	<u> 493,505</u>	<u> 642,508</u>	<u> 449,809</u>

(Continued)

HOSPITAL SERVICE DISTRICT NO. 18
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
ROCHELUSON MEDICAL CENTER
HOSPITAL ENTERPRISE FUND
NET PATIENT SERVICE REVENUE (Continued)
FOR THE YEARS ENDED SEPTEMBER 30, 1997, 1996, AND 1995

	1997	1996	1995
Central supply			
Inpatient	\$ 475,675	\$ 488,668	\$ 462,134
Outpatient	554,412	543,408	433,866
Swing bed	93,184	48,886	28,428
Home health	38,884	47,888	55,984
Senior care	<u>21,223</u>	<u>12,788</u>	<u>-0-</u>
Total	<u>1,383,382</u>	<u>1,316,562</u>	<u>981,410</u>
Pharmacy			
Inpatient	3,843,368	3,214,185	3,729,879
Outpatient	382,589	405,647	555,814
Swing bed	324,367	214,324	358,849
Senior care	<u>186,848</u>	<u>169,313</u>	<u>-0-</u>
Total	<u>4,737,172</u>	<u>3,999,469</u>	<u>4,644,542</u>
Diagnosis			
Inpatient	429	72	824
Outpatient	<u>55,733</u>	<u>62,325</u>	<u>67,822</u>
Total	<u>56,162</u>	<u>62,397</u>	<u>68,646</u>
Rural health clinic			
Outpatient	<u>1,913,925</u>	<u>1,675,325</u>	<u>268,793</u>
Partial-day psychiatric program			
Outpatient	<u>80,428</u>	<u>-0-</u>	<u>-0-</u>
Emergency room			
Inpatient	93,325	89,406	64,120
Outpatient	1,108,038	947,469	899,915
Swing bed	86	354	138
Senior care	<u>433</u>	<u>1,366</u>	<u>-0-</u>
Total	<u>1,202,182</u>	<u>1,038,535</u>	<u>964,173</u>
Observation room			
Outpatient	\$ <u>28,663</u>	\$ <u>29,138</u>	\$ <u>30,213</u>

(Continued)

HOSPITAL SERVICE DISTRICT NO. 15
OF THE PARISH OF BILOXI, STATE OF LOUISIANA
RICHARDSON MEDICAL CENTER
HOSPITAL ENTERPRISE FUND
NET PATIENT SERVICE REVENUE (Continued)
FOR THE YEARS ENDED SEPTEMBER 30, 1991, 1990 AND 1989

	1991	1990	1989
Home health			
Nursed nursing visits	\$ 1,367,850	\$ 1,311,932	\$ 1,756,901
Physical therapy visits	34,980	51,090	66,960
Social service visits	380	6,480	13,680
Speech therapy visits	3,350	17,148	11,575
Other visits	<u>8,096,820</u>	<u>1,806,818</u>	<u>246,632</u>
Total	<u>9,473,840</u>	<u>3,003,468</u>	<u>2,095,750</u>
Rid med			
Outpatient	<u>7</u>	<u>32,386</u>	<u>18,583</u>
Hospital physician			
Outpatient	<u>183,548</u>	<u>18,938</u>	<u>119,688</u>
Other Professional services			
Inpatient	8,313,173	7,303,334	9,499,181
Outpatient	7,388,696	7,034,993	3,318,997
Being bed	899,937	683,780	573,484
Home health	2,513,338	2,488,061	2,837,899
Senior care	<u>414,372</u>	<u>818,322</u>	<u>81</u>
Total Other Professional Services	<u>18,439,056</u>	<u>18,268,388</u>	<u>16,349,242</u>
Gross Patient Service Charges	<u>28,892,816</u>	<u>21,268,459</u>	<u>16,691,881</u>
Contractual adjustments	7,266,814	7,032,984	3,356,222
Discounts	<u>328,526</u>	<u>384,381</u>	<u>59,272</u>
Total Allowances and Uncollectibles	<u>7,595,340</u>	<u>7,417,369</u>	<u>3,415,494</u>
Net Patient Service Revenue	<u>\$ 13,311,481</u>	<u>\$ 13,851,090</u>	<u>\$ 13,276,387</u>

HOSPITAL SERVICE DISTRICT NO. 10
 OF THE PARISH OF BIENVILLE, STATE OF LOUISIANA
 RICHARDSON MEDICAL CENTER
 HOSPITAL ENTERPRISE FUND
 OTHER OPERATING REVENUE
 FOR THE YEARS ENDING SEPTEMBER 30, 1991, 1990 AND 1989

	1991	1990	1989
Cafeteria	\$ 41,396	\$ 40,118	\$ 32,389
Medical records	7,371	3,892	3,896
Vending machines	36,753	35,543	29,582
Life insurance refund	-0-	3,217	1,018
Rentals	42,300	43,775	37,588
Pharmacy sales to employees	36,855	43,968	34,838
Miscellaneous	<u>2,751</u>	<u>2,189</u>	<u>1,425</u>
Total other operating revenue	\$ <u>198,606</u>	\$ <u>172,482</u>	\$ <u>142,626</u>

HOSPITAL SERVICE DISTRICT NO. 16
OF THE PARISH OF RICHMOND, STATE OF LOUISIANA
RICHMOND MEDICAL CENTER
HOSPITAL ENTERPRISE FUND
SCHEDULE OF OPERATING EXPENSES - SALARIES AND BENEFITS
FOR THE YEARS ENDED SEPTEMBER 30, 1997, 1998 AND 1999

	1997	1998	1999
Administrative and general	\$ 426,831	\$ 448,712	\$ 487,421
Fleet operations and maintenance	312,330	54,744	84,730
Housekeeping	190,950	144,402	158,973
Dietary & cafeteria	321,336	338,994	386,264
Nursing administration	37,778	39,109	39,299
General supply	13,465	14,181	7,752
Pharmacy	134,495	137,219	125,290
Medical records	83,042	78,852	84,704
Nursing services	950,299	1,085,284	983,444
Intensive care unit	203,545	234,948	253,358
Isolar care unit	444,340	431,851	3,441
Operating room	223,137	254,318	272,734
Radiology	213,247	229,845	199,327
Laboratory	13,384	28,343	7,240
Respiratory therapy	134,553	144,751	133,434
Physical therapy	37,245	31,490	24,923
Occupational therapy	24,392	209	-
ECG and EKG	28,393	22,844	33,370
Oncology	33,484	34,249	34,145
Renal health clinic	248,244	241,334	84,322
Partial-day psychiatric program	38,725	-	-
Emergency room	289,827	224,782	253,159
Home health	649,344	767,235	649,838
Private physician clinic	421,383	373,416	343,817
Kid med	<u>38,421</u>	<u>21,478</u>	<u>48,129</u>
Total salaries	<u>5,184,326</u>	<u>5,208,758</u>	<u>4,148,438</u>
Payroll taxes	74,713	77,342	82,730
Hospital insurance	282,893	273,438	314,908
Other	<u>8,413</u>	<u>8,087</u>	<u>6,322</u>
Total benefits	<u>366,919</u>	<u>366,967</u>	<u>404,968</u>
Total salaries and benefits	<u>\$ 5,551,245</u>	<u>\$ 5,575,725</u>	<u>\$ 4,553,406</u>

HOSPITAL SERVICE DISTRICT NO. 18
 OF THE PARISH OF RICHMOND, STATE OF LOUISIANA
 RICHARDSON MEDICAL CENTER
 HOSPITAL ENTERPRISE FUND
 SCHEDULE OF OPERATING EXPENSES - PROFESSIONAL FEES
 FOR THE YEARS ENDED SEPTEMBER 30, 1997, 1998 AND 1999

	1997	1998	1999
Senior care services	\$ 18,483	\$ 201,313	\$ 2,974
Operating room	1,180	12,088	8,370
Anesthesiology	148,582	158,224	157,006
Laboratory	681,281	685,808	588,080
Respiratory therapy	-0-	2,999	-0-
Physical therapy	618	1,710	833
Occupational therapy	83	2,305	-0-
ED	-0-	17,983	22,631
Wound health clinic	403,718	410,291	153,432
Emergency room	664,513	666,646	683,300
Wound health	20,173	98,470	68,485
Private physician clinics	<u>-0-</u>	<u>2,500</u>	<u>-0-</u>
Total professional fees	\$ <u>1,701,312</u>	\$ <u>1,786,026</u>	\$ <u>1,830,128</u>

HOSPITAL SERVICE DISTRICT NO. 18
 OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
 RICHMOND MEDICAL CENTER
 HOSPITAL ENTERPRISE FUND
 SCHEDULE OF OPERATING EXPENSES - OTHER EXPENSES
 FOR THE YEARS ENDED SEPTEMBER 30, 1997, 1998 AND 1999

	1997	1998	1999
Management fees	\$ 938,748	\$ 874,750	\$ 67,250
Contract services	531,388	549,388	480,490
Legal and accounting	134,969	89,614	54,850
Supplies	712,380	892,318	476,134
Repairs and maintenance	144,380	147,876	148,900
Utilities	179,387	187,137	195,917
Telephones	99,236	82,258	65,780
Travel	100,001	109,280	109,848
Reprints	33,875	36,349	53,850
Education	44,059	112,770	60,450
Recruitment and advertising	24,100	59,480	24,904
Miscellaneous	<u>32,482</u>	<u>38,825</u>	<u>30,360</u>
 Total other expenses	 <u>\$ 3,516,485</u>	 <u>\$ 3,939,888</u>	 <u>\$ 2,667,497</u>

HOSPITAL SERVICE DISTRICT NO. 18
 OF THE PARISH OF RICHMOND, STATE OF LOUISIANA
 RICHARDSON MEDICAL CENTER
 SCHEDULE OF FEE FIRM AND
 OTHER COMPENSATION PAID TO BOARD MEMBERS
 FOR THE YEARS ENDED SEPTEMBER 30, 1997, 1998 AND 1999

Board Member:	-----TERM-----		1997	1998	1999
	BEGAN	ENDED			
Mr. W. L. Strong	11/28/98	07/15/00	NONE	NONE	NONE
Mr. Oliver Holland	06/18/98	07/11/01	NONE	NONE	NONE
Mr. Bentley Curry	07/01/99	06/18/00	NONE	NONE	NONE
Mr. James Wilkins	11/21/99	11/21/99	NONE	NONE	NONE
Ms. Zora McKay	12/01/99	11/31/99	NONE	NONE	NONE
Dr. Craig F. Felix	01/01/99	11/31/99	NONE	NONE	NONE

Warren H. Bostey, CPA
Bobby G. Lasser, CPA
John B. Wells, CPA
Robert C. Wilson, CPA
Paul A. Bolony, CPA

Linda L. Wright, 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
CONCURRENT APPLICABLE STANDARDS

Board of Commissioners
Hospital Service District No. 18
Parish of Richland, State of Louisiana
Rayville, Louisiana 71269

We have audited the general purpose financial statements of the Richland Parish Hospital Service District No. 18 (the District or the Hospital) for the years ended September 30, 1997, 1996 and 1995, and have issued our report thereon dated December 12, 1997.

We conducted our audits in accordance with generally accepted auditing standards and Comptroller 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.

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 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, projections 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 the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the District for the years ended September 30, 1997, 1998 and 1999, 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.

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 amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we considered to be material weaknesses as defined above.

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.

Earley, Lester & Wells
Certified Public Accountants

December 12, 1997

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Independent Auditors' Report on Compliance
Based on an Audit of General Purpose
Financial Statements Prepared in accordance with
GOVERNMENT ACCOUNTING STANDARDS

Board of Commissioners
Hospital Service District No. 18
Parish of Richland, State of Louisiana
Rayville, Louisiana 71268

We have audited the general purpose financial statements of the Richland Parish Hospital Service District No. 18 (the District or the Hospital) as of and for the years ended September 30, 1997, 1998 and 1999, and have issued our report thereon dated December 12, 1999.

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 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 one instance of noncompliance that is required to be reported under Government Auditing Standards. The accompanying schedule summarizes our comment and suggestion regarding this matter.

While performing our audits, we read the responses to the questions in the System 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 audits are not directed primarily towards the answers to the questions in the questionnaire.

Board of Commissioners
Hospital Service District No. 18
Parish of Bienville, State of Louisiana
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This report is prepared for the information of the Board of Commissioners, management and the office of the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Early, Lester & Wells
Certified Public Accountants

December 12, 1987

EDWARDSVILLE HOSPITAL CENTER
AUDITORS' COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 1993

Finding: The District's deposits with one financial institution exceeded the Federal Depository Insurance limits and the securities pledged in the name of the District.

Recommendation: We recommend obtaining additional pledged securities and monitor deposits on a monthly basis.

Response: We have obtained the additional securities and we will monitor the deposits.