

WEST CALCASIEU-CAMERON HOSPITAL
Calcasieu-Cameron
Hospital Service District
Sulphur, Louisiana

Financial Statements
December 31, 2005 and 2004

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

Release Date 7/26/06

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Founded in 1978

BROUSSARD & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, L.L.C.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
West Calcasieu-Cameron Hospital
Calcasieu-Cameron Hospital Service District
Sulphur, Louisiana

We have audited the accompanying financial statements of West Calcasieu-Cameron Hospital as of and for the years ended December 31, 2005 and 2004, as listed in the table of contents. These financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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. 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 West Calcasieu-Cameron Hospital as of December 31, 2005 and 2004, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on Pages 3 through 6 is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2006 on our consideration of West Calcasieu-Cameron Hospital's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Broussard & Company

Lake Charles, Louisiana
May 11, 2006

**WEST CALCASIEU-CAMERON HOSPITAL
CALCASIEU-CAMERON HOSPITAL SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2005**

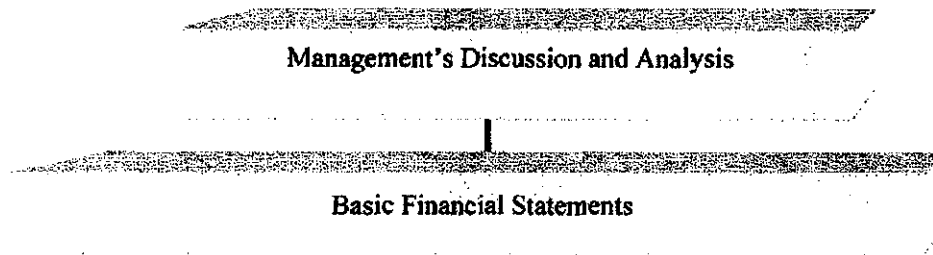
The Management's Discussion and Analysis of the West Calcasieu-Cameron Hospital (the Hospital) financial performance presents a narrative overview and analysis of the Hospital's financial activities for the year ended December 31, 2005. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the financial statements.

FINANCIAL HIGHLIGHTS

- ★ The Hospital's assets exceeded its liabilities at the close of fiscal year 2005 by \$31,887,494 which represents a 5.5% decrease from last fiscal year. Of this amount, \$13,725,796, (unrestricted net assets) may be used to meet the Hospital's ongoing obligations to its users.
- ★ The Hospital's net patient revenue increased \$977,538 (or 2.2%) and the total operating expenses decreased by \$2,505,483 (or 4.9%). Of this decrease \$283,525 was due to a decrease in other professional service expense, \$1,376,636 due to a decrease in provision for bad accounts, and \$726,615 due to a decrease in fiscal and administrative service expense.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of two sections - Management's Discussion and Analysis (this section) and the basic financial statements (including the notes to the financial statements).

Basic Financial Statements

The basic financial statements present information for the Hospital as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Combined Balance Sheets; the Combined Statements of Revenues and Expenses; and Combined Statements of Changes in Net Assets; and the Combined Statements of Cash Flows.

The Combined Balance Sheets (pages 7 - 8) presents the current and long term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Hospital is improving or deteriorating.

The Combined Statements of Revenues and Expenses (page 9) presents information showing how the Hospital's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Combined Statements of Changes in Net Assets (page 10) presents information showing how the Hospital's assets changed as a result of current year operations.

The Combined Cash Flow Statements (pages 11 - 12) presents information showing how the Hospital's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

	2005	2004	2003
Current and other assets	\$18,882,448	\$19,930,536	\$24,349,103
Capital assets	24,667,002	26,408,440	27,331,756
Total assets	43,549,450	46,338,976	51,680,859
Other liabilities	5,172,581	4,908,842	4,532,134
Long-term debt outstanding	6,489,375	7,671,584	7,895,996
Total liabilities	11,661,956	12,580,426	12,428,130
Net assets:			
Invested capital assets, net of debt	18,161,698	18,719,536	19,414,551
Unrestricted	13,725,796	15,039,014	19,838,178
Total net assets	31,887,494	33,758,550	39,252,729
Total liabilities and net assets	\$43,549,450	\$46,338,976	\$51,680,859

Restricted net assets represent those assets that are not available for spending as a result of bond agreements. Conversely, unrestricted net assets are those that do not have any limitations for which these amounts may be used.

**WEST CALCASIEU-CAMERON HOSPITAL
CALCASIEU-CAMERON HOSPITAL SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2005**

The net assets of the Hospital decreased by \$1,871,056, or 5.5%, from December 31, 2004 to December 31, 2005.

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Operating revenues	\$ 46,187,755	\$ 45,017,667	\$ 46,990,451
Operating expenses	<u>48,564,530</u>	<u>51,070,013</u>	<u>46,176,261</u>
Operating income (loss)	<u>(2,376,775)</u>	<u>(6,052,346)</u>	<u>814,190</u>
Non-operating revenues (expenses)	<u>505,715</u>	<u>558,169</u>	<u>791,021</u>
Net increase (decrease) in net assets	<u>\$(1,871,060)</u>	<u>\$(5,494,177)</u>	<u>\$ 1,605,211</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2005, the Hospital had \$24,667,002, net of accumulated depreciation, invested in a broad range of capital assets, including land, buildings, equipment, land improvements, and construction in progress. (See Table below). This amount represents a net decrease (including additions and deductions) of \$1,741,438 or 6.6%, from last year.

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Buildings and Improvements	\$31,117,954	\$31,208,853	\$31,375,648
Equipment	23,750,126	22,977,244	22,100,318
Construction in Progress	115,538	1,050,023	166,515
Land and Improvements	<u>2,768,359</u>	<u>2,773,288</u>	<u>2,986,966</u>
Less Accumulated Depreciation	<u>(33,084,975)</u>	<u>(31,600,968)</u>	<u>(29,297,691)</u>
Totals	<u>\$24,667,002</u>	<u>\$26,408,440</u>	<u>\$27,331,756</u>

This year's significant Capital additions included above were:

- X-ray PACS System \$ 1,008,813
- Fluoroscopic Equipment \$ 282,895
- Ambulances \$ 200,227

**WEST CALCASIEU-CAMERON HOSPITAL
CALCASIEU-CAMERON HOSPITAL SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2005**

Debt

The Hospital had \$4,990,000 in bonds outstanding at year-end, compared to \$5,658,000 last year, a decrease of 11.8 %. A summary of this debt is shown in the table below.

	Outstanding Debt at Year-end		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Revenue Bonds	\$ 4,990,000	\$ 5,658,000	\$ 6,326,000

The Hospital's 1998 Series A & B Revenue bonds are unrated.

CONTACTING THE HOSPITAL'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Hospital's finances and to show the Hospital's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Tim Broussard, Chief Executive Officer, West Calcasieu-Cameron Hospital.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Combined Balance Sheets
As of December 31, 2005
(With Comparative Totals for December 31, 2004)

	Hospital Service District	Foundation	2005	Totals 2004
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 434,123	\$ 122,006	\$ 556,129	\$ 799,473
Assets whose use is limited:				
Required for current debt service	146,263	-	146,263	150,939
By board required for operations	502,066	-	502,066	632,831
Accounts receivable from patients	12,818,695	-	12,818,695	10,950,987
Less allowance for uncollectible accounts	(3,333,802)	-	(3,333,802)	(3,170,489)
Interest receivable	69,490	-	69,490	89,770
Other receivables	928,324	-	928,324	246,988
Inventories	1,219,672	12,930	1,232,602	1,253,602
Prepaid expenses	169,616	-	169,616	197,206
Other current assets	16,990	-	16,990	18,244
Total Current Assets	<u>12,971,437</u>	<u>134,936</u>	<u>13,106,373</u>	<u>11,169,551</u>
Assets Whose Use Is Limited				
By board for self-insurance	499,872	-	499,872	499,104
By board for capital improvements	2,235,613	-	2,235,613	2,820,672
By board required for operations	2,614,466	-	2,614,466	5,255,935
Unrealized gain (loss) on investments	4,629	-	4,629	132,585
Noncurrent Assets Whose Use is Limited	<u>5,354,580</u>	<u>-</u>	<u>5,354,580</u>	<u>8,708,296</u>
Property, Plant and Equipment				
Construction-in-progress	115,538	-	115,538	1,050,023
Buildings and improvements	31,117,954	-	31,117,954	31,208,853
Equipment	23,724,872	25,254	23,750,126	22,977,244
Land and improvements	2,768,359	-	2,768,359	2,773,288
Less allowance for depreciation	(33,075,650)	(9,325)	(33,084,975)	(31,600,968)
Net Property, Plant and Equipment	<u>24,651,073</u>	<u>15,929</u>	<u>24,667,002</u>	<u>26,408,440</u>
Other Assets				
Investment in joint venture	375,129	-	375,129	-
Cost of bonds issued	46,366	-	46,366	52,689
Total Other Assets	<u>421,495</u>	<u>-</u>	<u>421,495</u>	<u>52,689</u>
TOTAL ASSETS	<u>\$43,398,585</u>	<u>\$ 150,865</u>	<u>\$43,549,450</u>	<u>\$ 46,338,976</u>

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

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Combined Balance Sheets (Continued)
As of December 31, 2005
(With Comparative Totals for December 31, 2004)

	Hospital	Foundation	Totals	
	Service District		2005	2004
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable	\$ 1,880,151	\$ 5,580	\$ 1,885,731	\$ 1,406,355
Accrued compensation and retirement	2,558,597	-	2,558,597	2,376,920
Accrued health insurance benefits	533,050	-	533,050	464,936
Accrued interest payable	34,930	-	34,930	39,606
Other accrued expenses	160,273	-	160,273	467,536
Due to Medicare and Medicaid - cost report settlement	-	-	-	153,489
Current installments on bonds payable	668,000	-	668,000	668,000
Current installments on capital lease obligations	522,985	-	522,985	747,503
Total Current Liabilities	6,357,986	5,580	6,363,566	6,324,345
Long-Term Debt				
Hospital revenue bonds payable	4,322,000	-	4,322,000	4,990,000
Capital lease obligations	976,390	-	976,390	1,266,081
Total Long-Term Debt	5,298,390	-	5,298,390	6,256,081
Total Liabilities	11,656,376	5,580	11,661,956	12,580,426
Net Assets				
Invested in capital assets, net of related debt	18,161,698	-	18,161,698	18,719,536
Unrestricted	13,580,511	145,285	13,725,796	15,039,014
Total Net Assets	31,742,209	145,285	31,887,494	33,758,550
TOTAL LIABILITIES AND NET ASSETS	\$43,398,585	\$ 150,865	\$43,549,450	\$ 46,338,976

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

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Combined Statements of Revenues and Expenses
For The Year Ended December 31, 2005
(With Comparative Totals for December 31, 2004)

	Hospital Service District	Foundation	Totals	
			2005	2004
NET PATIENT SERVICE REVENUE	\$ 45,505,077	\$ -	\$ 45,505,077	\$ 44,527,539
OTHER REVENUE (EXPENSES)				
Cafeteria and vending machines	180,515	-	180,515	192,022
Record room and miscellaneous	31,327	-	31,327	34,279
Gift shop revenue, net of cost of sales	-	18,602	18,602	20,092
Donations	86,225	91,033	177,258	128,245
Other revenues	210,474	64,502	274,976	115,490
Total Other Revenue (Expenses)	<u>508,541</u>	<u>174,137</u>	<u>682,678</u>	<u>490,128</u>
TOTAL REVENUE	<u>46,013,618</u>	<u>174,137</u>	<u>46,187,755</u>	<u>45,017,667</u>
OPERATING EXPENSES				
Nursing expenses	10,237,873	-	10,237,873	10,226,740
Other professional service expenses	15,818,001	-	15,818,001	16,101,526
General service expenses	3,702,302	-	3,702,302	3,726,373
Fiscal and administrative services expenses	9,522,441	258,949	9,781,390	10,508,005
Depreciation and amortization expenses	2,501,896	4,681	2,506,577	2,615,919
Provision for bad accounts (net of recoveries)	6,185,273	-	6,185,273	7,561,909
Interest expense on bonds	225,946	-	225,946	254,002
Interest expense on leases	107,168	-	107,168	75,539
Total Operating Expenses	<u>48,300,900</u>	<u>263,630</u>	<u>48,564,530</u>	<u>51,070,013</u>
INCOME (LOSS) FROM OPERATIONS	(2,287,282)	(89,493)	(2,376,775)	(6,052,346)
NON-OPERATING REVENUE AND (EXPENSES)				
Rent income	447,062	-	447,062	456,308
Investment income	221,963	-	221,963	198,290
Loss on disposal of assets	(168,786)	-	(168,786)	(148,129)
Interest income	-	4,758	4,758	1,304
Miscellaneous	718	-	718	50,396
Total Non-Operating Revenue and (Expenses)	<u>500,957</u>	<u>4,758</u>	<u>505,715</u>	<u>558,169</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ (1,786,325)</u>	<u>\$ (84,735)</u>	<u>\$ (1,871,060)</u>	<u>\$ (5,494,177)</u>

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

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Combined Statements of Changes in Net Assets
For The Year Ended December 31, 2005
(With Comparative Totals for December 31, 2004)

	Hospital Service District	Foundation	Totals	
			2005	2004
NET ASSETS - January 1	\$ 33,528,532	\$ 230,020	\$ 33,758,552	\$ 39,252,729
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	<u>(1,786,325)</u>	<u>(84,735)</u>	<u>(1,871,060)</u>	<u>(5,494,177)</u>
NET ASSETS - December 31	<u>\$ 31,742,207</u>	<u>\$ 145,285</u>	<u>\$ 31,887,492</u>	<u>\$ 33,758,552</u>

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

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Combined Statements of Cash Flows
For The Year Ended December 31, 2005
(With Comparative Totals for December 31, 2004)

	Hospital	Foundation	Totals	
	Service District		2005	2004
Cash Flows From Operating Activities:				
Receipts from patients and users	\$37,403,870	\$ 200,960	\$37,604,830	\$39,411,438
Payments to suppliers	(20,990,999)	(281,014)	(21,272,013)	(21,555,807)
Payments to employees	(18,081,718)	-	(18,081,718)	(18,724,861)
Interest paid	(333,114)	-	(333,114)	(334,217)
Other	-	(23)	(23)	(96,561)
Net Cash Provided (Used) by Operating Activities	<u>(2,001,961)</u>	<u>(80,077)</u>	<u>(2,082,038)</u>	<u>(1,300,008)</u>
Cash Flows From Capital and Related Financing Activities:				
Payment for capital expenditures	(494,758)	(3,288)	(498,046)	(872,841)
Proceeds from sale of capital assets	50,687	-	50,687	339,625
Principal payment on bonds and notes	(668,000)	-	(668,000)	(668,000)
Principal payments under capital lease obligations	(796,834)	-	(796,834)	(1,015,272)
Other	-	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,908,905)</u>	<u>(3,288)</u>	<u>(1,912,193)</u>	<u>(2,216,488)</u>
Cash Flows From Investing Activities:				
(Purchase) sale of assets whose use is limited, net	2,723,694	-	2,723,694	2,380,261
Investment income	349,919	4,758	354,677	368,055
Investment in joint venture	(412,500)	-	(412,500)	-
Rent income	447,062	-	447,062	456,308
Miscellaneous	447	-	447	50,396
Net Cash Provided (Used) by Investing Activities	<u>3,108,622</u>	<u>4,758</u>	<u>3,113,380</u>	<u>3,255,020</u>
Net Increase (Decrease) in Cash	(802,244)	(78,607)	(880,851)	(261,476)
Cash and Cash Equivalents - Beginning of Year	<u>1,382,630</u>	<u>200,613</u>	<u>1,583,243</u>	<u>1,844,719</u>
Cash and Cash Equivalents - End of Year	<u>\$ 580,386</u>	<u>\$ 122,006</u>	<u>\$ 702,392</u>	<u>\$ 1,583,243</u>

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

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Combined Statements of Cash Flows (Continued)
For The Year Ended December 31, 2005
(With Comparative Totals for December 31, 2004)

	<u>Hospital Service District</u>	<u>Foundation</u>	<u>Totals</u>	
			<u>2005</u>	<u>2004</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (2,287,282)	\$ (89,493)	\$ (2,376,775)	\$ (6,052,346)
Adjustments to reconcile net operating income to net cash provided by operating activities:				
Depreciation and amortization	2,501,896	4,681	2,506,577	2,615,919
Provisions for losses on accounts receivable, net	163,313	-	163,313	1,675,542
(Increase) decrease in receivables	(2,491,393)	-	(2,491,393)	316,830
(Increase) decrease in inventory	19,126	1,874	21,000	(383,220)
(Increase) decrease in prepaid expenses	27,590	-	27,590	5,634
(Increase) decrease in other current assets	1,254	-	1,254	(12,741)
Increase (decrease) in accounts payable and other accrued expenses	63,535	2,861	66,396	534,374
Total Adjustments	<u>285,321</u>	<u>9,416</u>	<u>294,737</u>	<u>4,752,338</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (2,001,961)</u>	<u>\$ (80,077)</u>	<u>\$ (2,082,038)</u>	<u>\$ (1,300,008)</u>
 Supplemental Disclosures of Cash Flow Information:				
Cash paid for interest (net of amount capitalized)	<u>\$ 337,790</u>	<u>\$ -</u>	<u>\$ 337,790</u>	<u>\$ 334,217</u>
 Noncash Financing Activities:				
Assets acquired through capital lease	<u>\$ 282,895</u>	<u>\$ -</u>	<u>\$ 282,895</u>	<u>\$ 1,458,859</u>
 Cash and Cash Equivalents:				
Unrestricted	\$ 434,123	\$ 122,006	\$ 556,129	\$ 799,473
Assets whose use is limited	<u>146,263</u>	<u>-</u>	<u>146,263</u>	<u>783,770</u>
	<u>\$ 580,386</u>	<u>\$ 122,006</u>	<u>\$ 702,392</u>	<u>\$ 1,583,243</u>

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

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements
December 31, 2005 and 2004

Note 1 - Organization and Summary of Significant Accounting Policies

The West Calcasieu-Cameron Hospital is owned and operated by the Calcasieu-Cameron Hospital Service District. The hospital provides in-patient, out-patient, and emergency care services for residents of southwest Louisiana. It is operated as a nonprofit corporation organized by the Calcasieu and Cameron Parish Police Juries under the provision of Chapter 10 of Title 46 of the Louisiana revised statutes of 1950. The governing authority of the Hospital Service District is a Board of Commissioners appointed to office by the Calcasieu and Cameron Parish Police Juries.

The West Calcasieu-Cameron Hospital Service Corporation (Foundation) is a non-profit corporation operating under 501 (c) (3) of the Internal Revenue Code. The Foundation files and grants applications, operates the gift shop, and conducts general fundraising efforts to be dedicated for the benefit of the Hospital. The District is the sole member of the Foundation.

GASB No. 20 requires that governments' proprietary activities apply all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, 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, 1989, 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, 1989.

Reporting Entity - As more fully described in the paragraph above, the Hospital Service District is a component unit of the Calcasieu and Cameron Parish Police Juries. Also, the West Calcasieu-Cameron Hospital Service Corporation (Foundation) is considered a component unit of the District. Component units are entities for which the Hospital is considered financially accountable.

Basis of Accounting - The Hospital has implemented GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*.

The Hospital uses the accrual basis of accounting. The revenues are recognized when they are earned, and expenses are recognized when incurred.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Hospital's enterprise fund are charges to patients for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2005 and 2004

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

When both restricted and unrestricted resources are available for use, it is the Hospital's policy to use restricted resources first, then unrestricted resources as they are needed.

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

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

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its 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 non-acute services, certain outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology. The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's 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.

Medicaid - Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid fiscal intermediary.

Risk Management - The Hospital is exposed to various risks of loss from torts, theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice claims and judgments. Commercial insurance coverage is purchased for claims arising from such matters. The Hospital is self-insured for employee health benefits as discussed in Note 5.

Property, Plant, and Equipment - Property, plant, and equipment of the Hospital is recorded at cost. Depreciation is recorded using the straight-line method in amounts sufficient to amortize the cost of its assets over their estimated useful lives.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2005 and 2004

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

The estimated useful lives of the various assets follow guidelines established by the American Hospital Association, and are categorized as follows:

	Life
Hospital equipment	3 - 25 years
Buildings and improvements	3 - 50 years
Parking lots	5 - 25 years
Land improvements	5- 25 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.

Inventories - Inventories are valued at the lower of cost (first-in, first-out) or market. Inventories consist primarily of medical products and medicines.

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

Charity Care - The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

Amortization of Debt Issuance Costs - Debt issuance costs are deferred and amortized using the straight-line method over the term of the related debt.

Note 2 - Assets Whose Use is Limited

Assets whose use is limited include investments (reported at fair value) set aside by the Board for capital improvements, self-insurance, required liquidity for operations and other liabilities. Also included are assets held by trustees under bond indenture agreements.

At year end, the Hospital's composition of assets whose use is limited were as follows:

	Fair Value
Cash	\$ 146,263
Certificates of deposit	2,767,369
U.S. Treasury obligations	3,079,649
Government mortgage	9,628
Total Assets Whose Use Is Limited	\$ <u>6,002,909</u>

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2005 and 2004

Note 3 - Hospital Revenue Bonds Payable

\$5,000,000 Calcasieu-Cameron Hospital Service District Hospital Revenue Refunding Bonds, 1998 Series A, due in semi-annual installments of \$289,000 to \$164,906 through May 1, 2013; interest at 4.2%, secured by mortgage on Hospital plant and equipment	\$2,495,000
\$5,000,000 Calcasieu-Cameron Hospital Service District Hospital Revenue Bonds, 1998 Series B, due in semi-annual installments of \$289,000 to \$164,906 through May 1, 2013; interest at 4.2%, secured by mortgage on Hospital plant and equipment	2,495,000 <u>\$4,990,000</u>

The annual installments to amortize all debt outstanding as of December 31, 2005 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 668,000	\$ 202,566	\$ 870,566
2007	668,000	174,474	842,474
2008	668,000	146,454	814,454
2009	668,000	118,398	786,398
2010	668,000	90,742	758,742
2011-2013	<u>1,650,000</u>	<u>103,110</u>	<u>1,753,110</u>
	<u>\$4,990,000</u>	<u>\$ 835,744</u>	<u>\$5,825,744</u>

The following is a summary of revenue bond payable transactions of the Hospital for the year ended December 31, 2005:

Outstanding at January 1, 2005	\$ 5,658,000
Bonds Retired	<u>(668,000)</u>
Outstanding at December 31, 2005	<u>\$ 4,990,000</u>

Note 4 - Compliance with Bond Resolution

The revenue bond agreement with Hibernia National Bank contains various requirements relating to reserves, financial ratios, operating results, etc. The Hospital did not meet all requirements for 2005 or 2004, but has received waivers from the bank.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2005 and 2004

Note 5 - Contingencies

The Hospital is self-insured for employee medical benefits. Under this arrangement, employees contribute a portion of the cost with the Hospital paying the difference to the employee benefit trust. A portion of the monthly contributions is used to purchase a re-insurance contract that covers individual claims exceeding \$100,000.

Note 6 - Compensation of the Board of Directors

The members of the Board of Commissioners of West Calcasieu-Cameron Hospital are paid a per diem per board meeting attended. Total payments as of December 31, 2005 are as follows:

Frank LaBarbera	\$ 1,100
Robert Davidson	1,200
Rapheal Fontenot	1,200
Bobby Letard	1,000
John Debarge	<u>1,000</u>
Total	<u>\$ 5,500</u>

Note 7 - Accrued Compensation

Accrued payroll for the years ended December 31, 2005 and 2004, paid in the subsequent year, totaled \$683,656 and \$631,078, respectively. Accrued compensation totaling \$1,099,897 and \$950,698 for the years ended December 31, 2005 and 2004, respectively, has also been accrued at the employees' present salary levels for vacation time earned, but unpaid as of year end.

Note 8 - Leases

The Hospital has entered into several lease agreements as lessee for financing the acquisition of medical equipment and buildings. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the lower of the present value of the future minimum lease payments or the fair value of the assets. The assets are depreciated over the lesser of their lease terms or their estimated productive lives. The capitalized costs on such leases were \$3,004,767 for 2005 and \$5,708,136 for 2004.

The accumulated depreciation on such equipment under capital lease obligation was \$1,049,318 at December 31, 2005 and \$2,962,859 at December 31, 2004. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at December 31, 2005:

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2005 and 2004

Note 9- Leases (Continued)

Year Ending December 31,	
2006	\$ 565,647
2007	392,120
2008	361,665
2009	243,751
2010	<u>65,031</u>
Total Minimum Lease Payments	1,628,214
Less: Amount Representing Interest	<u>128,839</u>
Present Value of Future Minimum Lease Payments	<u>\$ 1,499,375</u>

The Hospital leases part of the Hospital facilities under an operating lease to a provider of long-term acute care services. The lease term was effective until September 30, 2005. Renewal of this lease is pending. Terms of the original lease are in effect until the new lease is signed. The cost of the property under this lease is \$105,402 and the accumulated depreciation is \$77,779. Future minimum lease receivables at December 31, 2005 are \$-0-.

Note 10 - Capital Assets

The Hospital's capital asset activity for the year ended December 31, 2005, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,047,702	\$ -0-	\$ (20,877)	\$ 2,026,825
Construction in progress	<u>1,050,023</u>	<u>116,861</u>	<u>(1,051,346)</u>	<u>115,538</u>
Total capital assets, not being depreciated	<u>3,097,725</u>	<u>116,861</u>	<u>(1,072,223)</u>	<u>2,142,363</u>
Capital assets, being depreciated:				
Buildings	25,134,929	-0-	(133,035)	25,001,894
Building improvements	6,073,924	42,135	-0-	6,116,059
Land improvements	725,586	38,603	(22,655)	741,534
Equipment	<u>22,955,280</u>	<u>1,828,745</u>	<u>(1,059,153)</u>	<u>23,724,872</u>
Total capital assets, being depreciated	54,889,719	1,909,483	(1,214,843)	55,584,359
Less accumulated depreciated	<u>(31,596,324)</u>	<u>(2,495,572)</u>	<u>1,016,247</u>	<u>(33,075,649)</u>
Total capital assets, being depreciated, net	<u>\$ 23,293,395</u>	<u>\$ (586,089)</u>	<u>\$ (198,596)</u>	<u>\$ 22,508,710</u>

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2005 and 2004

Note 11- **Malpractice**

Malpractice claims have been asserted against West Calcasieu-Cameron Hospital by various claimants. The claims are in various stages of processing, and some may ultimately be brought to trial. In the opinion of counsel, the outcome of these actions will not have a significant effect on the financial position or the results of operations of West Calcasieu-Cameron Hospital. Management is unable to estimate the ultimate cost, if any, of the resolution of the asserted claims and, accordingly, no accrual has been made for them.

Incidents occurring through December 31, 2005 may result in the assertion of additional claims. Other claims may be asserted arising from past services provided. Management is unable to estimate the ultimate cost, if any, of the resolution of such potential claims and, accordingly, no accrual has been made for them. Management believes the resolution of such potential claims would be settled within the limits of insurance coverage.

Note 12- **Retirement Commitments**

Full-time employees of the Hospital are members of the Parochial Employees' Retirement System of Louisiana, a multi-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Eligible employees of the Hospital are members of Plan A.

Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service.

However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to 1% of final average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Contributions to the System include 1/4 of 1% of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. Data concerning the actuarial status of the System are not available for 2005.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2005 and 2004

Note 13- Retirement Commitments (Continued)

The pension benefit obligation as of December 31, 2004 follows:

RETIREMENT SYSTEM	Plan A	Plan B
Net Assets	\$ 1,364,795,086	\$ 99,526,756
Pension Benefit Obligations	(1,525,228,556)	(92,697,299)
Excess Assets	\$ (160,433,470)	\$ 6,829,457

The pension benefit obligation is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rated benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employers.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's December 31, 2004, comprehensive annual financial report. The district does not guarantee the benefits granted by the System.

Contributions to the system are made by both employees and the Hospital as a percentage of salaries. The payroll for the Hospital employees covered by the system for the year ended December 31, 2005 was approximately \$16,274,438; the Hospital's total payroll was \$18,263,395. Covered employees are required to contribute 9.5% of their earnings.

The Hospital's contributions to the system for the years ended December 31, 2005, 2004, and 2003 were \$2,082,279, \$2,004,926 and 1,275,354, respectively. The contribution rate for 2005, 2004 and 2003 was 12.75%, 11.75% and 7.75%, respectively.

Note 14- Cash, Cash Equivalents, Certificates of Deposit and Other Investments

Under Louisiana Revised Statutes 39:2955, the Hospital may deposit funds in demand deposit accounts, interest bearing demand deposit accounts, money market accounts, and time certificates of deposit with state banks, organized under Louisiana Law and National Banks having a principal offices in Louisiana. Additionally, Louisiana statues allow the Hospital to invest in United States Treasury obligations, obligations issued or guaranteed by the United States government or federal agencies, and mutual or trust funds register with the Securities and Exchange Commission which have underlying investments consisting solely of and limited to the United States government or its agencies.

In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2005 and 2004

Note 14- Cash, Cash Equivalents, Certificates of Deposit and Other Investments (Continued)

At December 31, 2005, the Hospital had cash, cash equivalents and certificates of deposit (book balances) totaling \$3,347,755. Of that balance, \$2,913,632 is included in Assets Whose Use is Limited (Note 2).

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 agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial Credit Risk is the risk that in the event of bank failure, the Hospital's deposits may not be returned. At December 31, 2005, the Hospital has \$4,578,093 in deposits (collected bank balances). These deposits are secured from risk by \$292,722 of federal deposit insurance and \$6,313,717 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Hospital that the fiscal agent has failed to pay deposited funds upon demand.

Interest Rate Risk is the risk that changes in the in interest rate will adversely affect the fair value of the investment. At December 31, 2005, the Hospital had investments in various debt instruments totaling \$3,089,277. These investments have maturity dates that range from 1 to 8 years in the future.

At December 31, 2005, the Foundation had \$122,006 in cash, cash equivalents and certificates of deposit (book balances). The Foundation's collected bank balances on this date were \$133,937. The Foundation's cash balances did not exceed federally insured limits at December 31, 2005.

Note 15- Prior Year Balances

Certain prior year amounts may have been reclassified to conform with current year presentation.

Note 16- Concentrations of Credit Risk

The Hospital is located in Sulphur, Louisiana. The Hospital grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows:

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2005 and 2004

	2005		2004
Medicare	13 %		17 %
Medicaid	2		4
Other	85		79
	100 %		100 %

The mix of net patient revenues was as follows:

	2005		2004
Medicare	39 %		32 %
Medicaid	2		2
Other	59		66
	100 %		100 %

Note 17- Post Employment Benefits

The Hospital provides post retirement health care benefits to all employees who retire and meet the retirement criteria of the Parochial Employees' Retirement System of Louisiana. Currently, 124 retirees are participating in the system. Expenditures for post retirement health care benefits are recognized as retirees report claims incurred, and include a provision for estimated claims incurred, but not yet reported to the Hospital. Information regarding expenditures for post retirement health care for 2005 and 2004 was not maintained.

Note 18- Charity Care

The amount of charges foregone for services and supplies furnished under the Hospital's charity care policy aggregated approximately \$521,404 and \$463,528 in 2005 and 2004, respectively.

Note 19- Construction in Progress

The Hospital has various construction projects in progress at December 31, 2005. The following is a schedule of the most significant project.

	Estimated Total Costs	Costs Incurred To Date	Estimated Completion Date
Central Monitoring System	\$119,176	\$103,972	February 2006

SUPPLEMENTARY INFORMATION



Founded in 1978

BROUSSARD & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS, L.L.C.

**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION**

Board of Commissioners
West Calcasieu-Cameron Hospital
Calcasieu-Cameron Hospital Service District
Sulphur, Louisiana

Our report on our audits of the basic financial statements of West Calcasieu-Cameron Hospital as of December 31, 2005 and 2004, 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 on pages 25-36 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.

Broussard & Company

Lake Charles, Louisiana
May 11, 2006

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**WEST CALCASIEU-CAMERON HOSPITAL
HOSPITAL SERVICE DISTRICT
Sulphur, Louisiana
Balance Sheets
As of December 31,**

ASSETS	2005	2004
Current Assets		
Cash and cash equivalents	\$ 434,123	\$ 598,860
Assets whose use is limited:		
Required for current debt service	146,263	150,939
By board required for operations	409,344	632,831
Accounts receivable from patients	12,818,695	10,950,987
Less allowance for uncollectible accounts	(3,333,802)	(3,170,489)
Interest receivable	69,490	89,770
Other receivables	928,324	246,988
Inventories	1,219,672	1,238,798
Prepaid expenses	169,616	197,206
Other current assets	16,990	18,244
Total Current Assets	12,878,715	10,954,134
Assets Whose Use Is Limited		
By board for self-insurance	499,872	499,104
By board for capital improvements	2,235,613	2,820,672
By board required for operations	2,707,188	5,255,935
Unrealized gain (loss) on investments	4,629	132,585
Noncurrent Assets Whose Use is Limited	5,447,302	8,708,296
Property, Plant and Equipment		
Construction-in-progress	115,538	1,050,023
Buildings and improvements	31,117,954	31,208,853
Equipment	23,724,872	22,955,280
Land and improvements	2,768,359	2,773,288
Less allowance for depreciation	(33,075,650)	(31,596,324)
Net Property, Plant and Equipment	24,651,073	26,391,120
Other Assets		
Investment in joint venture	375,129	-
Cost of bonds issued	46,366	52,689
Total Other Assets	421,495	52,689
TOTAL ASSETS	\$ 43,398,585	\$ 46,106,239

**WEST CALCASIEU-CAMERON HOSPITAL
HOSPITAL SERVICE DISTRICT
Sulphur, Louisiana
Balance Sheets (Continued)
As of December 31,**

	2005	2004
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 1,880,151	\$ 1,403,636
Accrued compensation and retirement	2,558,597	2,376,920
Accrued health insurance benefits	533,050	464,936
Accrued interest payable	34,930	39,606
Other accrued expenses	160,273	467,536
Due to Medicare and Medicaid - cost report settlement	-	153,489
Current installments on bonds payable	668,000	668,000
Current installments on capital lease obligations	522,985	747,503
Total Current Liabilities	6,357,986	6,321,626
Long-Term Debt		
Hospital revenue bonds payable	4,322,000	4,990,000
Capital lease obligations	976,390	1,266,081
Total Long-Term Debt	5,298,390	6,256,081
Total Liabilities	11,656,376	12,577,707
Net Assets		
Invested in capital assets, net of related debt	18,161,698	18,719,536
Unrestricted	13,580,511	14,808,996
Total Net Assets	31,742,209	33,528,532
TOTAL LIABILITIES AND NET ASSETS	\$ 43,398,585	\$ 46,106,239

**WEST CALCASIEU-CAMERON HOSPITAL
HOSPITAL SERVICE DISTRICT
Sulphur, Louisiana
Statements of Revenues and Expenses
For The Years Ended December 31,**

	2005	2004
NET PATIENT SERVICE REVENUE	\$ 45,505,077	\$ 44,527,539
OTHER REVENUE (EXPENSES)		
Cafeteria and vending machines	180,515	192,022
Record room and miscellaneous	31,327	34,279
Donations	86,225	48,250
Other revenues	210,474	61,245
Total Other Revenue (Expenses)	508,541	335,796
TOTAL REVENUE	46,013,618	44,863,335
OPERATING EXPENSES		
Nursing expenses	10,237,873	10,226,740
Other professional service expenses	15,818,001	16,101,526
General service expenses	3,702,302	3,726,373
Fiscal and administrative services expenses	9,522,441	10,411,327
Depreciation and amortization expenses	2,501,896	2,611,427
Provision for bad accounts (net of recoveries)	6,185,273	7,561,909
Interest expense on bonds	225,946	254,002
Interest expense on leases	107,168	75,539
Total Operating Expenses	48,300,900	50,968,843
INCOME (LOSS) FROM OPERATIONS	(2,287,282)	(6,105,508)
NON-OPERATING REVENUE AND (EXPENSES)		
Rent income	447,062	456,308
Investment income	221,963	198,290
Loss on disposal of assets	(168,786)	(148,129)
Miscellaneous	718	50,396
Total Non-Operating Revenue and (Expenses)	500,957	556,865
EXCESS OF REVENUE OVER EXPENSES	\$ (1,786,325)	\$ (5,548,643)

WEST CALCASIEU-CAMERON HOSPITAL
HOSPITAL SERVICE DISTRICT
Sulphur, Louisiana
Statements of Changes in Net Assets
For The Years Ended December 31,

	2005	2004
NET ASSETS - January 1	\$ 33,528,532	\$ 39,077,175
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	(1,786,325)	(5,548,643)
NET ASSETS - December 31	\$ 31,742,207	\$ 33,528,532

WEST CALCASIEU-CAMERON HOSPITAL
WEST CALCASIEU-CAMERON HOSPITAL SERVICE CORPORATION (FOUNDATION)
Sulphur, Louisiana
Balance Sheets
As of December 31,

	2005	2004
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 122,006	\$ 200,613
Inventories	12,930	14,804
Total Current Assets	134,936	215,417
 Property, Plant and Equipment		
Equipment	25,254	21,964
Less allowance for depreciation	(9,325)	(4,644)
Net Property, Plant and Equipment)	15,929	17,320
 TOTAL ASSETS	 \$ 150,865	 \$ 232,737
 LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	\$ 5,580	\$ 2,719
Total Current Liabilities	5,580	2,719
Total Liabilities	5,580	2,719
 Equity		
Retained earnings	145,285	230,018
 TOTAL LIABILITIES AND EQUITY	 \$ 150,865	 \$ 232,737

WEST CALCASIEU-CAMERON HOSPITAL
WEST CALCASIEU-CAMERON HOSPITAL SERVICE CORPORATION (FOUNDATION)
Sulphur, Louisiana
Statements of Income
For The Years Ended December 31,

	2005	2004
OPERATING REVENUES		
Gift shop revenue	\$ 40,667	\$ 39,189
Donations	91,033	79,995
Other revenues	64,502	54,245
Total Revenues	196,202	173,429
 COST OF SALES		
Gift Shop	22,065	19,097
Gross Profit	174,137	154,332
 OPERATING EXPENSES		
Contributions	170,410	46,756
Fund raising	32,256	28,140
Contract services	36,981	-
Miscellaneous	14,057	17,378
Professional fees	2,000	1,400
Taxes	3,245	3,004
Depreciation expense	4,681	4,492
Total Operating Expenses	263,630	101,170
 NON-OPERATING REVENUE		
Interest Income	4,758	1,304
 EXCESS OF REVENUE OVER EXPENSES		
	\$ (84,735)	\$ 54,466

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedules of Nursing Revenues
For The Years Ended December 31,

	<u>2005</u>	<u>2004</u>
NURSING REVENUES		
Revenue from daily patient services		
Medical and surgical	\$ 5,819,397	\$ 4,723,176
Intensive care	2,155,650	1,896,559
Nursery	179,832	183,113
Total Revenue from Daily Patient Services	<u>8,154,879</u>	<u>6,802,848</u>
Operating room	13,946,860	10,169,736
Delivery room	1,763,341	1,409,963
Recover room	3,184,520	3,092,901
Central supply	-	6,814,307
Emergency room	<u>11,407,060</u>	<u>10,350,354</u>
TOTAL NURSING REVENUES	<u><u>\$ 38,456,660</u></u>	<u><u>\$ 38,640,109</u></u>

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedules of Other Professional Services Revenue
For The Years Ended December 31,

	<u>2005</u>	<u>2004</u>
OTHER PROFESSIONAL SERVICE REVENUES		
Anesthesiology	\$ 2,269,529	\$ 1,995,358
Radiology	16,383,456	12,102,637
Laboratory	13,397,462	13,108,272
Cardiology, EKG and EEG	4,269,110	5,066,616
Physical therapy	1,087,834	1,122,996
Orthopedic	156,451	163,053
Nuclear Medicine	1,344,327	1,615,219
Pharmacy	14,390,211	14,034,139
Respiratory therapy	5,543,643	5,590,990
Dietary - long term care	140,817	185,152
Ambulance service	2,973,952	2,689,198
Emergency room physicians prof. fees	162,001	-
Occupational therapy	507,266	674,274
Home health care	1,600,848	1,661,222
Day care	263,250	339,109
Therapeutic riding	263,364	342,675
Wellness center	1,366,260	1,403,927
Off site clinics	498,633	545,182
Outpatient testing	213,680	262,098
TOTAL OTHER PROFESSIONAL SERVICE REVENUES	<u>\$ 66,832,094</u>	<u>\$ 62,902,117</u>

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedules of General Service Expenses
For The Years Ended December 31,

	<u>2005</u>	<u>2004</u>
NURSING EXPENSES		
Nursing services - salaries	\$ 2,291,768	\$ 2,571,788
Nursing services - administrative salaries	889,924	890,821
Nursing services - expenses	244,750	270,017
Central supply - salaries	117,680	130,734
Central supply - expense	104,018	917,190
Operating room - salaries	994,085	919,141
Operating room - expenses	2,358,013	1,330,405
Delivery room - salaries	483,680	359,991
Delivery room - expenses	124,941	74,840
Nursery - salaries	13,452	43,083
Nursery - expenses	10,671	10,815
Recovery room - salaries	171,396	166,057
Recovery room - expenses	12,543	681
Intensive care - salaries	733,701	869,648
Intensive care - expenses	72,837	89,016
Emergency room - salaries	1,096,236	1,143,608
Emergency room - expenses	182,289	87,753
Emergency room - professional fees	335,889	351,152
TOTAL NURSING EXPENSES	<u>\$ 10,237,873</u>	<u>\$ 10,226,740</u>

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedules of Other Professional Service Expenses
For The Years Ended December 31,

	<u>2005</u>	<u>2004</u>
OTHER PROFESSIONAL SERVICE EXPENSES		
Anesthesiology - expenses	\$ 675,601	\$ 609,399
Radiology - salaries	908,019	872,442
Radiology - expenses	1,013,502	936,522
Laboratory - salaries	909,307	950,289
Laboratory - expenses	1,478,748	1,608,049
Cardiology, EKG and EEG - salaries	367,532	423,859
Cardiology, EKG and EEG - expenses	617,762	788,904
Physical therapy - salaries	455,250	500,288
Physical therapy - expenses	18,996	15,537
Orthopedic room - expenses	57,464	45,616
Pharmacy - salaries	593,048	571,292
Pharmacy - expenses	2,203,202	2,149,593
Respiratory therapy - salaries	515,700	489,284
Respiratory therapy - expenses	127,197	136,424
Ambulance service - salaries	1,155,999	1,150,236
Ambulance service - expenses	182,628	115,706
Medical records - salaries	324,420	339,383
Medical records - expenses	166,458	133,399
Nuclear Medicine - salaries	120,823	122,291
Nuclear Medicine - expenses	249,277	221,244
Outpatient testing - salaries	72,128	82,385
Outpatient testing - expenses	10,115	2,479
Ultrasound - salaries	105,023	110,150
Ultrasound - expenses	9,815	6,701
Home health care - salaries	781,882	775,787
Home health care - expenses	182,236	187,848
Day care - salaries	313,057	353,725
Day care - expenses	30,679	30,661
Occupational therapy - salaries	162,777	215,629
Occupational therapy - expenses	36,463	45,959
Off site clinic - salaries	434,822	483,456
Off site clinic - expenses	664,051	642,643
Wellness center - salaries	625,532	695,124
Wellness center - expenses	106,538	113,268
Therapeutic riding - salaries	86,410	152,250
Therapeutic riding - expenses	55,540	23,704
TOTAL OTHER PROFESSIONAL SERVICE EXPENSES	\$ 15,818,001	\$ 16,101,526

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedules of General Service Expenses
For The Years Ended December 31,

	<u>2005</u>	<u>2004</u>
GENERAL SERVICE EXPENSES		
Dietary - salaries	\$ 431,371	\$ 437,368
Dietary - food	301,167	341,578
Dietary - expenses	72,323	75,976
Housekeeping - salaries	398,218	453,214
Housekeeping - expenses	139,767	126,240
Laundry - salaries	95,393	95,387
Laundry - expenses	61,715	42,900
Operating and maintenance of plant - salaries	636,783	682,814
Operating and maintenance of plant - expenses	<u>1,565,565</u>	<u>1,470,896</u>
TOTAL GENERAL SERVICE EXPENSES	<u>\$ 3,702,302</u>	<u>\$ 3,726,373</u>

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedules of Fiscal and Administrative Service Expenses
For The Years Ended December 31,

	2005	2004
FISCAL AND ADMINISTRATIVE SERVICE EXPENSES		
Administrative - salaries	\$ 1,979,657	\$ 1,837,493
Administrative - general expenses	2,691,946	2,295,671
Payroll taxes and benefits	4,281,417	5,792,595
Insurance and liability claims	569,421	485,568
TOTAL FISCAL AND ADMINISTRATIVE SERVICE EXPENSES	\$ 9,522,441	\$ 10,411,327



Founded in 1978

BROUSSARD & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, L.L.C.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
West Calcasieu-Cameron Hospital
Calcasieu-Cameron Hospital Service District
Sulphur, Louisiana

We have audited the financial statements of West Calcasieu-Cameron Hospital as of and for the year ended December 31, 2005, and have issued our report thereon dated May 11, 2006. We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit we considered West Calcasieu-Cameron Hospital's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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 over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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

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This report is intended solely for the information and use of the management of West Calcasieu-Cameron Hospital and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Broussard & Company

Lake Charles, Louisiana
May 11, 2006

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedule of Findings
December 31, 2005

A. Financial Statement Items

1. Unqualified opinion on the general-purpose financial statements.
2. Reportable condition in internal control – Refer to B-1.
3. No instances of noncompliance noted.

B. GAGAS Findings

1. None.

C. Prior Audit Findings

1. None.