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

Financial Statements
December 31, 1999 and 1998

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 08-23-00

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Founded in 1978

BROUSSARD & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, L.L.C.

INDEPENDENT AUDITOR'S REPORT

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

We have audited the general purpose financial statements of West Calcasieu-Cameron Hospital as of and for the years ended December 31, 1999 and 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these general purpose 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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 general purpose financial statements referred to above present fairly, in all material respects, the financial position of the West Calcasieu-Cameron Hospital as of December 31, 1999 and 1998, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 2, 2000, on our consideration of West Calcasieu-Cameron Hospital's internal control structure and a report dated June 2, 2000, on its compliance with laws and regulations.

Broussard & Company

Lake Charles, Louisiana
June 2, 2000
/dkb

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WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Combined Balance Sheets
As of December 31, 1999
(With Comparative Totals for December 31, 1998)

	Hospital Corporation	Hospital Service District	Noremac
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 2,205,621	\$ -	\$ 563,823
Assets whose use is limited - required for current liabilities	184,517	-	-
Certificates of deposit	78,297	-	-
Accounts receivable from patients	7,842,476	-	-
Less allowance for uncollectible accounts	(1,045,478)	-	-
Due from Medicare and Medicaid - cost report settlement	157,917	-	-
Due from Noremac	125,716	-	-
Interest receivable	193,201	-	-
Other receivables	303,446	-	-
Inventories	517,295	-	51,965
Prepaid expenses	91,657	-	-
Other current assets	10,660	-	-
Total Current Assets	10,665,325	-	615,788
Assets Whose Use Is Limited			
By board for self-insurance	1,242,654	-	-
By board for capital improvements	6,688,708	-	-
By board for cash required for operations	6,840,764	-	-
By board for deferred compensations	38,101	-	-
Certificate of deposit held in escrow by State Treasurer	125,000	-	-
Unrealized gain (loss) on investments	(617,529)	-	-
Noncurrent Assets Whose Use is Limited	14,317,698	-	-
Property, Plant and Equipment			
Construction-in-progress	5,633,447	-	-
Buildings and improvements	17,771,693	-	5,475,401
Equipment	14,881,960	-	830,790
Less allowance for depreciation	(19,876,807)	-	(1,307,383)
Land and improvements	2,301,780	-	527,076
Net Property, Plant and Equipment	20,712,073	-	5,525,884
Other Assets			
Investment in Noremac	-	5,803,544	-
Cost of bonds issued	77,690	-	-
Other receivables - long term	145,840	-	-
Total Other Assets	223,530	5,803,544	-
TOTAL ASSETS	\$ 45,918,626	\$ 5,803,544	\$ 6,141,672

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

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	Foundation	Totals (Memorandum Only)	
		1999	1998
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 102,371	\$ 2,871,815	\$ 1,963,922
Assets whose use is limited - required for current liabilities	-	184,517	189,950
Certificates of deposit	29,812	108,109	103,281
Accounts receivable from patients	-	7,842,476	9,278,496
Less allowance for uncollectible accounts	-	(1,045,478)	(1,978,996)
Due from Medicare and Medicaid - cost report settlement	-	157,917	286,411
Due from Noremac	7,161	132,877	79,491
Interest receivable	-	193,201	258,302
Other receivables	-	303,446	196,674
Inventories	8,922	578,182	559,379
Prepaid expenses	-	91,657	36,876
Other current assets	-	10,660	30,635
Total Current Assets	148,266	11,429,379	11,004,421
Assets Whose Use Is Limited			
By board for self-insurance	-	1,242,654	1,241,062
By board for capital improvements	-	6,688,708	9,120,889
By board for cash required for operations	-	6,840,764	5,796,121
By board for deferred compensations	-	38,101	36,089
Certificate of deposit held in escrow by State Treasurer	-	125,000	125,000
Unrealized gain (loss) on investments	-	(617,529)	193,188
Noncurrent Assets Whose Use is Limited	-	14,317,698	16,512,349
Property, Plant and Equipment			
Construction-in-progress	-	5,633,447	1,161,703
Buildings and improvements	-	23,247,094	23,555,379
Equipment	-	15,712,750	15,323,094
Less allowance for depreciation	-	(21,184,190)	(19,564,667)
Land and improvements	-	2,828,856	2,902,232
Net Property, Plant and Equipment	-	26,237,957	23,377,741
Other Assets			
Investment in Noremac	-	5,803,544	5,744,937
Cost of bonds issued	-	77,690	83,517
Other receivables - long term	-	145,840	-
Total Other Assets	-	6,027,074	5,828,454
TOTAL ASSETS	\$ 148,266	\$ 58,012,108	\$ 56,722,965

	Hospital Corporation	Hospital Service District	Noremac
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable	\$ 2,053,883	\$ -	\$ 1,091
Due to Medicare and Medicaid - cost report settlement	-	-	-
Accrued compensation and retirement	1,006,248	-	-
Accrued health insurance benefits	193,177	-	-
Accrued interest payable	75,900	-	-
Other accrued expenses	131,599	-	14,760
Due to Foundation	-	-	7,161
Due to Hospital	-	-	125,717
Current installments on bonds payable	668,000	-	-
Current installments on capital lease obligations	224,776	-	-
Current installments on note payable	-	-	7,602
Deferred revenue	1,330	-	33,054
Total Current Liabilities	4,354,913	-	189,385
Long-Term Debt			
Note payable	-	-	100,980
Hospital revenue bonds payable	8,330,000	-	-
Capital lease obligations	303,743	-	-
Other liabilities	46,525	-	-
Total Long-Term Debt	8,680,268	-	100,980
Total Liabilities	13,035,181	-	290,366
Equity			
Contributed capital	-	-	5,803,543
Retained earnings	32,883,445	5,803,544	47,763
Total Equity	32,883,445	5,803,544	5,851,306
TOTAL LIABILITIES AND EQUITY	\$ 45,918,626	\$ 5,803,544	\$ 6,141,672

Continued

	Foundation	Totals (Memorandum Only)	
		1999	1998
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable	\$ -	\$ 2,054,974	\$ 666,772
Due to Medicare and Medicaid - cost report settlement	-	-	612,680
Accrued compensation and retirement	-	1,006,248	291,685
Accrued health insurance benefits	-	193,177	176,604
Accrued interest payable	-	75,900	78,617
Other accrued expenses	-	146,359	145,017
Due to Foundation	-	7,161	-
Due to Hospital	63	125,780	79,491
Current installments on bonds payable	-	668,000	668,000
Current installments on capital lease obligations	-	224,776	333,595
Current installments on note payable	-	7,602	-
Deferred revenue	-	34,384	37,001
Total Current Liabilities	63	4,544,361	3,089,462
Long-Term Debt			
Note payable	-	100,980	-
Hospital revenue bonds payable	-	8,330,000	8,998,000
Capital lease obligations	-	303,743	490,456
Other liabilities	-	46,525	-
Total Long-Term Debt	-	8,781,248	9,488,456
Total Liabilities	63	13,325,610	12,577,918
Equity			
Contributed capital	-	5,803,543	5,744,937
Retained earnings	148,203	38,882,955	38,400,110
Total Equity	148,203	44,686,498	44,145,047
TOTAL LIABILITIES AND EQUITY	\$ 148,266	\$ 58,012,108	\$ 56,722,965

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Combined Statements of Operations
For The Year Ended December 31, 1999
(With Comparative Totals for December 31, 1998)

	Hospital Corporation	Noremac	Foundation
NET PATIENT SERVICE REVENUE	\$ 32,941,071	\$ -	\$ -
OTHER REVENUE (EXPENSES)			
Cafeteria and vending machines	222,189	-	-
Record room and miscellaneous	39,503	-	-
Dues	-	886,681	-
Gift shop revenue, net of cost of sales	-	-	19,029
Donations	3,952	-	15,811
Other revenues	148,848	500,164	32,676
<i>Total Other Revenue (Expenses)</i>	414,492	1,386,845	67,516
TOTAL REVENUE	33,355,563	1,386,845	67,516
OPERATING EXPENSES			
Nursing expenses	8,973,021	-	-
Other professional service expenses	10,014,125	1,042,936	-
General service expenses	2,508,299	-	-
Fiscal and administrative services expenses	6,120,892	-	21,328
Depreciation expense	1,536,541	295,762	-
Provision for bad accounts (net of recoveries)	3,796,835	-	-
Interest expense on bonds	286,947	-	-
Interest expense on leases	45,562	-	-
<i>Total Operating Expenses</i>	33,282,222	1,338,698	21,328
INCOME (LOSS) FROM OPERATIONS	73,341	48,147	46,188
NON-OPERATING REVENUE AND (EXPENSES)			
Rent income	252,268	-	-
Investment income	333,393	-	-
Loss on disposal of assets	(374,940)	-	-
Interest income	-	-	2,639
Miscellaneous income	101,808	-	-
<i>Total Non-Operating Revenue and (Expenses)</i>	312,529	-	2,639
EXCESS OF REVENUE OVER EXPENSES	\$ 385,870	\$ 48,147	\$ 48,827

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

Continued
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	Totals	
	(Memorandum Only)	
	1999	1998
NET PATIENT SERVICE REVENUE	\$ 32,941,071	\$ 33,182,885
OTHER REVENUE (EXPENSES)		
Cafeteria and vending machines	222,189	232,813
Record room and miscellaneous	39,503	49,668
Dues	886,681	330,135
Gift shop revenue, net of cost of sales	19,029	31,865
Donations	19,763	206,902
Other revenues	681,688	246,775
Total Other Revenue (Expenses)	1,868,853	1,098,158
TOTAL REVENUE	34,809,924	34,281,043
OPERATING EXPENSES		
Nursing expenses	8,973,021	9,080,363
Other professional service expenses	11,057,061	12,355,665
General service expenses	2,508,299	2,539,910
Fiscal and administrative services expenses	6,142,220	6,367,503
Depreciation expense	1,832,303	1,868,736
Provision for bad accounts (net of recoveries)	3,796,835	2,547,703
Interest expense on bonds	286,947	393,223
Interest expense on leases	45,562	66,440
Total Operating Expenses	34,642,248	35,219,543
INCOME (LOSS) FROM OPERATIONS	167,676	(938,500)
NON-OPERATING REVENUE AND (EXPENSES)		
Rent income	252,268	340,045
Investment income	333,393	1,245,486
Loss on disposal of assets	(374,940)	(6,152)
Interest income	2,639	2,697
Miscellaneous income	101,808	5,130
Total Non-Operating Revenue and (Expenses)	315,168	1,587,206
EXCESS OF REVENUE OVER EXPENSES	\$ 482,844	\$ 648,706

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Combined Statements of Retained Earnings
For The Year Ended December 31, 1999
(With Comparative Totals for December 31, 1998)

	<u>Hospital Corporation</u>	<u>Hospital Service District</u>	<u>Noremac</u>
RETAINED EARNINGS - January 1, 1999	\$ 32,497,575	\$ 5,803,544	\$ (385)
EXCESS OF REVENUE OVER EXPENSES	385,870	-	48,147
RETAINED EARNINGS - December 31, 1999	<u>\$ 32,883,445</u>	<u>\$ 5,803,544</u>	<u>\$ 47,762</u>

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

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WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Combined Statements of Retained Earnings
For The Year Ended December 31, 1999
(With Comparative Totals for December 31, 1998)

	Foundation	Totals (Memorandum Only)	
		1999	1998
RETAINED EARNINGS - January 1, 1999	\$ 99,376	\$ 38,400,110	\$ 37,751,403
EXCESS OF REVENUE OVER EXPENSES	48,827	482,844	648,707
RETAINED EARNINGS - December 31, 1999	\$ 148,203	\$ 38,882,954	\$ 38,400,110

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, 1999
(With Comparative Totals For December 31, 1998)

	<u>Hospital Corporation</u>	<u>Noremac, Inc.</u>	<u>Foundation</u>
Cash Flows From Operating Activities:			
Operating income (loss)	\$ 73,341	\$ 48,147	\$ 46,188
Adjustments to reconcile net operating income to net cash provided by operating activities:			
Depreciation and amortization	1,542,368	295,762	-
Provisions for losses on accounts receivable, net	(933,518)	-	-
Interest expense	332,509	6,763	-
(Increase) decrease in receivables	1,476,618	-	(7,161)
(Increase) decrease in inventory	(7,305)	(11,344)	(154)
(Increase) decrease in prepaid expenses	(54,781)	-	-
(Increase) decrease in other current assets	-	2,299	-
Increase (decrease) in accounts payable and other accrued expenses	1,059,927	77,605	63
Total Adjustments	3,415,818	371,085	(7,252)
Net Cash Provided (Used) by Operating Activities	3,489,159	419,232	38,936
Cash Flows From Investing Activities:			
(Purchase) sale of assets whose use is limited, net	1,383,933	-	-
Investment income	950,922	-	2,639
Rent income	252,268	-	-
Net Cash Provided (Used) by Investing Activities	2,587,123	-	2,639
Cash Flows From Capital and Related Financing Activities:			
Payment for capital expenditures	(4,282,919)	(205,243)	-
Proceeds from sale of capital assets	382,340	2,400	-
Bond and note proceeds	-	111,549	-
Principal payment on bonds and notes	(668,000)	(2,966)	-
Principal payments under capital lease obligations	(381,132)	-	-
Interest paid	(335,226)	(6,763)	-
Other	(278,400)	36,389	(1,225)
Net Cash Provided (Used) by Capital and Related Financing Activities	(5,563,337)	(64,634)	(1,225)
Net Increase (Decrease) in Cash	512,945	354,598	40,350
Cash and Cash Equivalents - Beginning of Year	1,692,676	209,225	62,021
Cash and Cash Equivalents - End of Year	\$ 2,205,621	\$ 563,823	\$ 102,371
Supplemental Disclosure:			
Cash paid for interest (net of amount capitalized)	\$ 335,226	\$ 6,763	\$ -
Noncash Financing Activities:			
Asset acquired through capital lease	\$ 85,600	\$ -	\$ -

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

Continued
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WEST CALCASIEU CAMERON HOSPITAL
Sulphur, Louisiana
Combined Statements of Cash Flows
For The Year Ended December 31, 1999
(With Comparative Totals For December 31, 1998)

	Totals	
	(Memorandum Only)	
	1999	1998
Cash Flows From Operating Activities:		
Operating income (loss)	\$ 167,676	\$ (938,501)
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation and amortization	1,838,130	1,933,330
Provisions for losses on accounts receivable, net	(933,518)	574,293
Interest expense	339,272	459,663
(Increase) decrease in receivables	1,469,457	(663,522)
(Increase) decrease in inventory	(18,803)	17,724
(Increase) decrease in prepaid expenses	(54,781)	40,981
(Increase) decrease in other current assets		
Increase (decrease) in accounts payable and other accrued expenses	1,137,595	(332,117)
Total Adjustments	3,779,651	2,030,352
Net Cash Provided (Used) by Operating Activities	3,947,327	1,091,851
Cash Flows From Investing Activities:		
(Purchase) sale of assets whose use is limited, net	1,383,933	(3,780,916)
Investment income	953,561	1,151,834
Rent income	252,268	340,045
Net Cash Provided (Used) by Investing Activities	2,589,762	(2,289,037)
Cash Flows From Capital and Related Financing Activities:		
Payment for capital expenditures	(4,488,161)	(2,769,208)
Proceeds from sale of capital assets	384,740	-
Bond and note proceeds	111,549	10,000,000
Principal payment on bonds and notes	(670,966)	(5,334,000)
Principal payments under capital lease obligations	(381,132)	(333,595)
Interest paid	(341,989)	(407,649)
Other	(243,236)	126,764
Net Cash Provided (Used) by Capital and Related Financing Activities	(5,629,196)	1,282,312
Net Increase (Decrease) in Cash	907,893	85,126
Cash and Cash Equivalents - Beginning of Year	1,963,922	1,878,796
Cash and Cash Equivalents - End of Year	\$ 2,871,815	\$ 1,963,922
Supplemental Disclosure:		
Cash paid for interest (net of amount capitalized)	\$ 341,989	\$ 407,649
Noncash Financing Activities:		
Asset acquired through capital lease	\$ 85,600	\$ -

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

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements
December 31, 1999 and 1998

Note 1 - Organization and Summary of Significant Accounting Policies

The West Calcasieu-Cameron Hospital (Hospital) is owned and operated by the West Calcasieu-Cameron Hospital Corporation (Hospital Corporation). The Hospital Corporation is a non-profit organization operating under Section 501 (c) (3) of the Internal Revenue Code. The Hospital provides inpatient, outpatient, and emergency care services for residents of southwest Louisiana. The West Calcasieu-Cameron Hospital Service District (District) 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 sole member of the Hospital Corporation is the District. The District has capitalized the Hospital Corporation by contributing all the exempt operations and corresponding property of the Hospital to the Hospital Corporation in exchange for the District becoming the sole member of the Hospital Corporation.

The District has also contributed certain operations and corresponding property to NOREMAC, Inc. (NOREMAC) in exchange for the District becoming the sole owner of NOREMAC. NOREMAC is a for profit corporation.

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 grant 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 following entities are considered component units of the District; The West Calcasieu-Cameron Hospital Corporation (Hospital Corporation) The West Calcasieu-Cameron Hospital Service Corporation (Foundation) and NOREMAC, Inc. Component units are entities for which the Hospital is considered financially accountable.

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.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 1999 and 1998

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

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.

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 7.

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 nonacute services, certain outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology. The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's 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.

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, 1999 and 1998

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:

	<u>Life</u>
Hospital equipment	3 - 25 years
Buildings and improvements	3 - 50 years
Parking lots	15 - 25 years
Land improvements	15 - 20 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.

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.

Capitalization of Interest - FAS-34 (Capitalization of Interest Costs) requires that interest expenditures incurred during construction of assets be capitalized. FAS-62 (Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants) concludes that constructed assets financed with the proceeds of tax-exempt debt (if those funds are externally restricted to finance the acquisitions of the asset or used to service the related debt) should include capitalized interest only to the extent that interest cost exceeds interest earned on related interest-bearing investments acquired with proceeds of the related tax-exempt borrowing. Net interest costs capitalized totaled \$173,887 and \$20,371 during 1999 and 1998, respectively.

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 and malpractice insurance arrangements.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 1999 and 1998

Note 2 - Assets Whose Use is Limited (Continued):

Assets whose use is limited are categorized into these three categories of credit risk:

- (1) Insured or registered, or securities held by the Hospital or its agent in the Hospital's name.
- (2) Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Hospital's name.
- (3) Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the Hospital's name.

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

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Fair Value</u>
Cash	\$ -	\$ -	\$ 184,517	\$ 184,517
Certificates of deposit	410,462	-	25,000	435,462
U.S. Treasury obligations	-	12,222,815	-	12,222,815
Government mortgaged	-	90,919	-	90,919
Total	<u>\$ 410,462</u>	<u>\$12,313,734</u>	<u>\$ 209,517</u>	<u>\$ 12,933,713</u>
Investments not subject to categorization:				
Mutual funds				<u>1,568,502</u>
Total Assets Whose Use Is Limited				<u>\$ 14,502,215</u>

Under state law, the municipality may invest in United States bonds, treasury notes, or certificates. These are classified as investments. 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.

Note 3 - Hospital Revenue Bonds Payable

<p>\$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 4.88%</p>	<p>\$4,499,000</p>
<p>\$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 \$4.88%</p>	<p>4,499,000</p>
	<p><u>\$8,998,000</u></p>

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 1999 and 1998

Note 3 - Hospital Revenue Bonds Payable (Continued):

The annual installments to amortize all debt outstanding as of December 31, 1999 are as follows:

	Principal	Interest	Total
2000	\$ 668,000	\$ 439,102	\$ 1,107,102
2001	668,000	406,504	1,074,504
2002	668,000	373,906	1,041,906
2003	668,000	341,307	1,009,307
2004	668,000	308,709	976,709
2005 and thereafter	<u>5,658,000</u>	<u>1,311,939</u>	<u>6,969,939</u>
	<u>\$ 8,998,000</u>	<u>\$ 3,181,467</u>	<u>\$12,179,467</u>

Note 4 - Compliance with Bond Resolution

All reserve, contingency, and debt service funds as required by the revenue bond issue have been established and properly maintained.

Note 5 - Note Payable – Noremac, Inc.

Noremac, Inc. was liable on the following note included in long-term debt at December 31, 1999:

Cameron State Bank	
8.5% note payable, secured by possessory collateral, due in monthly installments of \$1,391 including interest through July, 2009.	\$ 108,582
Less current maturities	<u>7,602</u>
Long-Term Notes Payable	<u>\$ 100,980</u>

Note 6 - Hospital Insurance

Effective April 1, 1976, the Hospital became a member of the Louisiana Patient's Compensation Fund of the Investors Malpractice Insurance Company for the purpose of obtaining malpractice insurance. The Hospital has placed \$125,000 on deposit under the custody of the Louisiana State Treasurer. All participating Hospitals share proportionately in the expense of the fund.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 1999 and 1998

Note 7 - Contingencies

The Hospital is self-insured for employee medical benefits. Under this arrangement, the 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 \$90,000.

The Hospital is a guarantor for patient's receivables that have been financed through a local bank. The outstanding balance of these loans at December 31, 1999 was \$97,765.

Note 8 - Compensation of the Board of Directors

The members of the Board of Directors of West Calcasieu-Cameron Hospital serve without pay, and accordingly, received no compensation during 1999 and 1998.

Note 9 - Cash and Cash Equivalents

The Hospital considers all short-term investments with an original maturity of three months or less to be cash equivalents, excluding amounts whose use is limited.

Note 10 - Accrued Compensation

Accrued payroll for the years ended December 31, 1999 and 1998, paid in the subsequent year, totaled \$291,946 and \$197,573, respectively. Accrued compensation totaling \$107,714 and \$92,798 for the years ended December 31, 1999 and 1998, respectively, has also been accrued at the employees' present salary levels for vacation time earned, but unpaid as of the end of the year.

Note 11 - 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, depending on the capital lease criteria met. The capitalized costs on such leases were \$1,652,677 for 1999 and \$1,769,513 for 1998. The accumulated depreciation on such leases under capital lease obligations was \$835,030 at December 31, 1999 and \$767,362 at December 31, 1998. 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, 1999:

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 1999 and 1998

Note 11- **Leases (Continued):**

Year Ending December 31,	
2000	\$ 311,376
2001	157,004
2002	113,876
2003	50,029
2004	<u>19,122</u>
Total Minimum Lease Payments	651,407
Less: Amount Representing Interest	<u>122,888</u>
Present Value of Future Minimum Lease Payments	<u>\$ 528,519</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 is effective until September 30, 2001. The cost of the property is \$93,700 and the accumulated depreciation is \$25,198.

Noremac, Inc. leases an office building under an operating lease to a provider of long-term acute care services. The lease term is effective until September 30, 2001. The cost of the property is \$60,000 and is fully depreciated.

At December 31, 1999, future minimum lease receivables for both entities were as follows:

Year Ending December 31,	
2000	\$ 239,544
2001	179,658

Note 12- **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; however, management believes that these claims may result in a maximum out-of-pocket expense of \$200,000.

Incidents occurring through December 31, 1999 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.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 1999 and 1998

Note 13- **Retained Earnings**

The following is a composition of retained earnings at December 31, 1999:

	<u>Hospital Corporation</u>	<u>Hospital Service District</u>	<u>Noremac, Inc.</u>	<u>Foundation</u>
Designated for self- insurance, construction, future expansion, fixed assets, deferred compensation	\$14,502,215	\$ -	-	-
Unreserved-undesigned	<u>18,381,230</u>	<u>5,803,844</u>	<u>47,763</u>	<u>148,203</u>
	<u>\$32,883,445</u>	<u>\$5,803,844</u>	<u>\$ 47,763</u>	<u>\$ 148,203</u>

Note 14- **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 1999.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 1999 and 1998

Note 14- Retirement Commitments (Continued):

The pension benefit obligation as of December 31, 1998 follows:

RETIREMENT SYSTEM	Plan A	Plan B
Net Assets	\$ 960,159,912	\$ 66,212,388
Pension Benefit Obligations	(959,044,243)	(51,172,174)
Excess Assets	\$ 1,115,669	\$ 15,040,214

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, 1999, 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, 1999 was approximately \$12,936,679; the Hospital's total payroll was \$14,542,833. Covered employees have been required to contribute 9.5% for the current year as well as the previous two years.

The Hospital's contributions to the system for the years ended December 31, 1999, 1998, and 1997 were \$998,726, \$1,089,547, and \$1,049,812, respectively, equal to the 7.75% required contributions for each year.

Note 15- Cash, Cash Equivalents and Certificates of Deposit

At December 31, 1999, the Hospital had cash, cash equivalents and certificates of deposit (book balances) totaling \$2,631,536. Of that balance, \$184,517 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. At December 31, 1999, the Hospital has \$3,224,289 in deposits (collected bank balances). These deposits are secured from risk by \$605,717 of federal deposit insurance and \$4,596,715 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 1999 and 1998

Note 15- Cash, Cash Equivalents and Certificates of Deposit (Continued):

Even though the pledged securities are considered uncollateralized (Category 3) 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.

Note 16- Prior Year Balances

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

Note 17- 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:

	1999		1998	
Medicare	36	%	36	%
Medicaid	12		13	
Other	52		51	
	100	%	100	%

The mix of net patient revenues was as follows:

	1999		1998	
Medicare	45	%	47	%
Medicaid	10		9	
Other	45		44	
	100	%	100	%

The Hospital routinely invests its funds in money market mutual funds. The funds generally invest in highly liquid U.S. Government and agency obligations. Investments in money market funds are not insured or guaranteed by the U.S. Government; however, management believes that credit risk related to these investments is minimal.

Note 18- Memorandum Only – Total Columns

Total columns on the general purpose financial statements are captioned as “memorandum only” because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations, or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 1999 and 1998

Note 19- 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, 67 retirees meet those eligibility requirements. 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 1999 and 1998 was not maintained.

Note 20- Charity Care

The amount of charges foregone for services and supplies furnished under the Hospital's charity care policy aggregated approximately \$52,012 and \$194,083 in 1999 and 1998, respectively.

Note 21- Construction in Progress

The Hospital has two construction projects in progress at December 31, 1999. The following is a schedule of the most significant project.

	Estimated Total Costs	Costs Incurred To Date	Estimated Completion Date
Tower Construction (2 phases)	\$7,176,189	\$5,624,393	Nov, 2000

Note 22- Contributed Capital

Contributed capital represent buildings, equipment, and land transferred from the Hospital to NOREMAC, Inc., during 1998.

Note 23- Prior Period Adjustment - Foundation

Certain errors, resulting in the overstatement of previously reported income of prior years, were corrected during 1999 resulting in the following changes to retained earnings as of December 31, 1998:

	Foundation
Retained earnings as previously reported	\$ 1,844
Overstatement of gift shop revenues	56,691
Net income as restated	40,841
Retained earnings as adjusted	\$ 99,376

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, 1999 and 1998, 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 25-38 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
June 2, 2000
/dkb

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

	1999	1998
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 2,205,621	\$ 1,692,676
Assets whose use is limited - required for current liabilities	184,517	189,950
Certificates of deposit	78,297	74,694
Accounts receivable from patients	7,842,476	9,278,496
Less allowance for uncollectible accounts	(1,045,478)	(1,978,996)
Due from Medicare and Medicaid - cost report settlement	157,917	286,411
Due from Noremac	125,716	79,491
Other receivables	303,446	196,674
Interest receivable	193,201	258,302
Inventories	517,295	509,990
Prepaid expenses	91,657	36,876
Other current assets	10,660	28,336
	10,665,325	10,652,900
Assets Whose Use Is Limited		
By board for self-insurance	1,242,654	1,241,062
By board for capital improvements	6,688,708	9,120,889
By board for cash required for operations	6,840,764	5,796,121
By board for deferred compensations	38,101	36,088
Certificate of deposit held in escrow by State Treasurer	125,000	125,000
Unrealized gain (loss) on investments	(617,529)	193,188
	14,317,698	16,512,348
Property, Plant and Equipment		
Construction-in-progress	5,633,447	1,161,703
Buildings and improvements	17,771,693	18,222,344
Equipment	14,881,960	14,513,965
Less allowance for depreciation	(19,876,807)	(18,547,438)
Land and improvements	2,301,780	2,409,188
	20,712,073	17,759,762
Other Assets		
Investment in Noremac	5,803,544	5,744,940
Cost of bonds issued	77,690	83,517
Other receivables - long term	145,840	-
	6,027,074	5,828,457
TOTAL ASSETS	\$ 51,722,170	\$ 50,753,467

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

	<u>1999</u>	<u>1998</u>
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	\$ 2,053,883	\$ 666,774
Due to Medicare and Medicaid - cost report settlement	-	612,680
Accrued compensation and retirement	1,006,248	291,685
Accrued health insurance benefits	193,177	176,604
Accrued interest payable	75,900	78,617
Other accrued expenses	131,599	134,607
Current installments on bonds payable	668,000	668,000
Current installments on capital lease obligations	224,776	333,595
Deferred revenue	1,330	1,330
	<hr/>	<hr/>
Total Current Liabilities	4,354,913	2,963,892
	<hr/>	<hr/>
Long-Term Debt		
Hospital revenue bonds payable	8,330,000	8,998,000
Capital lease obligations	303,743	490,456
Other liabilities	46,525	-
	<hr/>	<hr/>
Total Long-Term Debt	8,680,268	9,488,456
	<hr/>	<hr/>
Total Liabilities	13,035,181	12,452,348
	<hr/>	<hr/>
Equity	39,398,743	38,301,119
	<hr/>	<hr/>
TOTAL LIABILITIES AND EQUITY	<u>\$ 52,433,924</u>	<u>\$ 50,753,467</u>

**WEST CALCASIEU-CAMERON HOSPITAL
HOSPITAL CORPORATION & HOSPITAL SERVICE DISTRICT
Sulphur, Louisiana
Combined Statements of Income
For The Years Ended December 31,**

	1999	1998
NET PATIENT SERVICE REVENUE	\$ 32,941,071	\$ 33,182,885
OTHER REVENUE (EXPENSES)		
Cafeteria and vending machines	222,189	232,813
Record room and miscellaneous	39,503	49,668
Donations	3,952	199,800
Other revenues	148,848	93,666
Total Other Revenue (Expenses)	414,492	575,947
TOTAL REVENUE	33,355,563	33,758,832
OPERATING EXPENSES		
Nursing expenses	8,973,021	9,080,363
Other professional service expenses	10,014,125	11,999,564
General service expenses	2,508,299	2,539,910
Fiscal and administrative services expenses	6,120,892	6,392,408
Depreciation expense	1,536,541	1,772,909
Provision for bad accounts (net of recoveries)	3,796,835	2,547,703
Interest expense on bonds	286,947	393,223
Interest expense on leases	45,562	66,440
Total Operating Expenses	33,282,222	34,792,520
INCOME (LOSS) FROM OPERATIONS	73,341	(1,033,688)
NON-OPERATING REVENUE AND (EXPENSES)		
Rent income	252,268	340,045
Investment income	333,393	1,245,486
Loss on disposal of assets	(374,940)	(6,152)
Miscellaneous	101,808	5,130
Total Non-Operating Revenue and (Expenses)	312,529	1,584,509
EXCESS OF REVENUE OVER EXPENSES	\$ 385,870	\$ 550,821

WEST CALCASIEU-CAMERON HOSPITAL
HOSPITAL CORPORATION & HOSPITAL SERVICE DISTRICT
Sulphur, Louisiana
Combined Statements of Retained Earnings
For The Years Ended December 31,

	1999	1998
RETAINED EARNINGS - January 1	\$ 38,301,119	\$ 37,750,298
EXCESS OF REVENUES OVER (UNDER) EXPENSES	1,097,624	550,821
RETAINED EARNINGS - December 31	\$ 39,398,743	\$ 38,301,119

**WEST CALCASIEU-CAMERON HOSPITAL
NOREMAC, INC.
Sulphur, Louisiana
Balance Sheets
As of December 31,**

	1999	1998
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 563,823	\$ 209,225
Inventories	51,965	40,621
Other current assets	-	2,299
Total Current Assets	615,788	252,145
Property, Plant and Equipment		
Buildings and improvements	5,475,401	5,333,035
Equipment	830,790	809,129
Less allowance for depreciation	(1,307,383)	(1,017,229)
Land and improvements	527,076	493,044
Net Property, Plant and Equipment	5,525,884	5,617,979
TOTAL ASSETS	\$ 6,141,672	\$ 5,870,124
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	\$ 1,091	\$ -
Other accrued expenses	14,760	10,410
Due to Foundation	7,161	-
Due to Hospital	125,717	79,491
Current installments on note payable	7,602	-
Deferred revenue	33,054	35,671
Total Current Liabilities	189,385	125,572
Long-Term Debt		
Note payable	100,980	-
Total Long-Term Debt	100,980	-
Total Liabilities	290,366	125,572
Equity		
Contributed capital	5,803,543	5,744,937
Retained Earnings	47,763	(385)
Total Equity	5,851,306	5,744,552
TOTAL LIABILITIES AND EQUITY	\$ 6,141,672	\$ 5,870,124

**WEST CALCASIEU-CAMERON HOSPITAL
NOREMAC, INC.
Sulphur, Louisiana
Statements of Income
For The Years Ended December 31,**

	1999	1998
OPERATING REVENUES		
Pharmacy sales	\$ 852,234	\$ 70,016
Dynamic Dimensions dues	886,681	330,135
Dynamic Dimensions sales	49,181	21,979
Rental income	103,398	30,151
Total Revenues	1,891,494	452,281
COST OF SALES		
Pharmacy	496,014	53,746
Dynamic Dimensions	8,635	-
	504,649	53,746
Gross Profit	1,386,845	398,535
OPERATING EXPENSES		
Contract services	646,419	210,048
Depreciation expense	295,762	95,827
Taxes	92,694	21,240
Utilities	90,430	21,454
Management fees	94,575	24,000
Miscellaneous	39,766	11,192
Repairs and maintenance	38,796	7,529
Supplies	25,498	6,767
Advertising and promotion	7,995	124
Interest	6,763	-
Total Operating Expenses	1,338,698	398,181
EXCESS OF REVENUE OVER EXPENSES	\$ 48,147	\$ 354

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

	1999	1998
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 102,371	\$ 62,021
Certificates of deposit	29,812	28,587
Inventories	8,922	8,768
Due from Noremac	7,161	-
Total Current Assets	148,266	99,376
TOTAL ASSETS	\$ 148,266	\$ 99,376
LIABILITIES AND EQUITY		
Current Liabilities		
Due to Hospital	\$ 63	\$ -
Total Current Liabilities	63	-
Total Liabilities	63	-
Equity		
Retained Earnings	148,203	99,376
Total Equity	148,203	99,376
TOTAL LIABILITIES AND EQUITY	\$ 148,266	\$ 99,376

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

	1999	1998
OPERATING REVENUES		
Gift shop revenue	\$ 47,522	\$ 55,554
Donations	15,811	7,102
Other revenues	32,676	30,963
	96,009	93,619
COST OF SALES		
Gift Shop	28,493	23,689
	67,516	69,930
OPERATING EXPENSES		
Contributions	5,030	11,655
Fund raising	5,461	15,343
Miscellaneous	5,253	4,376
Professional fees	1,900	65
Taxes	3,684	347
	21,328	31,786
NON-OPERATING REVENUE		
Interest Income	2,639	2,697
	2,639	2,697
EXCESS OF REVENUE OVER EXPENSES	\$ 48,827	\$ 40,841

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

	1999	1998
NURSING REVENUES		
Revenue from daily patient services		
Medical and surgical	\$ 3,959,203	\$ 3,457,042
Intensive care	1,205,515	1,195,160
Nursery	231,614	274,113
Total Revenue from Daily Patient Services	5,396,332	4,926,315
Operating room	6,319,076	6,252,109
Delivery room	1,488,190	1,516,452
Recover room	1,543,486	1,292,973
Central supply	6,433,738	5,070,250
Emergency room	2,017,144	1,057,743
TOTAL NURSING REVENUES	\$ 23,197,966	\$ 20,115,842

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

	<u>1999</u>	<u>1998</u>
OTHER PROFESSIONAL SERVICE REVENUES		
Anesthesiology	\$ 870,222	\$ 413,069
Radiology	6,156,740	5,101,724
Laboratory	7,247,207	5,431,138
Cardiology, EKG and EEG	1,489,967	1,238,672
Physical therapy	1,222,768	1,116,291
Orthopedic	98,263	131,123
Nuclear Medicine	1,206,116	832,923
Pharmacy	7,464,435	6,998,837
Respiratory therapy	4,352,201	4,536,128
Dietary - long term care	270,363	190,320
Ambulance service	1,939,411	1,135,546
Emergency room physicians prof. fees	1,296,072	1,131,910
Occupational therapy	551,119	417,861
Home health care	2,056,064	2,134,335
Work hardening	-	25,972
Day care	369,060	378,225
Therapeutic riding	168,211	158,113
Wellness center	-	717,544
Industrial relations	123,724	167,732
Off site clinics	825,864	988,735
Transitional care unit	-	2,724,242
TOTAL OTHER PROFESSIONAL SERVICE REVENUES	\$ 37,707,807	\$ 35,970,440

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

	1999		1998
NURSING EXPENSES			
Nursing services - salaries	\$ 2,097,811	\$	2,150,818
Nursing services - administrative salaries	769,615		735,555
Nursing services - expenses	93,496		244,865
Central supply - salaries	129,636		143,010
Central supply - expense	1,354,430		1,342,809
Operating room - salaries	731,659		714,500
Operating room - expenses	705,046		512,938
Delivery room - salaries	221,354		190,307
Delivery room - expenses	85,484		84,595
Nursery - salaries	48,428		54,154
Nursery - expenses	10,733		17,489
Recovery room - salaries	122,912		122,120
Recovery room - expenses	2,693		5,113
Intensive care - salaries	658,851		621,233
Intensive care - expenses	7,894		70,975
Emergency room - salaries	888,787		764,615
Emergency room - expenses	55,217		114,343
Emergency room - professional fees	988,975		1,190,924
TOTAL NURSING EXPENSES	\$ 8,973,021	\$	9,080,363

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

	1999	1998
OTHER PROFESSIONAL SERVICE EXPENSES		
Anesthesiology - expenses	\$ 488,745	\$ 382,147
Radiology - salaries	577,628	598,347
Radiology - expenses	861,722	826,227
Laboratory - salaries	710,697	778,169
Laboratory - expenses	945,285	892,310
Cardiology, EKG and EEG - salaries	244,679	169,675
Cardiology, EKG and EEG - expenses	33,014	36,249
Physical therapy - salaries	468,317	488,141
Physical therapy - expenses	30,411	34,980
Orthopedic room - expenses	31,959	38,673
Pharmacy - salaries	304,148	339,910
Pharmacy - supplies	976,730	1,125,766
Respiratory therapy - salaries	345,861	362,996
Respiratory therapy - expenses	135,106	149,431
Ambulance service - salaries	937,178	934,752
Ambulance service - expenses	62,822	71,812
Medical records - salaries	221,882	227,692
Medical records - expenses	44,627	54,940
Nuclear Medicine - salaries	41,003	38,734
Nuclear Medicine - expenses	131,601	80,136
Ultrasound - salaries	70,890	63,490
Ultrasound - expenses	30,217	31,537
Home health care - salaries	700,226	776,440
Home health care - expenses	197,950	237,849
Work hardening - salaries	-	63,369
Work hardening - expenses	-	1,088
Day care - salaries	305,653	303,394
Day care - expenses	28,844	30,827
Occupational therapy - salaries	252,136	201,832
Occupational therapy - expenses	5,857	9,917
Off site clinic - salaries	284,919	521,157
Off site clinic - expenses	390,115	1,246,809
Wellness center - salaries	(2,215)	347,008
Wellness center - expenses	-	56,577
Therapeutic riding - salaries	67,914	65,816
Therapeutic riding - expenses	14,780	22,320
Transitional care unit - salaries	-	329,080
Transitional care unit - expenses	-	59,967
Industrial relations - salaries	13,058	-
Industrial relations - expenses	60,366	-
TOTAL OTHER PROFESSIONAL SERVICE EXPENSES	\$ 10,014,125	\$ 11,999,564

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

	1999	1998
GENERAL SERVICE EXPENSES		
Dietary - salaries	\$ 417,372	\$ 414,050
Dietary - food	318,328	318,852
Dietary - expenses	94,836	74,247
Housekeeping - salaries	262,557	253,811
Housekeeping - expenses	92,201	98,623
Laundry - salaries	90,604	88,237
Laundry - expenses	71,961	61,306
Operating and maintenance of plant - salaries	481,019	502,456
Operating and maintenance of plant - expenses	679,421	728,328
TOTAL GENERAL SERVICE EXPENSES	\$ 2,508,299	\$ 2,539,910

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

	1999	1998
FISCAL AND ADMINISTRATIVE SERVICE EXPENSES		
Administrative - salaries	\$ 1,437,374	\$ 1,489,108
Administrative - general expenses	1,993,962	1,969,705
Payroll taxes and benefits	2,554,557	2,576,951
Insurance and liability claims	129,172	291,906
Amortization of bond costs	5,827	64,738
Depreciation expense	1,536,541	1,772,909
TOTAL FISCAL AND ADMINISTRATIVE SERVICE EXPENSES	\$ 7,657,433	\$ 8,165,317

Board of Commissioners
West Calcasieu-Cameron Hospital
Sulphur, Louisiana

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data in a matter that is consistent with the assertions of management in the financial statement.

Monthly reconciliations of patient accounts receivable subsidiary ledgers were not reconciled to the general ledger totals.

Criterion: Accurate, reconciled accounts receivable subsidiary ledgers are essential in order to prepare reliable financial statement.

Condition: The Hospital has not reconciled patient accounts receivable subsidiary ledgers to the general ledger.

Effect: Adjustments were made at year-end to balance subsidiary ledgers to the general ledger.

Recommendation: We recommend the Hospital expedite efforts to reconcile monthly subsidiary ledgers to the general ledger.

Management Response: Hospital management noted they would insure proper reconciliations are performed in 2000.

We consider this deficiency in the internal control structure to be a reportable condition and a material weakness with no unadjusted impact on the financial statement.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

This report is intended for the information of the management of West Calcasieu-Cameron Hospital. However, this report is a matter of public record and its distribution is not limited.

Broussard & Company

Lake Charles, Louisiana
June 2, 2000
/dkb



Founded in 1978

BROUSSARD & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, L.L.C.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON A FINANCIAL STATEMENT AUDIT
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 general purpose financial statements of West Calcasieu-Cameron Hospital, as of and for the year ended December 31, 1999, and have issued our report thereon dated June 2, 2000.

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

Compliance with laws, regulations, contracts and grants applicable to West Calcasieu-Cameron Hospital, is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of West Calcasieu-Cameron Hospital's compliance with certain provision 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 indicate that, with respect to the items tested, West Calcasieu-Cameron Hospital complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that West Calcasieu-Cameron Hospital had not complied, in all material respects, with those provisions.

This report is intended for the information of the management of West Calcasieu-Cameron Hospital. However, this report is a matter of public record and its distribution is not limited.

Broussard & Company

Lake Charles, Louisiana
June 2, 2000
/dkb

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LAKE CHARLES OFFICE

1 Lakeshore Drive, Ste. 120, Lake Charles, Louisiana 70629
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WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedule of Findings
December 31, 1999

A. Financial Statement Items

1. Unqualified opinion on the general purpose financial statements.
2. Reportable conditions in internal control -- were disclosed by the audit of the financial statements and such conditions were considered material weaknesses.
3. No instances of noncompliance noted.

B. GAGAS Findings

1. None.

C. Prior Audit Findings

1. Not applicable.

WEST CALCASIEU-CAMERON HOSPITAL
P O BOX 2509
SULPHUR, LOUISIANA 70664

RECEIVED
LEGISLATIVE AUDITOR
00 JUN 16 AM 11:11

June 2, 2000

Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: FINANCIAL STATEMENT AUDIT FOR FYE 12/31/99

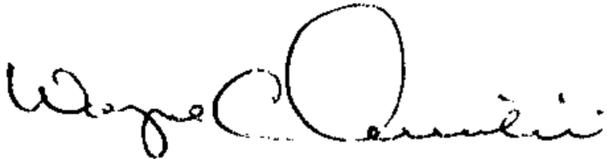
Dear Sir:

In response to the Schedule of Findings issued by our auditors, Broussard & Company, CPAs, LLC, we offer the following:

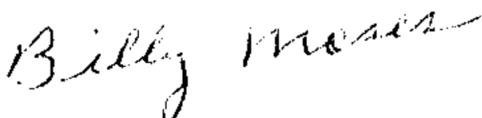
1. *Accounts Receivable Reconciliation*

The Hospital will perform on a monthly basis, a reconciliation of detailed accounts receivable reports and monthly general ledgers.

Sincerely,



WAYNE S. SWINIARSKI
CHIEF EXECUTIVE OFFICER



BILLY MOSES
BOARD CHAIRMAN