

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

The following is a summary of property, plant and equipment and related accumulated depreciation for the year ended June 30, 1996.

|                          | June 30,<br>1995    | <u>ASSET COST</u> |                   | June 30,<br>1996    |
|--------------------------|---------------------|-------------------|-------------------|---------------------|
|                          |                     | <u>Additions</u>  | <u>Deductions</u> |                     |
| Land                     | \$ 27,573           | \$ 60,779         | \$ -0-            | \$ 88,352           |
| Land improvements        | 152,513             | -0-               | -0-               | 152,513             |
| Buildings                | 1,450,226           | 536,691           | -0-               | 1,986,917           |
| Fixed equipment          | 708,309             | 45,885            | -0-               | 754,194             |
| Major moveable equipment | 2,101,772           | 275,486           | 12,666            | 2,364,592           |
| Construction in progress | <u>459,405</u>      | <u>80,092</u>     | <u>527,373</u>    | <u>12,124</u>       |
| Total                    | <u>\$ 4,899,798</u> | <u>\$ 998,933</u> | <u>\$ 540,039</u> | <u>\$ 5,358,692</u> |

|                         | June 30,<br>1995    | <u>ACCUMULATED DEPRECIATION</u> |                   | June 30,<br>1996    |
|-------------------------|---------------------|---------------------------------|-------------------|---------------------|
|                         |                     | <u>Additions</u>                | <u>Deductions</u> |                     |
| Land improvements       | \$ 84,304           | \$ 10,187                       | \$ -0-            | \$ 94,491           |
| Buildings               | 578,976             | 51,948                          | -0-               | 630,924             |
| Fixed equipment         | 527,742             | 19,524                          | -0-               | 547,266             |
| Major movable equipment | <u>1,272,939</u>    | <u>193,941</u>                  | <u>12,666</u>     | <u>1,454,214</u>    |
| Total                   | <u>\$ 2,463,961</u> | <u>\$ 275,600</u>               | <u>\$ 12,666</u>  | <u>\$ 2,726,895</u> |

The following is a summary of property, plant and equipment and related accumulated depreciation for the six month period ended June 30, 1995.

|                          | December 31,<br>1994 | <u>ASSET COST</u> |                   | June 30,<br>1995    |
|--------------------------|----------------------|-------------------|-------------------|---------------------|
|                          |                      | <u>Additions</u>  | <u>Deductions</u> |                     |
| Land                     | \$ 27,573            | \$ -0-            | \$ -0-            | \$ 27,573           |
| Land improvements        | 152,513              | -0-               | -0-               | 152,513             |
| Buildings                | 1,449,401            | 825               | -0-               | 1,450,226           |
| Fixed equipment          | 704,860              | 3,449             | -0-               | 708,309             |
| Major moveable equipment | 1,927,552            | 198,004           | 23,784            | 2,101,772           |
| Construction in progress | <u>168,505</u>       | <u>290,900</u>    | <u>-0-</u>        | <u>459,405</u>      |
| Total                    | <u>\$ 4,430,404</u>  | <u>\$ 493,178</u> | <u>\$ 23,784</u>  | <u>\$ 4,899,798</u> |

HOSPITAL SERVICE DISTRICT NO. 1  
OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
BUNKIE GENERAL HOSPITAL  
DEBT SERVICE FUND AND GENERAL LONG-TERM DEBT ACCOUNT GROUP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
AND DECEMBER 31, 1994

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Debt Service

The debt service fund was established to receive ad valorem taxes collected and to pay bonds and the interest thereon. Taxes received cannot be commingled with other funds and can be used only for the designated purpose.

General Long-Term Debt Account Group

The general long-term debt account group is a self-balancing group of accounts which includes unmatured public improvement bonds that are funded by ad valorem tax revenues.

Basis of Accounting

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within 60 days after year-end.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

Budgets

Expenditures of the debt service fund are controlled through debt service commitments. No legal budget is required for this fund.

NOTE 2 - SERIAL BONDS PAYABLE

Public Improvement Bonds dated July 1, 1969, mature serially in \$1,000 denominations on January 1st of each year with 6% interest payable on January 1st and July 1st.

At December 31, 1994, there were no outstanding bonds.

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 OTHER OPERATING REVENUE  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

|   | TWELVE<br>MONTHS<br><u>1996</u> | SIX<br>MONTHS<br><u>1995</u> | TWELVE<br>MONTHS<br><u>1994</u> |
|---|---------------------------------|------------------------------|---------------------------------|
| Administrative fees - Psychiatric Unit      | \$ -0-                          | \$ -0-                       | \$ 79,640                       |
| Maintenance and supplies - Psychiatric Unit | 43                              | 359                          | 8,639                           |
| Meals                                       | 23,896                          | 11,002                       | 66,981                          |
| Medical records transcript fees             | 6,765                           | 2,606                        | 4,720                           |
| Vending machines                            | 15,582                          | 9,481                        | 19,058                          |
| Television rental                           | -0-                             | -0-                          | 587                             |
| LHA Trust                                   | 14,118                          | 5,839                        | 13,303                          |
| Emergency Room Services Grant               | 50,714                          | -0-                          | 75,000                          |
| Rural Health Transition Grant               | 50,000                          | 25,002                       | 62,501                          |
| Primary Care Clinic Grant                   | -0-                             | -0-                          | 150,000                         |
| Miscellaneous rental                        | 51,589                          | 25,753                       | 48,362                          |
| Miscellaneous revenue                       | <u>19,828</u>                   | <u>12,241</u>                | <u>23,251</u>                   |
| Total Other Operating Revenue               | <u>\$ 232,535</u>               | <u>\$ 92,283</u>             | <u>\$ 552,042</u>               |

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOUELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT (Continued)

|                         | December 31,<br><u>1994</u> | <u>ACCUMULATED DEPRECIATION</u> |                   | June 30,<br><u>1995</u> |
|-------------------------|-----------------------------|---------------------------------|-------------------|-------------------------|
|                         |                             | <u>Additions</u>                | <u>Deductions</u> |                         |
| Land improvements       | \$ 79,204                   | \$ 5,100                        | \$ -0-            | \$ 84,304               |
| Buildings               | 556,037                     | 22,939                          | -0-               | 578,976                 |
| Fixed equipment         | 518,813                     | 8,929                           | -0-               | 527,742                 |
| Major movable equipment | <u>1,205,960</u>            | <u>90,683</u>                   | <u>23,704</u>     | <u>1,272,939</u>        |
| Total                   | <u>\$ 2,360,014</u>         | <u>\$ 127,651</u>               | <u>\$ 23,704</u>  | <u>\$ 2,463,961</u>     |

An analysis of construction contracts in progress and related commitments follows:

|  | June 30,<br><u>1996</u> | June 30,<br><u>1995</u> | December 31,<br><u>1994</u> |
|--|-------------------------|-------------------------|-----------------------------|
| Total construction and related commitments | \$ 40,567               | \$ 395,778              | \$ 480,900                  |
| Interim payments and payables              | <u>(4,179)</u>          | <u>(380,801)</u>        | <u>(137,095)</u>            |
| Balance of commitments at year end         | <u>\$ 36,388</u>        | <u>\$ 14,977</u>        | <u>\$ 343,805</u>           |

The Hospital has available up to \$200,000 for 10 years at 7% for building renovations.

The following is a summary of property, plant and equipment and related accumulated depreciation for the twelve month period ended December 31, 1994.

|                          | December 31,<br><u>1993</u> | <u>ASSET COST</u> |                   | December 31,<br><u>1994</u> |
|--------------------------|-----------------------------|-------------------|-------------------|-----------------------------|
|                          |                             | <u>Additions</u>  | <u>Deductions</u> |                             |
| Land                     | \$ 27,573                   | \$ -0-            | \$ -0-            | \$ 27,573                   |
| Land improvements        | 122,292                     | 30,221            | -0-               | 152,513                     |
| Buildings                | 1,435,957                   | 13,444            | -0-               | 1,449,401                   |
| Fixed equipment          | 701,765                     | 3,095             | -0-               | 704,860                     |
| Major movable equipment  | 1,745,649                   | 181,903           | -0-               | 1,927,552                   |
| Construction in progress | <u>-0-</u>                  | <u>168,505</u>    | <u>-0-</u>        | <u>168,505</u>              |
| Total                    | <u>\$ 4,033,236</u>         | <u>\$ 397,168</u> | <u>\$ -0-</u>     | <u>\$ 4,430,404</u>         |

HOSPITAL SERVICE DISTRICT NO. 1  
OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
BUNKIE GENERAL HOSPITAL  
HOSPITAL ENTERPRISE FUND  
NOTES TO FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
AND DECEMBER 31, 1994

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Credit Risk

The Hospital provides medical care primarily to Avoyelles Parish residents and grants credit to patients, substantially all of whom are local residents.

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

Significant Concentration of Economic Dependence

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

Third Party Cost-Based Revenues

Contractual agreements with governmental agencies provide for reimbursement based on a fixed price per patient stay based upon the patient's primary diagnosis for Medicare inpatient services. Medicare and Medicaid outpatients are reimbursed based upon the lesser of reasonable cost (subject to certain limits) or charges to patients. Until July 1, 1994, the Medicaid inpatient services were reimbursed based upon the lesser of reasonable cost (subject to certain limits) or charges to the patient. As of July 1, 1994, the program reimbursement is based upon a fixed price per stay. These reimbursements are subject to audit and retroactive adjustments by each payor.

Inventory

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

Prior Year Restatement

Certain items in prior periods have been reclassified to conform with classifications in the current period.

Income Taxes

The entity is a political subdivision and exempt from taxation.

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 OPERATING EXPENSES - OTHER PROFESSIONAL SERVICES (Continued)  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

|                      | TWELVE<br>MONTHS<br><u>1996</u> | SIX<br>MONTHS<br><u>1995</u> | TWELVE<br>MONTHS<br><u>1994</u> |
|----------------------|---------------------------------|------------------------------|---------------------------------|
| Speech therapy       |                                 |                              |                                 |
| Salaries             | \$ -0-                          | \$ -0-                       | \$ -0-                          |
| Other                | <u>-0-</u>                      | <u>-0-</u>                   | <u>1,306</u>                    |
| Total                | <u>-0-</u>                      | <u>-0-</u>                   | <u>1,306</u>                    |
| Electrocardiology    |                                 |                              |                                 |
| Salaries             | 2,246                           | 1,107                        | 2,050                           |
| Other                | <u>538</u>                      | <u>172</u>                   | <u>1,836</u>                    |
| Total                | <u>2,784</u>                    | <u>1,279</u>                 | <u>3,886</u>                    |
| Electroencephalogram |                                 |                              |                                 |
| Salaries             | -0-                             | -0-                          | -0-                             |
| Other                | <u>1,350</u>                    | <u>1,350</u>                 | <u>3,165</u>                    |
| Total                | <u>1,350</u>                    | <u>1,350</u>                 | <u>3,165</u>                    |
| Central supply       |                                 |                              |                                 |
| Salaries             | 17,177                          | 13,337                       | 19,805                          |
| Other                | <u>107,472</u>                  | <u>34,834</u>                | <u>107,259</u>                  |
| Total                | <u>124,649</u>                  | <u>48,171</u>                | <u>127,064</u>                  |
| Pharmacy             |                                 |                              |                                 |
| Salaries             | -0-                             | -0-                          | -0-                             |
| Other                | <u>267,965</u>                  | <u>155,761</u>               | <u>301,804</u>                  |
| Total                | <u>267,965</u>                  | <u>155,761</u>               | <u>301,804</u>                  |
| Emergency            |                                 |                              |                                 |
| Salaries             | 169,144                         | 67,883                       | 133,002                         |
| Other                | <u>632,894</u>                  | <u>286,552</u>               | <u>578,461</u>                  |
| Total                | <u>802,038</u>                  | <u>354,435</u>               | <u>711,463</u>                  |

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 OPERATING EXPENSES - OTHER PROFESSIONAL SERVICES  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

|                    | TWELVE<br>MONTHS<br><u>1996</u> | SIX<br>MONTHS<br><u>1995</u> | TWELVE<br>MONTHS<br><u>1994</u> |
|--------------------|---------------------------------|------------------------------|---------------------------------|
| Operating room     |                                 |                              |                                 |
| Salaries           | \$ 15,888                       | \$ 8,059                     | \$ 15,687                       |
| Other              | <u>4,348</u>                    | <u>2,022</u>                 | <u>4,511</u>                    |
| Total              | <u>20,236</u>                   | <u>10,081</u>                | <u>20,198</u>                   |
| Anesthesiology     |                                 |                              |                                 |
| Salaries           | 75,382                          | 38,286                       | 75,770                          |
| Other              | <u>8,248</u>                    | <u>2,895</u>                 | <u>8,828</u>                    |
| Total              | <u>83,630</u>                   | <u>41,181</u>                | <u>84,598</u>                   |
| Radiology          |                                 |                              |                                 |
| Salaries           | 124,837                         | 63,124                       | 115,361                         |
| Other              | <u>156,726</u>                  | <u>65,961</u>                | <u>116,869</u>                  |
| Total              | <u>281,563</u>                  | <u>129,085</u>               | <u>232,230</u>                  |
| Laboratory         |                                 |                              |                                 |
| Salaries           | 126,932                         | 54,954                       | 103,429                         |
| Other              | <u>178,302</u>                  | <u>90,072</u>                | <u>163,372</u>                  |
| Total              | <u>305,234</u>                  | <u>145,026</u>               | <u>266,801</u>                  |
| Blood bank         |                                 |                              |                                 |
| Salaries           | -0-                             | -0-                          | -0-                             |
| Other              | <u>13,046</u>                   | <u>10,446</u>                | <u>13,712</u>                   |
| Total              | <u>13,046</u>                   | <u>10,446</u>                | <u>13,712</u>                   |
| Inhalation therapy |                                 |                              |                                 |
| Salaries           | -0-                             | -0-                          | -0-                             |
| Other              | <u>161,186</u>                  | <u>80,423</u>                | <u>175,978</u>                  |
| Total              | <u>161,186</u>                  | <u>80,423</u>                | <u>175,978</u>                  |
| Physical therapy   |                                 |                              |                                 |
| Salaries           | -0-                             | -0-                          | -0-                             |
| Other              | <u>15,262</u>                   | <u>6,842</u>                 | <u>19,197</u>                   |
| Total              | <u>15,262</u>                   | <u>6,842</u>                 | <u>19,197</u>                   |

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT (Continued)

|                         | December 31,<br><u>1993</u> | <u>ACCUMULATED DEPRECIATION</u> |                   | December 31,<br><u>1994</u> |
|-------------------------|-----------------------------|---------------------------------|-------------------|-----------------------------|
|                         |                             | <u>Additions</u>                | <u>Deductions</u> |                             |
| Land improvements       | \$ 69,648                   | \$ 9,556                        | \$ -0-            | \$ 79,204                   |
| Buildings               | 510,354                     | 45,683                          | -0-               | 556,037                     |
| Fixed equipment         | 501,393                     | 17,420                          | -0-               | 518,813                     |
| Major movable equipment | <u>1,044,300</u>            | <u>161,660</u>                  | <u>-0-</u>        | <u>1,205,960</u>            |
| Total                   | \$ <u>2,125,695</u>         | \$ <u>234,319</u>               | \$ <u>-0-</u>     | \$ <u>2,360,014</u>         |

NOTE 6 - ASSETS WHOSE USE IS LIMITED

On November 12, 1968, Hospital Service District No. 1 accepted an offer from the Department of Housing and Urban Development to make a loan in order to aid in financing the construction of a new 30-bed general hospital. The indenture imposed restrictions on the hospital authority; a summary of cash restrictions follows:

All income earned from operations of the Hospital is to be deposited in the hospital operating fund. Funds are to be expensed in the following order of priority and for the following purposes.

- (1) The payment of reasonable expenses of administration, operation and maintenance of the Hospital.
- (2) A cash transfer to the Hospital Bond and Interest Sinking Fund by the 15th day of each month, sums equal to one-fifth of the interest due on the next interest payment date, plus one-tenth of the principal due on the next principal payment date. Transfer will continue until a reserve of \$24,000 has been accumulated; thereafter, cash transfers will be made as are necessary to meet the current year's debt service requirements and maintain the reserve of \$24,000.
- (3) A cash transfer to the Hospital Repair and Replacement Reserve Fund of \$125 monthly until a reserve of \$15,000 has been accumulated and maintained in such amount. The money may be withdrawn for the purpose of paying extraordinary maintenance of repairs, renewals and replacement. Should the Hospital Bond and Interest Sinking Fund be insufficient to pay a required installment, funds in the Hospital Repair and Replacement Reserve Fund will be transferred to the extent required to eliminate the deficiency.

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 OPERATING EXPENSES - NURSING SERVICE  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

|                       | TWELVE<br>MONTHS<br><u>1996</u> | SIX<br>MONTHS<br><u>1995</u> | TWELVE<br>MONTHS<br><u>1994</u> |
|-----------------------|---------------------------------|------------------------------|---------------------------------|
| Administrative        |                                 |                              |                                 |
| Salaries              | \$ 75,078                       | \$ 38,801                    | \$ 75,886                       |
| Other                 | <u>-0-</u>                      | <u>-0-</u>                   | <u>-0-</u>                      |
| Total                 | <u>75,078</u>                   | <u>38,801</u>                | <u>75,886</u>                   |
| Medical and surgical  |                                 |                              |                                 |
| Salaries              | 552,305                         | 281,504                      | 543,763                         |
| Other                 | <u>29,912</u>                   | <u>16,839</u>                | <u>29,793</u>                   |
| Total                 | <u>582,217</u>                  | <u>298,343</u>               | <u>573,556</u>                  |
| Psychiatric Unit      |                                 |                              |                                 |
| Salaries              | 544,057                         | -0-                          | -0-                             |
| Other                 | <u>502,906</u>                  | <u>906,022</u>               | <u>2,936,111</u>                |
| Total                 | <u>1,046,963</u>                | <u>906,022</u>               | <u>2,936,111</u>                |
| Total Nursing Service |                                 |                              |                                 |
| Salaries              | 1,171,440                       | 320,305                      | 619,649                         |
| Other                 | <u>532,818</u>                  | <u>922,861</u>               | <u>2,965,904</u>                |
| Total                 | <u>\$ 1,704,258</u>             | <u>\$ 1,243,166</u>          | <u>\$ 3,585,553</u>             |

Board of Commissioners  
Hospital Service District No. 1  
Parish of Avoyelles, State of Louisiana  
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This report is intended for the information of the Board of Commissioners, management and the office of the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

*Easley, Lester & Wells*  
Certified Public Accountants

November 4, 1996

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 OPERATING EXPENSES - FISCAL AND ADMINISTRATIVE  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

|   | TWELVE<br>MONTHS<br><u>1996</u> | SIX<br>MONTHS<br><u>1995</u> | TWELVE<br>MONTHS<br><u>1994</u> |
|---|---------------------------------|------------------------------|---------------------------------|
| Administrative                              |                                 |                              |                                 |
| Salaries                                    | \$ 97,708                       | \$ 30,991                    | \$ 72,571                       |
| Other                                       | <u>68,756</u>                   | <u>32,538</u>                | <u>55,620</u>                   |
| Total                                       | <u>166,464</u>                  | <u>63,529</u>                | <u>128,191</u>                  |
| Business office                             |                                 |                              |                                 |
| Salaries                                    | 304,463                         | 141,675                      | 255,526                         |
| Other                                       | <u>151,759</u>                  | <u>88,594</u>                | <u>102,524</u>                  |
| Total                                       | <u>456,222</u>                  | <u>230,269</u>               | <u>358,050</u>                  |
| Communication                               |                                 |                              |                                 |
| Salaries                                    | 11,288                          | 5,111                        | 11,373                          |
| Other                                       | <u>64,242</u>                   | <u>27,105</u>                | <u>52,932</u>                   |
| Total                                       | <u>75,530</u>                   | <u>32,216</u>                | <u>64,305</u>                   |
| Data processing                             |                                 |                              |                                 |
| Salaries                                    | -0-                             | -0-                          | -0-                             |
| Other                                       | <u>11,100</u>                   | <u>5,732</u>                 | <u>11,119</u>                   |
| Total                                       | <u>11,100</u>                   | <u>5,732</u>                 | <u>11,119</u>                   |
| Guards                                      |                                 |                              |                                 |
| Salaries                                    | 39,493                          | 13,669                       | 27,922                          |
| Other                                       | <u>864</u>                      | <u>197</u>                   | <u>193</u>                      |
| Total                                       | <u>40,357</u>                   | <u>13,866</u>                | <u>28,115</u>                   |
| Vending                                     |                                 |                              |                                 |
| Salaries                                    | -0-                             | -0-                          | -0-                             |
| Other                                       | <u>9,384</u>                    | <u>5,075</u>                 | <u>11,437</u>                   |
| Total                                       | <u>9,384</u>                    | <u>5,075</u>                 | <u>11,437</u>                   |
| Physicians office and<br>Dialysis buildings |                                 |                              |                                 |
| Salaries                                    | 1,802                           | 877                          | 3,553                           |
| Other                                       | <u>9,452</u>                    | <u>2,689</u>                 | <u>8,734</u>                    |
| Total                                       | <u>\$ 11,254</u>                | <u>\$ 3,566</u>              | <u>\$ 12,287</u>                |

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 OPERATING EXPENSES - GENERAL SERVICES  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

|                        | TWELVE<br>MONTHS<br><u>1996</u> | SIX<br>MONTHS<br><u>1995</u> | TWELVE<br>MONTHS<br><u>1994</u> |
|------------------------|---------------------------------|------------------------------|---------------------------------|
| Plant maintenance      |                                 |                              |                                 |
| Salaries               | \$ 80,177                       | \$ 38,127                    | \$ 67,917                       |
| Other                  | <u>243,801</u>                  | <u>133,135</u>               | <u>229,094</u>                  |
| Total                  | <u>323,978</u>                  | <u>171,262</u>               | <u>297,011</u>                  |
| Laundry and linen      |                                 |                              |                                 |
| Salaries               | 25,933                          | 11,131                       | 20,103                          |
| Other                  | <u>10,759</u>                   | <u>4,841</u>                 | <u>8,750</u>                    |
| Total                  | <u>36,692</u>                   | <u>15,972</u>                | <u>28,853</u>                   |
| Housekeeping           |                                 |                              |                                 |
| Salaries               | 68,525                          | 31,758                       | 64,591                          |
| Other                  | <u>12,910</u>                   | <u>7,314</u>                 | <u>13,636</u>                   |
| Total                  | <u>81,435</u>                   | <u>39,072</u>                | <u>78,227</u>                   |
| Dietary                |                                 |                              |                                 |
| Salaries               | 95,555                          | 46,052                       | 97,338                          |
| Other                  | <u>104,320</u>                  | <u>56,490</u>                | <u>106,241</u>                  |
| Total                  | <u>199,875</u>                  | <u>102,542</u>               | <u>203,579</u>                  |
| Total General Services |                                 |                              |                                 |
| Salaries               | 270,190                         | 127,068                      | 249,949                         |
| Other                  | <u>371,790</u>                  | <u>201,780</u>               | <u>357,721</u>                  |
| Total                  | <u>\$ 641,980</u>               | <u>\$ 328,848</u>            | <u>\$ 607,670</u>               |

HOSPITAL SERVICE DISTRICT NO. 1  
OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
BUNKIE GENERAL HOSPITAL  
HOSPITAL ENTERPRISE FUND  
OPERATING EXPENSES - OTHER PROFESSIONAL SERVICES (Continued)  
FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
AND DECEMBER 31, 1994

|                                   | TWELVE<br>MONTHS<br><u>1996</u> | SIX<br>MONTHS<br><u>1995</u> | TWELVE<br>MONTHS<br><u>1994</u> |
|-----------------------------------|---------------------------------|------------------------------|---------------------------------|
| Observation room                  |                                 |                              |                                 |
| Salaries                          | \$ 3,081                        | \$ 1,560                     | \$ 3,881                        |
| Other                             | <u>65</u>                       | <u>36</u>                    | <u>78</u>                       |
| Total                             | <u>3,146</u>                    | <u>1,596</u>                 | <u>3,959</u>                    |
| Medical records                   |                                 |                              |                                 |
| Salaries                          | 72,385                          | 35,499                       | 60,047                          |
| Other                             | <u>6,528</u>                    | <u>6,074</u>                 | <u>5,755</u>                    |
| Total                             | <u>78,913</u>                   | <u>41,573</u>                | <u>65,802</u>                   |
| Home health                       |                                 |                              |                                 |
| Salaries                          | 229,882                         | 109,432                      | 212,261                         |
| Other                             | <u>61,128</u>                   | <u>31,157</u>                | <u>48,195</u>                   |
| Total                             | <u>291,010</u>                  | <u>140,589</u>               | <u>260,456</u>                  |
| Clinic                            |                                 |                              |                                 |
| Salaries                          | 256,587                         | 109,061                      | 110,605                         |
| Other                             | <u>146,261</u>                  | <u>73,340</u>                | <u>56,614</u>                   |
| Total                             | <u>402,848</u>                  | <u>182,401</u>               | <u>167,219</u>                  |
| Partial Day Psychiatric Unit      |                                 |                              |                                 |
| Salaries                          | 25,883                          | -0-                          | -0-                             |
| Other                             | <u>63,689</u>                   | <u>-0-</u>                   | <u>-0-</u>                      |
| Total                             | <u>89,572</u>                   | <u>-0-</u>                   | <u>-0-</u>                      |
| Fitness Center                    |                                 |                              |                                 |
| Salaries                          | 12,150                          | 6,311                        | 14,869                          |
| Other                             | <u>803</u>                      | <u>601</u>                   | <u>1,149</u>                    |
| Total                             | <u>12,953</u>                   | <u>6,912</u>                 | <u>16,018</u>                   |
| Total Other Professional Services |                                 |                              |                                 |
| Salaries                          | 1,131,574                       | 508,613                      | 866,767                         |
| Other                             | <u>1,825,811</u>                | <u>848,538</u>               | <u>1,608,089</u>                |
| Total                             | <u>\$ 2,957,385</u>             | <u>\$ 1,357,151</u>          | <u>\$ 2,474,856</u>             |

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant and Equipment

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

|                         |                |
|-------------------------|----------------|
| Buildings               | 15 to 50 years |
| Machinery and Equipment | 3 to 20 years  |
| Furniture and Fixtures  | 5 to 20 years  |

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

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

NOTE 3 - DEPOSITS

Included in cash and cash equivalents and assets whose use is limited are cash on hand, deposits with the depository banks for money market accounts, checking accounts and certificates of deposits, which were secured at the balance sheet dates by federal depository insurance coverage and by pledged securities. For all deposits, the market value and carrying value are the same.

|                         | JUNE 30,<br><u>1996</u> | JUNE 30,<br><u>1995</u> | DECEMBER 31,<br><u>1994</u> |
|-------------------------|-------------------------|-------------------------|-----------------------------|
| Petty Cash              | \$ 1,250                | \$ 950                  | \$ 950                      |
| Checking Accounts       | 137,879                 | 713,548                 | 452,031                     |
| Money Market Accounts   | 273,392                 | 661,027                 | 924,819                     |
| Certificates of Deposit | 605,941                 | 1,756,941               | 340,023                     |
| LHA Trust Deposits      | <u>39,758</u>           | <u>25,640</u>           | <u>33,568</u>               |
|                         | <u>\$ 1,058,220</u>     | <u>\$ 3,158,106</u>     | <u>\$ 1,751,391</u>         |

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

NOTE 4 - ACCOUNTS RECEIVABLE

A summary of accounts receivable is presented below:

|  | JUNE 30,<br><u>1996</u> | JUNE 30,<br><u>1995</u> | DECEMBER 31,<br><u>1994</u> |
|--|-------------------------|-------------------------|-----------------------------|
| Net patient accounts receivable                                  | \$ 3,063,269            | \$ 1,697,442            | \$ 1,579,303                |
| Due from (to) governmental third party<br>reimbursement programs | 651,598                 | (130,706)               | 994,266                     |
| Other receivables  | <u>85,757</u>           | <u>127,652</u>          | <u>216,278</u>              |
|  | 3,800,624               | 1,694,388               | 2,789,847                   |
| Estimated uncollectibles   | <u>(1,514,647)</u>      | <u>(518,500)</u>        | <u>(474,000)</u>            |
| <br>Total  | <br><u>\$ 2,285,977</u> | <br><u>\$ 1,175,888</u> | <br><u>\$ 2,315,847</u>     |

The Hospital receives a substantial portion of its charges and net revenues from the Medicare and Medicaid programs as presented below:

|   | JUNE 30,<br><u>1996</u> | JUNE 30,<br><u>1995</u> | DECEMBER 31,<br><u>1994</u> |
|---|-------------------------|-------------------------|-----------------------------|
| Medicare and Medicaid gross patient<br>charges                        | \$ 8,098,832            | \$ 4,469,873            | \$ 10,023,534               |
| Contractual adjustments, reduced by<br>disproportionate share amounts | <u>(2,143,095)</u>      | <u>(507,492)</u>        | <u>(2,227,115)</u>          |
| <br>Net Patient Service Revenue                                       | <br><u>\$ 5,955,737</u> | <br><u>\$ 3,962,381</u> | <br><u>\$ 7,796,419</u>     |
| <br>Percent of Total Net Patient Revenues                             | <br><u>77%</u>          | <br><u>82%</u>          | <br><u>83%</u>              |

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

NOTE 18 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Accounts payable and accrued expenses: The carrying amount reported in the balance sheet for accounts payable and accrued expenses approximates its fair value.

Estimated third-party payor settlements: The carrying amount reported in the balance sheet for estimated third-party payor settlements approximates fair value.

Long-term debt: Fair values of the Hospital's revenue bonds are based on current traded value. The fair value of the Hospital's remaining long-term debt is estimated using discounted cash flow analysis, based on the Hospital's current incremental borrowing rates for similar types of borrowing arrangements.

The carrying amounts and fair values of the Hospital's financial instruments at June 30, 1996, are as follows:

|   | <u>Carrying</u> | <u>1996</u> | <u>Fair</u>  |
|---|-----------------|-------------|--------------|
|   | <u>Amount</u>   |             | <u>Value</u> |
| Cash and cash equivalents               | \$ 411,548      | \$          | 411,548      |
| Investments                             | 505,425         |             | 505,425      |
| Assets limited as to use                | 141,247         |             | 141,247      |
| Accounts payable and accrued expenses   | 460,086         |             | 460,086      |
| Estimated third-party payor settlements | 651,598         |             | 651,598      |
| Long-term debt                          | 400,320         |             | 468,405      |

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOUELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

NOTE 16 - RETIREMENT PROGRAM

Employees have available retirement coverage through an employee funded defined contribution plan. Beginning June 1, 1993, the Board began making semi-annual determinations as to how much the Hospital will contribute to an additional plan for full-time employees who work 64 or more hours per pay period. Each employee will be required to contribute a minimum of 3% of their base pay toward the program. Employees will become 100% vested in the Hospital's contributions after three full years of employment. The Hospital did not make a contribution to the retirement program in 1996.

|                                   |              |
|-----------------------------------|--------------|
| Total payroll                     | \$ 3,027,958 |
| Total covered payroll             | 1,733,947    |
| Employee contributions            | 120,243      |
| Employer contributions            | -0-          |
| <br>                              |              |
| Percentage employee contributions | 6.9%         |
| Percentage employer contributions | 0%           |

NOTE 17 - AD VALOREM TAXES

The District levies real estate taxes on all real property on a calendar year basis, at a rate enacted by the Board of Commissioners as recommended by the local tax assessor. Property taxes are collected through the local sheriff and remitted, net of collection fees, to the District. The sheriff's office is responsible for collection, including establishing lien, levy and due dates of property taxes.

NOTE 18 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Hospital in estimating the fair value of its financial statements.

Cash and cash equivalents: The carrying amount reported in the balance sheet for cash and cash equivalents approximates its fair value.

Investments: Fair values, which are the amounts reported in the balance sheet, are based on quoted market prices, if available, or estimated using quoted market prices for similar securities.

Assets limited as to use: These assets consist of cash in the form of demand deposit balances. The carrying amount reported in the balance sheet is fair value.

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 NET PATIENT SERVICE REVENUE  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

|   | TWELVE<br>MONTHS<br><u>1996</u> | SIX<br>MONTHS<br><u>1995</u> | TWELVE<br>MONTHS<br><u>1994</u> |
|---|---------------------------------|------------------------------|---------------------------------|
| Routine Services                        |                                 |                              |                                 |
| Adult and pediatric                     | \$ 520,403                      | \$ 341,523                   | \$ 729,073                      |
| Psychiatric unit                        | 3,035,227                       | 1,485,685                    | 4,261,172                       |
| Swing-bed                               | <u>68,017</u>                   | <u>48,854</u>                | <u>77,750</u>                   |
| Total Routine Services                  | <u>3,623,647</u>                | <u>1,876,062</u>             | <u>5,067,995</u>                |
| Other Professional Services             |                                 |                              |                                 |
| Operating room                          | 58,753                          | 34,083                       | 102,825                         |
| Recovery room                           | 7,920                           | 3,740                        | 18,590                          |
| Anesthesia                              | 53,240                          | 24,265                       | 90,085                          |
| Radiology                               | 941,751                         | 462,646                      | 952,457                         |
| Laboratory                              | 1,385,480                       | 747,820                      | 1,467,262                       |
| Blood                                   | 19,374                          | 12,176                       | 22,189                          |
| Inhalation therapy                      | 392,446                         | 255,543                      | 484,454                         |
| Physical therapy                        | 25,301                          | 10,750                       | 29,735                          |
| Speech therapy                          | -0-                             | 140                          | 2,800                           |
| Electrocardiology                       | 122,050                         | 59,630                       | 117,510                         |
| Electroencephalogram                    | 2,703                           | 1,431                        | 3,816                           |
| Telemetry                               | 64,585                          | 38,030                       | 69,050                          |
| Central supply                          | 288,316                         | 163,055                      | 376,458                         |
| Intravenous therapy                     | 199,270                         | 106,544                      | 216,687                         |
| Pharmacy                                | 883,258                         | 505,911                      | 988,121                         |
| Emergency room                          | 573,270                         | 258,960                      | 500,693                         |
| Emergency room physician                | 676,387                         | 312,317                      | 591,355                         |
| Observation room                        | 40,550                          | 16,510                       | 46,420                          |
| Dialysis treatment                      | 3,560                           | -0-                          | 4,450                           |
| Home health visits                      | 694,960                         | 381,430                      | 700,420                         |
| Clinic                                  | 406,942                         | 204,333                      | 150,834                         |
| Partial day psychiatric unit            | <u>35,995</u>                   | <u>-0-</u>                   | <u>-0-</u>                      |
| Total Other Professional Services       | <u>6,876,111</u>                | <u>3,599,314</u>             | <u>6,936,211</u>                |
| Total Patient Service Revenues          | <u>10,499,758</u>               | <u>5,475,376</u>             | <u>12,004,206</u>               |
| Contractual adjustments                 | (2,575,202)                     | (1,781,804)                  | (4,969,978)                     |
| Discounts                               | (14,431)                        | (41,865)                     | (48,469)                        |
| Disproportionate Share Payment-Medicaid | 388,086                         | 1,557,044                    | 2,742,863                       |
| Charity care                            | <u>(579,703)</u>                | <u>(356,212)</u>             | <u>(388,455)</u>                |
| Total Allowances                        | <u>(2,781,250)</u>              | <u>(622,837)</u>             | <u>(2,664,039)</u>              |
| Net Patient Service Revenues            | <u>\$ 7,718,508</u>             | <u>\$ 4,852,539</u>          | <u>\$ 9,340,167</u>             |

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 STATEMENTS OF GENERAL LONG-TERM DEBT  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

|  | TWELVE<br>MONTHS<br><u>1996</u> | SIX<br>MONTHS<br><u>1995</u> | TWELVE<br>MONTHS<br><u>1994</u> |
|--|---------------------------------|------------------------------|---------------------------------|
| <u>AMOUNT AVAILABLE AND TO BE PROVIDED FOR<br/>PAYMENT OF GENERAL LONG-TERM DEBT</u> |                                 |                              |                                 |
| Serial Bonds   |                                 |                              |                                 |
| Amount available in Debt Service Fund  | \$ -0-                          | \$ -0-                       | \$ -0-                          |
| Amount to be provided (in excess)  | <u>-0-</u>                      | <u>-0-</u>                   | <u>-0-</u>                      |
| Total  | <u>\$ -0-</u>                   | <u>\$ -0-</u>                | <u>\$ -0-</u>                   |
| <br><u>GENERAL LONG-TERM DEBT PAYABLE</u>  |                                 |                              |                                 |
| Serial Bonds Payable   | <u>\$ -0-</u>                   | <u>\$ -0-</u>                | <u>\$ -0-</u>                   |

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

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

NOTE 6 - ASSETS WHOSE USE IS LIMITED (Continued)

It is the contention of management that the accounting requirements of the revenue bond issue were met.

Pursuant to a resolution by the Board of Directors of the Hospital on January 18, 1973, a board-designated plant fund was established to be utilized for replacement of existing capital assets and the purchase of new capital assets. Those limited use funds described above contained the investments and accrued interest at June 30, 1996 and 1995, and December 31, 1994, as follows:

|  | June 30,<br><u>1996</u> | June 30,<br><u>1995</u> | December 31,<br><u>1994</u> |
|--|-------------------------|-------------------------|-----------------------------|
| <u>By Bond Indenture</u>                     |                         |                         |                             |
| Hospital bond and interest sinking fund      | \$ 56,987               | \$ 53,869               | \$ 46,721                   |
| Hospital repair and replacement reserve fund | 28,352                  | 27,124                  | 26,420                      |
| <u>By Board</u>                              |                         |                         |                             |
| Plant fund                                   | 973                     | 1,838                   | 7,401                       |
| Dialysis building fund                       | 15,177                  | 14,545                  | 14,171                      |
| LHA Trust deposits                           | <u>39,758</u>           | <u>25,640</u>           | <u>33,568</u>               |
| Noncurrent assets whose use is limited       | \$ <u>141,247</u>       | \$ <u>123,016</u>       | \$ <u>128,281</u>           |

NOTE 7 - ACCRUED EXPENSES

A summary of accrued expenses follows:

|                      | June 30,<br><u>1996</u> | June 30,<br><u>1995</u> | December 31,<br><u>1994</u> |
|----------------------|-------------------------|-------------------------|-----------------------------|
| Salaries             | \$ 57,118               | \$ 36,051               | \$ 39,555                   |
| Payroll taxes        | 4,255                   | (476)                   | 2,649                       |
| Interest             | 1,967                   | 2,394                   | 3,669                       |
| Compensated absences | <u>118,438</u>          | <u>96,553</u>           | <u>93,294</u>               |
| Total                | \$ <u>181,778</u>       | \$ <u>134,522</u>       | \$ <u>139,167</u>           |

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 STATEMENTS OF CASH FLOWS  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

|  | TWELVE<br>MONTHS<br><u>1996</u> | SIX<br>MONTHS<br><u>1995</u> | TWELVE<br>MONTHS<br><u>1994</u> |
|--|---------------------------------|------------------------------|---------------------------------|
| Cash Flows from Operating and Nonoperating Activities:                 |                                 |                              |                                 |
| Excess revenues (expenses)   | \$ (225,549)                    | \$ 1,012,966                 | \$ 1,588,786                    |
| Adjustments to reconcile net income to net cash provided by operations |                                 |                              |                                 |
| Noncash items included in net income                                   |                                 |                              |                                 |
| Depreciation   | 275,599                         | 127,651                      | 234,319                         |
| (Gain) loss on disposal of assets                                      | (3,910)                         | (1,371)                      | -0-                             |
| Amortization of start up costs   | 4,553                           | 2,277                        | 2,277                           |
| Interest income  | (88,164)                        | (27,677)                     | (42,871)                        |
| Interest expense - capital related                                     | 27,175                          | 17,082                       | 37,630                          |
| Change in current assets (increase) decrease                           |                                 |                              |                                 |
| Cash investments   | 1,155,979                       | (1,408,693)                  | (252,711)                       |
| Accounts receivable (net)  | (1,110,089)                     | 1,139,959                    | (897,331)                       |
| Inventory  | 8,006                           | (429)                        | (11,637)                        |
| Prepaid expenses   | (7,505)                         | 12,953                       | (44,331)                        |
| Change in current liabilities increase (decrease)                      |                                 |                              |                                 |
| Accounts payable   | (214,948)                       | (361,833)                    | 402,508                         |
| Accrued expenses   | 47,256                          | (4,645)                      | 27,748                          |
| Unearned revenues  | (241,075)                       | (40,541)                     | 282,001                         |
| (Increase) decrease in deposits  | -0-                             | -0-                          | -0-                             |
| Increase (decrease) in long-term unearned revenues                     | <u>1,055</u>                    | <u>(255)</u>                 | <u>(1,435)</u>                  |
| Net cash flow from operating and nonoperating activities               | <u>(371,617)</u>                | <u>467,444</u>               | <u>1,324,953</u>                |
| Cash Flows from Investing Activities:                                  |                                 |                              |                                 |
| Interest income  | 88,164                          | 27,677                       | 42,871                          |
| Start up costs - clinic  | <u>-0-</u>                      | <u>-0-</u>                   | <u>(22,769)</u>                 |
| Net cash flow from investing activities                                | <u>88,164</u>                   | <u>27,677</u>                | <u>20,102</u>                   |
| Cash Flows from Non-Capital Financing Activities:                      |                                 |                              |                                 |
| Residual equity transfer from other funds                              | \$ <u>-0-</u>                   | \$ <u>32</u>                 | \$ <u>41,813</u>                |

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

HOSPITAL SERVICE DISTRICT NO. 1  
OF THE PARISH OF AVOUELLES, STATE OF LOUISIANA  
BUNKIE GENERAL HOSPITAL  
HOSPITAL ENTERPRISE FUND  
NOTES TO FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
AND DECEMBER 31, 1994

NOTE 12 - PROFESSIONAL LIABILITY RISK (Continued)

The Hospital's membership in the Louisiana Hospital Association Trust Fund provides additional coverage for professional medical malpractice liability and worker's compensation. The trust fund bills members in advance, based upon an estimate of their exposure. At policy year-end, premiums are re-determined utilizing actual losses of the Hospital. The trust fund presumes to be a "Grantor Trust" and, accordingly, income and expenses are prorated to member hospitals. The Hospital has only included these allocations or equity amounts assigned to the Hospital by the trust fund in its financial statements.

NOTE 13 - CHARITY CARE

The Hospital has a policy of providing charity care to patients who can prove they are indigent. Charity care charges were \$579,703, \$356,212 and \$388,455 for the respective fiscal periods ended June 30, 1996 and 1995, and December 1994.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

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

The principal contingencies are described below:

Governmental Third Party Reimbursement Programs (Note 4) - The Hospital is contingently liable for retroactive adjustments made by the Medicare and Medicaid programs as the result of their examinations, as well as, retroactive changes in interpretations applying statutes, regulations and general instructions of those programs. The amount of such adjustments cannot be determined.

Further, in order to continue receiving reimbursement from the Medicare programs, the Hospital entered into an agreement with a government agent allowing the agent access to the Hospital's Medicare patient medical records for purposes of making medical necessity and appropriate level of care determinations.

The agent has the ability to deny reimbursement for Medicare patient claims which have already been paid to the Hospital.

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

NOTE 10 - LEASES (Continued)

The leases on the coulter counter, Vision Spectrum and spectrum analyzer expired and the Hospital received title to this equipment. Minimum future lease payments under capital leases as of June 30, 1996, and for each subsequent year in aggregate are provided below:

| <u>Years Ending June 30</u>         | <u>Amount</u>    |
|-------------------------------------|------------------|
| 1997                                | \$ 45,830        |
| 1998                                | 13,660           |
| 1999                                | 13,660           |
| 2000                                | <u>4,553</u>     |
| Total minimum lease payments        | 77,703           |
| Less: Amounts representing interest | <u>5,525</u>     |
| Net minimum lease payments          | <u>\$ 72,178</u> |

The Hospital leases various medical equipment under operating lease agreements expiring in various years through 2000.

NOTE 11 - COMPENSATED ABSENCES

Employees of the Hospital are entitled to paid days off and sick days depending on length of service. The Hospital charged operations during the periods ended June 30, 1996 and 1995, and December 31, 1994, for accrued paid days off and vested sick pay of \$118,428, \$96,553, and \$93,284, respectively. It is impracticable to estimate the amount of compensation for future unvested sick pay and, accordingly, no liability has been recorded in the accompanying financial statements. The Hospital's policy is to recognize the cost of unvested sick pay when actually paid to employees.

NOTE 12 - PROFESSIONAL LIABILITY RISK

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

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

NOTE 9 - LONG-TERM DEBT (Continued)

A table of annual debt service requirements follows:

| <u>Years Ending December 31,</u> | <u>Revenue</u><br><u>Bond</u> | <u>Notes and</u><br><u>Leases</u> |
|----------------------------------|-------------------------------|-----------------------------------|
| 1997                             | \$ 26,281                     | \$ 131,331                        |
| 1998                             | 25,569                        | 13,660                            |
| 1999                             | 24,856                        | 13,660                            |
| 2000                             | 24,144                        | 4,553                             |
| 2001                             | 23,431                        |                                   |
| 2002                             | 22,719                        |                                   |
| 2003                             | 22,006                        |                                   |
| 2004                             | 21,294                        |                                   |
| 2005                             | 25,462                        |                                   |
| 2006                             | 24,513                        |                                   |
| 2007                             | 23,562                        |                                   |
| 2008                             | 22,613                        |                                   |
| 2009                             | 21,662                        |                                   |
| 2010                             | <u>25,594</u>                 |                                   |
| Total                            | <u>\$ 333,706</u>             | <u>\$ 163,204</u>                 |

NOTE 10 - LEASES

The Hospital is the lessee of various equipment under capital leases expiring in various years through 2000. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are depreciated over their estimated productive lives, as Medicare rules mandate. Depreciation of assets under capital leases is included in depreciation expense for the periods ended June 30, 1996 and 1995, and December 31, 1994. Following is a summary of property held under capital leases:

|                                | June 30,<br><u>1996</u> | June 30,<br><u>1995</u> | December 31,<br><u>1994</u> |
|--------------------------------|-------------------------|-------------------------|-----------------------------|
| Vision Spectrum                | \$ -0-                  | \$ -0-                  | \$ 2,930                    |
| AT&T phones                    | 56,496                  | 56,496                  | 56,496                      |
| Coulter counter                | -0-                     | 29,000                  | 29,000                      |
| Spectrum analyzer              | -0-                     | -0-                     | -0-                         |
| Patient beds                   | <u>117,433</u>          | <u>117,433</u>          | <u>-0-</u>                  |
|                                | 173,929                 | 202,929                 | 88,426                      |
| Less: Accumulated depreciation | <u>(22,119)</u>         | <u>(14,279)</u>         | <u>(5,799)</u>              |
|                                | <u>\$ 151,810</u>       | <u>\$ 188,650</u>       | <u>\$ 82,627</u>            |

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOUELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

NOTE 9 - LONG-TERM DEBT (Continued)

|   | June 30,<br><u>1996</u> | June 30,<br><u>1995</u> | December 31,<br><u>1994</u> |
|---|-------------------------|-------------------------|-----------------------------|
| Lease purchase obligation to Hill Rom for patient beds was made on March 15, 1995, with a maturity date March 15, 1997, calls for monthly payments of \$3,701, which includes principal and interest of 2% per annum.   | \$ 33,033               | \$ 76,314               | \$ -0-                      |
| Lease purchase obligation to AT&T for phone system was made on September 14, 1994 with a maturity date of November 2, 1999, calls for monthly payments of \$1,138.30, which includes principal and interest at 7.7317% per annum. Secured by phone system with a book value of \$46,609 at June 30, 1996. | 39,144                  | 50,161                  | 54,943                      |
| Lease purchase obligation to Citicorp North America was acquired in July, 1994 with maturity date of June 2, 1995 calls for monthly payments of \$275.52 which includes interest at 7.9% per annum. Secured by Vision Spectrum with a book value of \$2,686 at December 31, 1994.                         | <u>-0-</u>              | <u>-0-</u>              | <u>1,638</u>                |
| Total notes and capital leases payable  | 155,320                 | 310,950                 | 299,272                     |
| Less current maturities   | <u>(126,242)</u>        | <u>(160,331)</u>        | <u>(113,689)</u>            |
| Notes and capital leases payable  | <u>\$ 29,078</u>        | <u>\$ 150,619</u>       | <u>\$ 185,583</u>           |
| Revenue bonds issued on November 1, 1968, in the amount of \$420,000 (\$5,000 denominations), with annual maturity dates of November 1, and final maturity date November 1, 2009. Interest coupons with a rate of 4.75% are payable semi-annually on May 1st and November 1st.                            | \$ 245,000              | \$ 255,000              | \$ 255,000                  |
| Less current maturities   | <u>(15,000)</u>         | <u>(10,000)</u>         | <u>(10,000)</u>             |
| Long-term revenue bonds   | <u>230,000</u>          | <u>245,000</u>          | <u>245,000</u>              |
| Long-term debt  | <u>\$ 259,078</u>       | <u>\$ 395,619</u>       | <u>\$ 430,583</u>           |

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOUELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

NOTE 9 - LONG-TERM DEBT (Continued)

|   | June 30,<br><u>1996</u> | June 30,<br><u>1995</u> | December 31,<br><u>1994</u> |
|---|-------------------------|-------------------------|-----------------------------|
| Note payable to Bunkie Bank & Trust Co. for ultrasound machine was made on July 7, 1993 with a maturity date of August 1, 1998, and calls for monthly payments of \$1,928.60, which includes principal and interest at 8% per annum. The note is secured by an ultrasound machine.  | \$ -0-                  | \$ 47,913               | \$ 65,042                   |
| Note payable to Bunkie Bank & Trust Co. for X-Ray machine and computer was made on September 14, 1992, with a maturity date of September 15, 1997, and calls for monthly payments of \$3,042 which includes principal and interest at 8.0% per annum.   | -0-                     | 56,732                  | 81,053                      |
| Note payable to American Security Bank that replaced the above 3 listed notes to Bunkie Bank & Trust Co. It is dated April 1, 1996, with a maturity date of April 1, 1997, and calls for monthly payments of \$9,500, which includes principal and interest at 6.5% per annum. The note is secured by one GE DXS-650 II X-Ray machine and one ultrasound machine. | 83,143                  | -0-                     | -0-                         |
| Lease purchase obligation to Baxter Scientific for coulter counter was made on June 23, 1993, with a maturity date of July 22, 1996, calls for monthly payments of \$869.13, which includes principal and interest of 4.998% per annum.   | -0-                     | 10,976                  | 15,845                      |

SUPPLEMENTAL INFORMATION

HOSPITAL SERVICE DISTRICT NO. 1  
OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
BUNKIE GENERAL HOSPITAL  
HOSPITAL ENTERPRISE FUND  
NOTES TO FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
AND DECEMBER 31, 1994

NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)

Professional Liability Risk (Note 12) - The Hospital is contingently liable for losses from professional liability not underwritten by the Louisiana Patient's Compensation Fund or the Louisiana Hospital Association Trust Fund.

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

Medical Benefits Trust - The Hospital maintains a medical benefits trust. The Hospital and employees contribute on a 50/50 basis amounts required to cover the health benefits cost of the employees. Employees with more than 90 days of service can participate.

The trust pays all claims from funds provided from the Hospital. The trust agreement provides that should it not have sufficient funds to cover its obligations, the Hospital is obligated to fund the shortfall. The Hospital purchases "excess" insurance coverage that provides for payment of individual claims in excess of \$12,500 or aggregate annual claims in excess of \$515,600.

Litigation and Other Matters - Various claims in the ordinary course of business are pending against the Hospital. In the opinion of management and counsel, insurance is sufficient to cover adverse legal determinations in those cases where a liability can be measured.

The Hospital has a line of credit of \$400,000 at 6% for use in operations, if needed, until March 1, 1997. Any use of available funds will be secured by excess revenues.

NOTE 15 - VOLUNTARY HOSPITALS OF AMERICA - GULF STATES ("VHA")

As a member of the VHA, the Hospital has committed to fund a percentage of the corporation's operating budget annually. The Hospital purchases medical-surgical supplies for use in hospital operations. The Hospital's current commitment is an annual minimum of \$2,000 per occupied bed.

HOSPITAL SERVICE DISTRICT NO. 1  
OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
BUNKIE GENERAL HOSPITAL  
SPECIFIC PURPOSE FUND  
NOTES TO FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
AND DECEMBER 31, 1994

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Specific Purpose Fund

The Specific Purpose Fund was established to account for proceeds of grant funds. The Hospital received a Primary Care Clinic Grant of \$150,000 from the State of Louisiana during fiscal year ending December 31, 1993. The funds are being used for the establishment, expansion and/or enhancement of primary care health clinics to serve indigent and low-income persons.

The Hospital also received a Rural Health Care Transition Grant of \$27,500 from the Federal government during fiscal year ended December 31, 1994. The funds are being used to develop health services in under-served or unserved areas of Louisiana.

Method of Accounting

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

NOTE 2 - CHECKING ACCOUNT

The interest bearing checking account at December 31, 1994, with the depository bank is secured at the balance sheet date by federal depository insurance coverage and by pledged securities.

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Hospital Service District No. 1  
Parish of Avoyelles, State of Louisiana  
Bunkie, Louisiana

We have audited the accompanying general purpose financial statements of the various funds and account group of Hospital Service District No. 1, Parish of Avoyelles, dba Bunkie General Hospital (the Hospital), a component unit of the Avoyelles Parish Police Jury, as of the year ended June 30, 1996, six months ended June 30, 1995, and year ended December 31, 1994, listed in the foregoing table of contents. These financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hospital Service District No. 1, Parish of Avoyelles, dba Bunkie General Hospital, as of the year ended June 30, 1996, six months ended June 30, 1995 and year ended December 31, 1994, and the results of its operations and its enterprise fund cash flow for the periods then ended, in conformity with generally accepted accounting principles applicable to governmental entities.

In accordance with Governmental Auditing Standards, we have also issued a report dated November 4, 1996, on our consideration of the Hospital's internal control structure and a report dated November 4, 1996, on its compliance with laws and regulations.

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HOSPITAL SERVICE DISTRICT NO. 1  
OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
BUNKIE GENERAL HOSPITAL  
HOSPITAL ENTERPRISE FUND  
FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
AND DECEMBER 31, 1994

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in Accordance with GOVERNMENT AUDITING STANDARDS Issued by GAO

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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.

HOSPITAL SERVICE DISTRICT NO. 1  
OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
BUNKIE GENERAL HOSPITAL  
HOSPITAL ENTERPRISE FUND  
BALANCE SHEETS  
JUNE 30, 1996 AND 1995, AND DECEMBER 31, 1994

| <u>ASSETS</u>                                   | JUNE 30,<br><u>1996</u> | JUNE 30,<br><u>1995</u> | DECEMBER 31,<br><u>1994</u> |
|---|-------------------------|-------------------------|-----------------------------|
| Current   |                         |                         |                             |
| Cash and cash equivalents                       | \$ 411,548              | \$ 1,373,686            | \$ 1,370,399                |
| Cash investments                                | 505,425                 | 1,661,404               | 252,711                     |
| Accounts receivable (Note 4)                    | 2,285,977               | 1,175,888               | 2,315,847                   |
| Inventory                                       | 166,797                 | 174,803                 | 174,374                     |
| Prepaid expenses                                | <u>108,763</u>          | <u>101,258</u>          | <u>114,211</u>              |
| Total Current Assets                            | 3,478,510               | 4,487,039               | 4,227,542                   |
| Property, plant and equipment (Note 5)          | 2,631,797               | 2,435,837               | 2,070,390                   |
| Other   |                         |                         |                             |
| Assets whose use is limited (Note 6)            | 141,247                 | 123,016                 | 128,281                     |
| Deposits  | 50                      | 50                      | 50                          |
| Start-up costs - clinic                         | <u>13,662</u>           | <u>18,215</u>           | <u>20,492</u>               |
| Total Assets                                    | <u>\$ 6,265,266</u>     | <u>\$ 7,064,157</u>     | <u>\$ 6,446,755</u>         |
| <u>LIABILITIES AND FUND BALANCE</u>             |                         |                         |                             |
| Current   |                         |                         |                             |
| Accounts payable                                | \$ 278,308              | \$ 493,256              | \$ 855,089                  |
| Accrued expenses (Note 7)                       | 181,778                 | 134,522                 | 139,167                     |
| Unearned revenues (Note 8)                      | 3,875                   | 244,950                 | 285,491                     |
| Current installments of long-term debt          | <u>141,242</u>          | <u>170,331</u>          | <u>123,689</u>              |
| Total Current Liabilities                       | <u>605,203</u>          | <u>1,043,059</u>        | <u>1,403,436</u>            |
| Long-Term                                       |                         |                         |                             |
| Unearned revenues                               | 1,200                   | 145                     | 400                         |
| Notes and capital lease obligations<br>(Note 9) | 29,078                  | 150,619                 | 185,583                     |
| Revenue bonds payable                           | <u>230,000</u>          | <u>245,000</u>          | <u>245,000</u>              |
| Total Long-Term Liabilities                     | <u>260,278</u>          | <u>395,764</u>          | <u>430,983</u>              |
| Total Liabilities                               | 865,481                 | 1,438,823               | 1,834,419                   |
| Fund Balance                                    | <u>5,399,785</u>        | <u>5,625,334</u>        | <u>4,612,336</u>            |
| Total Liabilities and Fund Balance              | <u>\$ 6,265,266</u>     | <u>\$ 7,064,157</u>     | <u>\$ 6,446,755</u>         |

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

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 STATEMENTS OF REVENUES AND EXPENSES  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

|                                       | TWELVE<br>MONTHS<br><u>1996</u> | SIX<br>MONTHS<br><u>1995</u> | TWELVE<br>MONTHS<br><u>1994</u> |
|---------------------------------------|---------------------------------|------------------------------|---------------------------------|
| Net Patient Service Revenue           | \$ 7,718,508                    | \$ 4,852,539                 | \$ 9,340,167                    |
| Other Operating Revenue               | <u>232,535</u>                  | <u>92,283</u>                | <u>552,042</u>                  |
| Total Operating Revenue               | <u>7,951,043</u>                | <u>4,944,822</u>             | <u>9,892,209</u>                |
| Operating Expenses                    |                                 |                              |                                 |
| Nursing services                      | 1,704,258                       | 1,243,166                    | 3,585,553                       |
| Other professional services           | 2,957,385                       | 1,357,151                    | 2,474,856                       |
| General services                      | 641,980                         | 328,848                      | 607,670                         |
| Fiscal and administrative             | 804,440                         | 369,187                      | 636,678                         |
| Employee benefits                     | 418,240                         | 279,676                      | 416,540                         |
| Insurance                             | 131,211                         | 69,373                       | 87,127                          |
| Interest expense                      | 27,175                          | 17,082                       | 37,630                          |
| Depreciation and amortization expense | 280,153                         | 129,928                      | 236,596                         |
| Provision for bad debts               | <u>1,364,711</u>                | <u>173,702</u>               | <u>331,599</u>                  |
| Total Operating Expenses              | <u>8,329,553</u>                | <u>3,968,113</u>             | <u>8,414,249</u>                |
| Profit (Loss) From Operations         | <u>(378,510)</u>                | <u>976,709</u>               | <u>1,477,960</u>                |
| Nonoperating Gains (Losses)           |                                 |                              |                                 |
| Interest income                       | 88,164                          | 27,677                       | 42,871                          |
| Contributions                         | 1,680                           | 1,320                        | 1,487                           |
| Ad valorem taxes                      | 59,207                          | 5,889                        | 66,468                          |
| Disposal of equipment                 | <u>3,910</u>                    | <u>1,371</u>                 | <u>-0-</u>                      |
| Total Nonoperating Revenue            | <u>152,961</u>                  | <u>36,257</u>                | <u>110,826</u>                  |
| Excess Revenues (Expenses)            | \$ <u>(225,549)</u>             | \$ <u>1,012,966</u>          | \$ <u>1,588,786</u>             |

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

HOSPITAL SERVICE DISTRICT NO. 1  
OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
BUNKIE GENERAL HOSPITAL  
HOSPITAL ENTERPRISE FUND  
NOTES TO FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
AND DECEMBER 31, 1994

NOTE 1 - ORGANIZATION AND OPERATIONS

Legal Organization

The Avoyelles Parish Hospital Service District (the "Hospital" or the "District") was created by an ordinance of the Avoyelles Parish Police Jury on February 14, 1968.

As the governing authority of the parish, for reporting purposes, the Avoyelles Parish Police Jury is the financial reporting entity for Avoyelles Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Avoyelles Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints all commissioners of the Avoyelles Parish Hospital Service District, the District was determined to be a component unit of the Avoyelles Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 SPECIFIC PURPOSE FUND  
 STATEMENTS OF CHANGES IN FUND BALANCE  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

|                            |                      |
|----------------------------|----------------------|
| Balance, December 31, 1993 | \$ 180,380           |
| Grants (Note 1)            | -0-                  |
| Transfer to General Fund   | (180,380)            |
| Investment Interest        | <u>-0-</u>           |
| Balance, December 31, 1994 | -0-                  |
| Grants (Note 1)            | -0-                  |
| Transfer to General Fund   | -0-                  |
| Investment Interest        | <u>-0-</u>           |
| Balance, June 30, 1995     | -0-                  |
| Grants (Note 1)            | -0-                  |
| Transfer to General Fund   | -0-                  |
| Investment Interest        | <u>-0-</u>           |
| Balance, June 30, 1996     | <u><u>\$ -0-</u></u> |

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

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

NOTE 8 - UNEARNED REVENUES

The Hospital received fees from patients participating in a Silver Society membership plan. The fees collected are for extended periods and are recognized in monthly revenue as the extended periods expire.

A portion of Medicaid disproportionate share funds received as of year end are not considered earned based upon oral State Plan interpretations by Department of Health and Hospital officials.

A summary of accrued expenses follows:

|  | June 30,<br><u>1996</u> | June 30,<br><u>1995</u> | December 31,<br><u>1994</u> |
|--|-------------------------|-------------------------|-----------------------------|
| Fees received in advance                                   | \$ 5,075                | \$ 5,447                | \$ 4,617                    |
| Medicaid disproportionate share                            | -0-                     | 239,648                 | 281,274                     |
| Less revenue to be earned in the next<br>accounting period | <u>(3,875)</u>          | <u>(244,950)</u>        | <u>(285,491)</u>            |
| Long-term unearned revenues                                | <u>\$ 1,200</u>         | <u>\$ 145</u>           | <u>\$ 400</u>               |

NOTE 9 - LONG-TERM DEBT

Following is a summary of notes, capital lease obligations and bonds payable:

|   | June 30,<br><u>1996</u> | June 30,<br><u>1995</u> | December 31,<br><u>1994</u> |
|---|-------------------------|-------------------------|-----------------------------|
| Note payable to Bunkie Bank & Trust Co.<br>for construction of kidney dialysis<br>building was made on March 3, 1989, and<br>refinanced on April 5, 1993, with a<br>maturity date of May 10, 1998, calls for<br>monthly payments of \$2,204, which<br>includes principal and interest at 6.0%<br>per annum. Interest rate changed to<br>8.5% on January 3, 1995. Secured by<br>assignment of lease of dialysis<br>building. | \$ -0-                  | \$ 68,854               | \$ 80,751                   |

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 DEBT SERVICE FUND  
 BALANCE SHEETS  
 JUNE 30, 1996 AND 1995, AND DECEMBER 31, 1994

|                                | June 30,<br><u>1996</u> | June 30,<br><u>1995</u> | December 31,<br><u>1994</u> |
|--------------------------------|-------------------------|-------------------------|-----------------------------|
| <u>ASSETS</u>                  |                         |                         |                             |
| Cash and cash equivalents      | \$ -0-                  | \$ -0-                  | \$ 32                       |
| Taxes receivable (net of fees) | -0-                     | -0-                     | -0-                         |
| Accrued interest receivable    | <u>-0-</u>              | <u>-0-</u>              | <u>-0-</u>                  |
| Total Assets                   | <u>\$ -0-</u>           | <u>\$ -0-</u>           | <u>\$ 32</u>                |
| <u>FUND BALANCE</u>            |                         |                         |                             |
| Fund Balance                   | <u>\$ -0-</u>           | <u>\$ -0-</u>           | <u>\$ 32</u>                |

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

Marvin H. Easley, CPA  
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Independent Auditor's Report on Compliance with  
Laws and Regulations Based on an Audit of  
Financial Statements Performed in Accordance with  
GOVERNMENT AUDITING STANDARDS Issued by the GAO

Board of Commissioners  
Hospital Service District No. 1  
Parish of Avoyelles, State of Louisiana  
Bunkie, Louisiana

We have audited the financial statements of the Avoyelles Parish Hospital Service District No. 1 (the "District") as of and for the year ended June 30, 1996, the six months ended June 30, 1995 and the year ended December 31, 1994, and have issued our report thereon dated November 4, 1996.

We conducted our audits in accordance with generally accepted auditing standards, 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 and contracts applicable to the District is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations and contracts. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliances that are required to be reported under Government Auditing Standards.

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

Independent Auditors' Report on Internal Control  
Structure Related Matters Noted in a Financial  
Statement Audit Conducted in Accordance with  
GOVERNMENT AUDITING STANDARDS

Auditor's Comments and Recommendations

There are no material comments and/or recommendations.

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 DEBT SERVICE FUND  
 STATEMENTS OF REVENUES AND EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

|                                   | TWELVE<br>MONTHS<br><u>1996</u> | SIX<br>MONTHS<br><u>1995</u> | TWELVE<br>MONTHS<br><u>1994</u> |
|-----------------------------------|---------------------------------|------------------------------|---------------------------------|
| Revenues                          |                                 |                              |                                 |
| Ad valorem taxes                  | \$ -0-                          | \$ -0-                       | \$ -0-                          |
| Interest income                   | <u>-0-</u>                      | <u>-0-</u>                   | <u>312</u>                      |
| Total Revenues                    | <u>-0-</u>                      | <u>-0-</u>                   | <u>312</u>                      |
| Expenditures                      |                                 |                              |                                 |
| Bonds redeemed                    | -0-                             | -0-                          | 21,000                          |
| Interest on bonds                 | -0-                             | -0-                          | 630                             |
| Fiscal agent fees                 | <u>-0-</u>                      | <u>-0-</u>                   | <u>25</u>                       |
| Total Expenditures                | <u>-0-</u>                      | <u>-0-</u>                   | <u>21,655</u>                   |
| Excess of revenues (expenditures) | -0-                             | -0-                          | (21,343)                        |
| Fund balance, beginning of year   | -0-                             | 32                           | 63,188                          |
| Transfer to general fund          | <u>-0-</u>                      | <u>(32)</u>                  | <u>(41,813)</u>                 |
| Fund balance, end of year         | <u>\$ -0-</u>                   | <u>\$ -0-</u>                | <u>\$ 32</u>                    |

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

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

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 entity's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The schedule that accompanies this letter summarizes our comments and suggestions regarding these matters.

A material weakness is a reportable condition in which the design or operation of one or more of the specific 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. However, we believe none of the reportable conditions described on the accompanying schedule is a material weakness.

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

*Easley, Lester & Wells*

Certified Public Accountants

November 4, 1996

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Independent Auditors' Report on Internal Control  
Structure Related Matters Noted in a Financial  
Statement Audit Conducted in Accordance with  
GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
Hospital Service District No. 1  
Parish of Avoyelles, State of Louisiana  
Bunkie, Louisiana

We have audited the financial statements of the Avoyelles Parish Hospital Service District No. 1 (the "District") for the year ended June 30, 1996, the six months ended June 30, 1995 and the year ended December 31, 1994, and have issued our report thereon dated November 4, 1996.

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

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

In planning and performing our audit of the financial statements of the District for the year ended June 30, 1996, the six months ended June 30, 1995 and the year ended December 31, 1994, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 SCHEDULE OF PER DIEM AND  
 OTHER COMPENSATION PAID TO BOARD MEMBERS  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

|                       | TWELVE<br>MONTHS<br><u>1996</u> | SIX<br>MONTHS<br><u>1995</u> | TWELVE<br>MONTHS<br><u>1994</u> |
|-----------------------|---------------------------------|------------------------------|---------------------------------|
| Board Members:        |                                 |                              |                                 |
| Dr. Carl F. Jory      | None                            | \$-0-                        | None                            |
| Mr. James Nixon       | None                            | -0-                          | None                            |
| Ms. Nancy Carruth     | \$480                           | 80                           | None                            |
| Mr. Don P. Descant    | 440                             | 80                           | None                            |
| Mr. Albert Zacharie   | 200                             | -0-                          | None                            |
| Mr. Elgee Gorrell     | N/A                             | N/A                          | N/A                             |
| Mr. David Smith       | 480                             | 40                           | None                            |
| Rev. Helena W. Butler | N/A                             | N/A                          | None                            |
| Mr. Jeff Keys         | 400                             | 40                           | None                            |

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 SCHEDULE OF INSURANCE  
 JUNE 30, 1996

| <u>POLICY NUMBER</u> | <u>COMPANY</u>   | <u>FROM</u> | <u>TO</u> | <u>TYPE OF INSURANCE</u>   | <u>COVERAGE LIMITS</u>  |
|----------------------|--|-------------|-----------|--|---|
| HPL-090-95           | La. Hospital Association Trust Fund<br>Louisiana Patient Compensation Fund     | 11/01/95    | 11/01/96  | Professional Liability<br>Comprehensive General Liability  | \$100,000 per Claim<br>\$500,000 per Occurrence<br>\$10,000,000 Excess Umbrella Policy<br>\$500,000 per Claim   |
| WC-070-96            | La. Hospital Association Worker's<br>Compensation Group Self-Insurance<br>Fund | 01/01/96    | 01/01/97  | Workmen's Compensation   | Statutory<br>\$5,000,000 per Claim  |
| 30406908             | General Insurance Agency   | 05/21/96    | 05/21/97  | Public Employees' Blanket Bond   | \$200,000<br>\$4,000 Deductible   |
| KEP310235            | The Benchmark Agency   | 04/29/96    | 04/29/97  | Directors, Officers and Trustees<br>Indemnity Insurance including<br>Healthcare Organization<br>Reimbursement Policy | \$1,000,000 - Limit<br>\$10,000 Retention each Loss   |
| 1A2-60-80-97         | Dupre, Carrier & Godchaux  | 04/11/96    | 04/11/97  | Fire and Extended Coverage on<br>Building and Personal Property  | \$5,694,000 - Combined Real and<br>Personal Property/\$1,000 Deductible<br>\$625,000 Business Interruption<br>including extra expense/\$1,000<br>Deductible<br>Newly acquired or constructed property<br>\$500,000/bldgs acquired per<br>occurrence<br>\$250,000/personal property at premise<br>acquired |
| BMT-HN-7348759-00    | Dupre, Carrier & Godchaux  | 4/11/96     | 4/11/97   | Boiler and Machinery   | \$2,500,000 Direct damage - premises<br>limit of insurance<br>\$25,000 Expediting Expenses<br>\$25,000 Hazardous Substance<br>\$25,000 Ammonia Contamination<br>\$25,000 Water Damage<br>\$25,000 Spoilage  |
| UENLD2864            | Dupre, Carrier & Godchaux  | 09/29/95    | 09/29/96  | Liability on Business Auto   | \$1,000,000 - Uninsured Motorist<br>\$1,000,000 - Liability<br>Comprehensive and Collision<br>\$5,000 Medical per person  |
| 1-57737              | Lammico  | 01/01/96    | 01/01/97  | Comprehensive Professional<br>Liability  | \$100,000 per claim<br>\$300,000 per occurrence   |

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 SCHEDULE OF PATIENT STATISTICS  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

|                       | TWELVE<br>MONTHS<br><u>1996</u> | SIX<br>MONTHS<br><u>1995</u> | TWELVE<br>MONTHS<br><u>1994</u> |
|-----------------------|---------------------------------|------------------------------|---------------------------------|
| Number of Beds        |                                 |                              |                                 |
| Acute                 | 28                              | 28                           | 28                              |
| Psychiatric           | 20                              | 20                           | 20                              |
| Bed Days Available    |                                 |                              |                                 |
| Acute                 | 10,220                          | 5,068                        | 10,220                          |
| Psychiatric           | 7,300                           | 3,620                        | 7,300                           |
| Patient Days          |                                 |                              |                                 |
| Total Acute           | 2,740                           | 1,806                        | 3,822                           |
| Total Swing Bed       | 619                             | 456                          | 719                             |
| Total Psychiatric     | 4,549                           | 2,199                        | 6,401                           |
| Medicare Acute        |                                 |                              |                                 |
| Medicare Acute        | 1,918                           | 1,351                        | 2,468                           |
| Medicare Swing Bed    | 605                             | 456                          | 719                             |
| Medicare Psychiatric  | -0-                             | -0-                          | -0-                             |
| Medicaid Acute        |                                 |                              |                                 |
| Medicaid Acute        | 537                             | 291                          | 1,042                           |
| Medicaid Swing Bed    | -0-                             | -0-                          | -0-                             |
| Medicaid Psychiatric  | 3,436                           | 1,666                        | 5,499                           |
| Percentage Occupancy  |                                 |                              |                                 |
| Acute and Swing Bed   | 32.87                           | 44.67                        | 44.43                           |
| Psychiatric           | 62.32                           | 60.75                        | 87.68                           |
| Discharges            |                                 |                              |                                 |
| Total Acute           | 724                             | 448                          | 963                             |
| Total Swing Bed       | 94                              | 55                           | 79                              |
| Total Psychiatric     | 395                             | 132                          | 378                             |
| Emergency Room Visits | 7,134                           | 3,593                        | 6,882                           |
| Number of Surgeries   | 126                             | 65                           | 180                             |

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 STATEMENTS OF CHANGES IN FUND BALANCE AND COMPONENTS  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

CHANGES IN FUND BALANCE:

|  |                     |
|--|---------------------|
| Balance, December 31, 1993   | \$ 2,981,737        |
| Transfer from debt service fund  | 41,813              |
| Excess of revenues over expenses for the twelve months ended December 31, 1994 | <u>1,588,786</u>    |
| Balance, December 31, 1994   | 4,612,336           |
| Transfer from debt service fund  | 32                  |
| Excess of revenues over expenses for the six months ended June 30, 1995        | <u>1,012,966</u>    |
| Balance, June 30, 1995   | 5,625,334           |
| Excess of expenses over revenues for the twelve months ended June 30, 1996     | <u>(225,549)</u>    |
| Balance, June 30, 1996   | <u>\$ 5,399,785</u> |

COMPOSITION OF FUND BALANCE AT JUNE 30, 1996:

|                                  |                     |
|----------------------------------|---------------------|
| Contributions                    |                     |
| Hill-Burton                      | \$ 400,000          |
| Bond issue                       | 338,770             |
| Public contributions             | <u>231,855</u>      |
|                                  | 970,625             |
| Excess of revenues over expenses | <u>4,429,160</u>    |
| Total                            | <u>\$ 5,399,785</u> |

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

HOSPITAL SERVICE DISTRICT NO. 1  
OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
BUNKIE GENERAL HOSPITAL  
HOSPITAL ENTERPRISE FUND  
NOTES TO FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
AND DECEMBER 31, 1994

NOTE 1 - ORGANIZATION AND OPERATIONS (Continued)

Nature of Business

The Hospital provides outpatient, emergency, skilled nursing (through "swing-beds"), acute inpatient hospital services and home health services. On October 7, 1993, the Hospital converted 20 acute beds to an adolescent care psychiatric unit. In July 1994, the Hospital opened an outpatient clinic, hired a nurse practitioner and a physician to provide nonemergency services to the community.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Enterprise Fund

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

Method of Accounting

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

Cash and Cash Equivalents

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

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 OPERATING EXPENSES - FISCAL AND ADMINISTRATIVE (Continued)  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

|  | TWELVE<br>MONTHS<br><u>1996</u> | SIX<br>MONTHS<br><u>1995</u> | TWELVE<br>MONTHS<br><u>1994</u> |
|--|---------------------------------|------------------------------|---------------------------------|
| Other administrative                     |                                 |                              |                                 |
| Salaries                                 | \$ -0-                          | \$ -0-                       | \$ -0-                          |
| Other                                    | <u>34,129</u>                   | <u>14,934</u>                | <u>23,174</u>                   |
| Total                                    | <u>34,129</u>                   | <u>14,934</u>                | <u>23,174</u>                   |
| Total Fiscal and Administrative Expenses |                                 |                              |                                 |
| Salaries                                 | 454,754                         | 192,323                      | 370,945                         |
| Other                                    | <u>349,686</u>                  | <u>176,864</u>               | <u>265,733</u>                  |
| Total                                    | <u>\$ 804,440</u>               | <u>\$ 369,187</u>            | <u>\$ 636,678</u>               |

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOYELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 HOSPITAL ENTERPRISE FUND  
 STATEMENTS OF CASH FLOWS (Continued)  
 FOR THE PERIODS ENDED JUNE 30, 1996 AND 1995  
 AND DECEMBER 31, 1994

|   | TWELVE<br>MONTHS<br><u>1996</u> | SIX<br>MONTHS<br><u>1995</u> | TWELVE<br>MONTHS<br><u>1994</u> |
|---|---------------------------------|------------------------------|---------------------------------|
| Cash Flows from Capital and Related Financing Activities:   |                                 |                              |                                 |
| Proceeds from issuance of new debt                          | \$ 110,000                      | \$ -0-                       | \$ -0-                          |
| Proceeds from sale of property, plant and equipment         | 3,910                           | 1,451                        | -0-                             |
| Purchases of property, plant and equipment                  | (471,559)                       | (406,178)                    | (337,742)                       |
| Cash proceeds from assets whose use is limited              | (18,231)                        | 5,265                        | 15,036                          |
| Payments on long-term debt                                  | (275,630)                       | (75,322)                     | (118,302)                       |
| Interest expense - capital related                          | <u>(27,175)</u>                 | <u>(17,082)</u>              | <u>(37,630)</u>                 |
| Net cash flow from capital and related financing activities | <u>(678,685)</u>                | <u>(491,866)</u>             | <u>(478,638)</u>                |
| Net increase (decrease) in cash and cash equivalents        | (962,138)                       | 3,287                        | 908,230                         |
| Cash and cash equivalents at beginning of year              | <u>1,373,686</u>                | <u>1,370,399</u>             | <u>462,169</u>                  |
| Cash and cash equivalents at end of year                    | <u>\$ 411,548</u>               | <u>\$ 1,373,686</u>          | <u>\$ 1,370,399</u>             |
| Supplemental disclosure of cash flow information:           |                                 |                              |                                 |
| Cash paid during the year for:                              |                                 |                              |                                 |
| Interest  | <u>\$ 27,602</u>                | <u>\$ 18,357</u>             | <u>\$ 37,924</u>                |

Supplemental schedule of noncash investing and financing activities:

The Hospital entered into the following capital lease obligations:

| <u>Asset</u>          | <u>Amount</u> | <u>Period End</u> |
|-----------------------|---------------|-------------------|
| AT&T Phone System     | \$ 56,496     | December, 1994    |
| Vision Spectrum       | 2,930         | December, 1994    |
| Hill-Rom Patient Beds | 87,000        | June, 1995        |

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

HOSPITAL SERVICE DISTRICT NO. 1  
 OF THE PARISH OF AVOUELLES, STATE OF LOUISIANA  
 BUNKIE GENERAL HOSPITAL  
 SPECIFIC PURPOSE FUND  
 BALANCE SHEETS  
 JUNE 30, 1996 AND 1995, AND DECEMBER 31, 1994

|                                       | June 30,<br><u>1996</u> | June 30,<br><u>1995</u> | December 31,<br><u>1994</u> |
|---------------------------------------|-------------------------|-------------------------|-----------------------------|
| <u>ASSETS</u>                         |                         |                         |                             |
| Cash and cash equivalents (Note 2)    | \$ <u>-0-</u>           | \$ <u>-0-</u>           | \$ <u>-0-</u>               |
| <u>LIABILITIES AND FUND BALANCE</u>   |                         |                         |                             |
| Fund Balance                          | <u>-0-</u>              | <u>-0-</u>              | <u>-0-</u>                  |
| Total Liabilities and Fund<br>Balance | \$ <u>-0-</u>           | \$ <u>-0-</u>           | \$ <u>-0-</u>               |

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

Board of Commissioners  
Hospital Service District No. 1  
Page Two

Our audits were conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Hospital Service District No. 1, Parish of Avoyelles, dba Bunkie General Hospital. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

*Easley, Lester & Wells*

Certified Public Accountants

November 4, 1996