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**ACADIA-ST. LANDRY HOSPITAL
SERVICE DISTRICT
FINANCIAL REPORT
JUNE 30, 1998**

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.

Release Date FEB 03 1999

C O N T E N T S

	Page
INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Balance sheets	2
Statements of revenue and expenses	3
Statements of changes in fund balance	4
Statements of cash flows	5
Notes to financial statements	6-9
INDEPENDENT AUDITORS' REPORT ON THE SUPPLEMENTARY INFORMATION	11
SUPPLEMENTARY INFORMATION	
Schedule of patient service revenue	13
Schedule of other operating revenue	14
Schedule of operating revenue and expenses	15
Schedule of departmental direct operating revenue and expenses	16 and 17
Schedule of departmental direct and general operating expenses	18-21
Schedule of board fees	22
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	23 and 24
Schedule of findings and questioned costs	25 and 26
Schedule of prior year findings	27



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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
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We have audited the accompanying balance sheets of Acadia-St. Landry Hospital Service District as of June 30, 1998 and 1997, and the related statements of revenue and expenses, changes in fund balance, and cash flows for the years then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Acadia-St. Landry Hospital Service District as of June 30, 1998 and 1997, and the results of its operations, and cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated October 29, 1998 on our consideration of Acadia-St. Landry Hospital's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Crowley, Louisiana
October 29, 1998

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

BALANCE SHEETS
June 30, 1998 and 1997

ASSETS	<u>1998</u>	<u>1997</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 193,934	\$ 220,891
Certificates of deposit	1,449,445	2,373,994
Patient accounts receivable, less allowance for uncollectible accounts of \$325,000 and \$120,000 at 1998 and 1997, respectively	1,291,813	1,125,099
Inventories	107,554	81,221
Prepaid expenses	35,619	46,647
Due from intermediary on cost reports	497,598	409,261
Other receivables	<u>128,633</u>	<u>119,688</u>
Total current assets	<u>\$3,704,596</u>	<u>\$4,376,801</u>
FIXED ASSETS		
Property, plant, and equipment, at cost, less accumulated depreciation of \$1,774,008 and \$1,556,380 at 1998 and 1997, respectively	<u>2,414,179</u>	<u>2,470,640</u>
	<u>\$6,118,775</u>	<u>\$6,847,441</u>
LIABILITIES AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable	\$ 647,656	\$ 494,064
Other accrued expenses	138,807	125,105
Capital lease payable	<u>16,195</u>	<u>-</u>
Total current liabilities	<u>\$ 802,658</u>	<u>\$ 619,169</u>
LONG-TERM LIABILITIES		
Capital lease payable	<u>\$ 53,810</u>	<u>\$ -</u>
FUND BALANCE		
Contributed capital	\$ 174,330	\$ 174,330
Unrestricted fund balance	<u>5,087,977</u>	<u>6,053,942</u>
Total fund balance	<u>\$5,262,307</u>	<u>\$6,228,272</u>
	<u>\$6,118,775</u>	<u>\$6,847,441</u>

See Notes to Financial Statements.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

STATEMENTS OF REVENUE AND EXPENSES
 Years Ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Operating revenue:		
Net patient service revenue	\$ 6,194,019	\$ 6,622,399
Other operating revenue	<u>81,356</u>	<u>109,376</u>
Total operating revenue	<u>\$ 6,275,375</u>	<u>\$ 6,731,775</u>
Operating expenses:		
Salaries	\$ 2,053,716	\$ 1,799,144
Professional fees	1,140,244	2,006,644
Other departmental expenses	3,613,647	2,480,829
Interest	4,467	4,882
Depreciation & amortization	217,627	192,928
Provision for uncollectible accounts	<u>467,925</u>	<u>332,624</u>
	<u>\$ 7,497,626</u>	<u>\$ 6,817,051</u>
Excess (deficiency) of operating revenue over operating expenses	<u>\$ (1,222,251)</u>	<u>\$ (85,276)</u>
Nonoperating revenue (expenses):		
Property tax receipts	\$ 160,605	\$ 149,393
Interest income	<u>95,681</u>	<u>163,675</u>
	<u>\$ 256,286</u>	<u>\$ 313,068</u>
Excess (deficiency) of revenues over expenses	<u>\$ (965,965)</u>	<u>\$ 227,792</u>

See Notes to Financial Statements.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

STATEMENTS OF CHANGES IN FUND BALANCE
 Years Ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
<u>Unrestricted Fund</u>		
Fund balance, beginning	\$6,053,942	\$5,826,150
Additions:		
Excess (deficiency) of revenues over expenses	<u>(965,965)</u>	<u>227,792</u>
Fund balance, ending	<u>\$5,087,977</u>	<u>\$6,053,942</u>

See Notes to Financial Statements.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

STATEMENTS OF CASH FLOWS
Years Ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income(loss)	\$(1,222,251)	\$ (85,276)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	217,627	192,928
(Increase) decrease in assets:		
Patient accounts receivable	(166,714)	93,937
Inventories	(26,333)	(6,193)
Prepaid expenses	11,028	45,712
Intermediary receivable on cost reports	(88,337)	(409,261)
Other receivables	(8,945)	30,573
Increase (decrease) in liabilities:		
Accounts payable	153,592	(332,688)
Intermediary payable on cost reports	-	(685,615)
Other accrued expenses	<u>13,702</u>	<u>(53,553)</u>
Net cash used in operating activities	<u>\$(1,116,631)</u>	<u>\$(1,209,436)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property tax receipts	<u>\$ 160,605</u>	<u>\$ 149,393</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	\$ (75,743)	\$ (137,864)
Purchase of certificates of deposit	(3,162,659)	(206,685)
Proceeds from maturities of certificates of deposit	4,087,208	937,923
Interest on certificates of deposit	<u>95,681</u>	<u>163,675</u>
Net cash provided by (used in) investing activities	<u>\$ 944,487</u>	<u>\$ 757,049</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on capital lease	<u>\$ (15,418)</u>	<u>\$ -</u>
Net decrease in cash and cash equivalents	\$ (26,957)	\$ (302,994)
Cash and cash equivalents, beginning	<u>220,891</u>	<u>523,885</u>
Cash and cash equivalents, ending	<u>\$ 193,934</u>	<u>\$ 220,891</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for interest	<u>\$ 4,467</u>	<u>\$ 4,882</u>

The Hospital entered into a capital lease obligation of \$85,423 for new equipment in 1998.

See Notes to Financial Statements.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Description of Organization and Summary of Significant Accounting Policies

The following is a summary of the Service District's significant accounting policies:

Organization:

Acadia-St. Landry Hospital Service District is a political subdivision of the State created by an ordinance adopted by the Acadia and St. Landry Parish Police Juries.

Operation:

From October 1, 1986 to March 31, 1991, the hospital facility which Acadia-St. Landry Hospital Service District owns, operated as a hospital under a lease agreement between the Hospital Service District and Our Lady of Lourdes Hospital of Lafayette. Beginning on April 1, 1991, the lease agreement was terminated and the Hospital Service District began operations of its own.

Net patient revenue:

Net patient revenue is reported at the estimated net realizable amounts from patients, third party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Inventories:

Inventories are valued at the latest invoice price which approximates the lower of cost (first-in, first-out method) or market.

Property, plant, and equipment:

Property, plant, and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives as explained further in Note 3.

Proprietary fund accounting:

The District utilizes the proprietary fund method of accounting whereby revenue and expenses are recognized on the accrual basis. Substantially all revenues and expenses are subject to accrual.

NOTES TO FINANCIAL STATEMENTS

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Allowance for uncollectible accounts:

The Hospital uses the allowance method of recognizing the cost for bad debts. This method provides an estimate of the loss that is applicable to current year revenue, and any adjustment in previous estimates of prior year losses that may be applicable to accounts still remaining on the books.

Cash and cash equivalents:

For purposes of the statement of cash flows, the Hospital Service District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Note 2. Health Insurance Program Reimbursement

The Hospital participates in Medicare and Medicaid programs as a provider of medical services to program beneficiaries. During the year ended June 30, 1998 and 1997, approximately 82.4% and 91.58%, respectively, of the Hospital's gross patient service revenues were furnished to Medicare and Medicaid program beneficiaries. Revenues derived from the Medicare and Medicaid programs are subject to audit and adjustment by the fiscal intermediary and must be accepted by the Department of Health and Human Services and Department of Health and Hospitals, State of Louisiana, before settlement amounts become final.

Note 3. Depreciation of Property and Equipment

A summary of depreciable assets and their estimated life for depreciation purposes are as follows:

	Method	Life (Years)	Cost	
			1998	1997
Buildings and improvements	SL	15-50	\$2,576,594	\$2,548,216
Chapel	SL	5-15	8,372	8,372
Equipment	SL	3-10	1,483,196	1,350,407
Land	-	-	120,025	120,025
			\$4,188,187	\$4,027,020
Less accumulated depreciation			<u>1,774,008</u>	<u>1,556,380</u>
			<u>\$2,414,179</u>	<u>\$2,470,640</u>

NOTES TO FINANCIAL STATEMENTS

Note 4. Ad Valorem Taxes

Beginning in 1983, the taxpayers of the Hospital Service District approved a 7 mill tax for a ten year period for the purpose of acquiring, constructing, improving, maintaining and operating the hospital facilities.

On October 3, 1992, the taxpayers of the Hospital Service District approved a renewal of this tax for an additional ten year period which will run through the year 2002.

Note 5. Bank Deposits

At June 30, 1998 and 1997, the Hospital Service District had bank balances as follows:

	<u>1998</u>	<u>1997</u>
Insured (FDIC)	\$ 318,637	\$ 309,273
Collateralized by securities held by the pledging financial institution's trust department in the District's name	<u>2,400,055</u>	<u>3,786,406</u>
Total	<u>\$2,718,692</u>	<u>\$4,095,679</u>
Carrying value	<u>\$1,790,936</u>	<u>\$2,594,405</u>

All bank balances should be insured or collateralized by U.S. government securities held by the District's third-party agent or the pledging financial institution's trust department in the name of the District.

Note 6. Concentrations of Credit Risk

The District grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at June 30, 1998 and 1997 was as follows:

	<u>1998</u>	<u>1997</u>
Medicare	48.7%	71.1%
Medicaid	30.9	13.4
Other third-party payors	12.4	8.2
Patients	<u>8.0</u>	<u>7.3</u>
	<u>100.0%</u>	<u>100.0%</u>

NOTES TO FINANCIAL STATEMENTS

Note 7. Commitments and Contingencies

Litigation:

The District is involved in litigation arising in the normal course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the District's future financial position or results from operations.

Note 8. Leases

The Hospital has entered into a lease agreement for financing the acquisition of an IBM AS/400 computer system and APS software under lease agreements. These leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments.

The assets acquired through capital leases are as follows:

IBM AS/400 computer system	\$ 47,123
APS software	<u>38,300</u>
	<u>\$ 85,423</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 1998 were as follows:

<u>Year Ending June 30</u>	<u>IBM AS/400 Computer System</u>	<u>APS Software</u>
1999	\$ 10,491	\$ 8,900
2000	10,491	8,900
2001	10,491	8,900
2002	<u>10,490</u>	<u>8,901</u>
	\$ 41,963	\$ 35,601
Less: Amounts representing interest	<u>(3,484)</u>	<u>(4,075)</u>
Present value of minimum lease payments	<u>\$ 38,479</u>	<u>\$ 31,526</u>

The above IBM AS/400 computer lease includes \$3,563 for maintenance agreement.

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To the Board of Commissioners
Acadia-St. Landry Hospital Service District
Church Point, Louisiana

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis of the basic financial statements rather than to present the financial position, results of operations, and cash flows of the District. The supplementary information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Crowley, Louisiana
October 29, 1998

Retired:
Sidney L. Broussard, CPA 1980
Leon K. Poche, CPA 1984
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ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

SCHEDULE OF PATIENT SERVICE REVENUE
 Years Ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Gross patient direct services	\$ 9,055,796	\$ 9,597,701
Less:		
Contractual allowances	\$(2,750,969)	\$(2,881,214)
Administrative adjustments	(110,808)	(94,088)
Hill Burton free care	<u>-</u>	<u>-</u>
	<u>(2,861,777)</u>	<u>(2,975,302)</u>
Net patient services	<u>\$ 6,194,019</u>	<u>\$ 6,622,399</u>

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

SCHEDULE OF OTHER OPERATING REVENUE
 Years Ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Cafeteria	\$ 10,014	\$ 9,063
Collection fee income	6	86
Service charges	3,199	5,477
Vending machine commissions	2,320	1,357
Grant - emergency room	-	25,000
Recovery of bad debts	28,075	22,218
Other	<u>37,742</u>	<u>46,175</u>
	<u>\$ 81,356</u>	<u>\$ 109,376</u>

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

SCHEDULE OF OPERATING REVENUE AND EXPENSES

Years Ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Direct operating revenue	\$ 9,055,796	\$ 9,597,701
Direct operating expenses	<u>4,973,246</u>	<u>4,682,169</u>
	\$ 4,082,550	\$ 4,915,532
Contractual allowances and administrative adjustments	<u>2,861,777</u>	<u>2,975,302</u>
	<u>\$ 1,220,773</u>	<u>\$ 1,940,230</u>
General operating expenses:		
General services	\$ 582,820	\$ 602,707
Fiscal and administration	<u>1,251,541</u>	<u>1,001,741</u>
	<u>\$ 1,834,361</u>	<u>\$ 1,604,448</u>
Other operating revenue	<u>\$ 81,356</u>	<u>\$ 109,376</u>
Other operating expenses:		
Interest	\$ 4,467	\$ 4,882
Depreciation	217,627	192,928
Provision for uncollectible accounts	<u>467,925</u>	<u>332,624</u>
	<u>\$ 690,019</u>	<u>\$ 530,434</u>
Excess (deficiency) of operating revenue over operating expenses	<u>\$ (1,222,251)</u>	<u>\$ (85,276)</u>

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

SCHEDULE OF DEPARTMENTAL DIRECT
OPERATING REVENUE AND EXPENSES
Years Ended June 30, 1998 and 1997

	<u>Inpatient Revenue</u>		<u>Outpatient Revenue</u>	
	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
Direct services:				
Ambulance transport	\$ -	\$ 1,303	\$ -	\$ 8,705
Anesthesiology	-	492	3,075	1,230
Audiometry	-	33	94	286
Central supply	255,488	225,178	204,504	150,128
CT scan	44,044	14,609	85,603	1,197
Daily patient services	712,120	739,560	-	-
Electrocardiology	80,842	78,316	181,655	152,570
Electroence phalography	1,300	780	7,020	12,480
Emergency room	11,030	12,115	116,064	120,306
Emergency room physician	-	-	213,608	210,842
Gastro	12,600	14,380	93,635	91,635
Health and fitness center	-	-	34,551	35,151
Home health	-	-	601,167	867,510
Intravenous therapy	54,405	33,020	12,692	5,109
Kidmed	-	-	8,944	8,518
Laboratory	363,978	348,619	386,865	369,654
Nuclear medicine	5,324	12,424	14,775	11,720
Occupational therapy	175	-	16,500	9,800
Operating room	5,725	6,965	66,200	60,325
Other	403	805	2,173	5,609
Pharmacy	624,435	687,291	128,782	160,092
Physical therapy	49,136	56,805	117,236	120,946
Physician office	-	-	-	-
Psychiatric therapy group	3,290	4,600	937,375	1,552,865
Psychiatric unit	2,519,987	2,677,664	12,381	242
Radiology	33,451	38,163	149,647	136,107
Respiratory therapy	471,108	337,726	163,285	45,351
Clinic	2,230	-	110,684	33,688
Clinic - pharmacy	-	-	3,169	2,975
Speech therapy	12,578	15,412	42,953	42,440
Stress test	1,040	1,200	16,040	18,860
Ultrasound	10,175	8,250	50,255	45,650
	<u>\$5,274,864</u>	<u>\$5,315,710</u>	<u>\$3,780,932</u>	<u>\$4,281,991</u>

<u>Total Direct Revenue</u>		<u>Direct Operating Expenses</u>		<u>Direct Revenue Over (Under) Direct Operating Expenses</u>	
<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
\$ -	\$ 10,008	\$ 20,233	\$ 21,115	\$ (20,233)	\$ (11,107)
3,075	1,722	200	866	2,875	856
94	319	-	-	94	319
459,992	375,306	117,059	91,205	342,933	284,101
129,647	15,806	57,319	15,616	72,328	190
712,120	739,560	695,666	481,445	16,454	258,115
262,497	230,886	109,372	89,703	153,125	141,183
8,320	13,260	5,870	8,030	2,450	5,230
127,094	132,421	12,370	11,420	114,724	121,001
213,608	210,842	592,886	616,984	(379,278)	(406,142)
106,235	106,015	-	-	106,235	106,015
34,551	35,151	51,733	48,874	(17,182)	(13,723)
601,167	867,510	298,762	373,457	302,405	494,053
67,097	38,129	23,915	13,996	43,182	24,133
8,944	8,518	-	89	8,944	8,429
750,843	718,273	311,183	356,055	439,660	362,218
20,099	24,144	12,282	15,239	7,817	8,905
16,675	9,800	7,512	4,452	9,163	5,348
71,925	67,290	37,893	27,778	34,032	39,512
2,576	6,414	140	210	2,436	6,204
753,217	847,383	206,006	214,721	547,211	632,662
166,372	177,751	92,692	98,377	73,680	79,374
-	-	4,205	9,656	(4,205)	(9,656)
940,665	1,557,465	632,006	840,669	308,659	716,796
2,532,368	2,677,906	1,160,990	981,305	1,371,378	1,696,601
183,098	174,270	104,959	106,718	78,139	67,552
634,393	383,077	177,557	105,126	456,836	277,951
112,914	33,688	177,705	89,105	(64,791)	(55,417)
3,169	2,975	-	-	3,169	2,975
55,531	57,852	24,440	25,660	31,091	32,192
17,080	20,060	591	2,043	16,489	18,017
60,430	53,900	37,700	32,255	22,730	21,645
<u>\$9,055,796</u>	<u>\$9,597,701</u>	<u>\$4,973,246</u>	<u>\$4,682,169</u>	<u>\$4,082,550</u>	<u>\$4,915,532</u>

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

SCHEDULE OF DEPARTMENTAL DIRECT
AND GENERAL OPERATING EXPENSES
Years Ended June 30, 1998 and 1997

	Salaries		Professional Fees	
	1998	1997	1998	1997
Direct services:				
Ambulance transport	\$ -	\$ -	\$ 20,233	\$ 21,115
Anesthesiology	-	-	-	-
Central supply	29,358	23,761	-	-
CT scan	-	-	34,903	14,914
Daily patient services	562,778	455,434	108,742	6,037
Electrocardiology	-	-	99,139	82,934
Electroencephalography	-	-	5,870	8,030
Emergency room	-	-	-	-
Emergency room physicians	41,006	59,257	551,880	557,727
Health and fitness center	48,642	46,054	-	-
Home health	244,673	298,090	21,719	30,031
Intravenous therapy	-	-	-	-
Kidmed	-	-	-	-
Laboratory	105,682	109,320	68,884	69,216
Nuclear medicine	-	-	12,282	15,239
Occupational therapy	-	-	7,512	4,452
Operating room	-	-	11,000	6,000
Other	-	-	140	210
Pharmacy	71,689	67,040	-	-
Physical therapy	-	-	92,692	98,377
Physician office	-	-	-	-
Psychiatric therapy group	12,323	7,923	-	-
Psychiatric unit	35,205	-	3,024	935,830
Radiology	67,997	67,102	4,299	12,089
Respiratory therapy	90,530	90,613	-	125
Health clinic	166,658	46,741	5,710	37,865
Speech therapy	-	-	24,355	25,660
Stress test	-	-	-	1,040
Ultrasound	-	-	37,700	32,255
	<u>\$1,476,541</u>	<u>\$1,271,335</u>	<u>\$1,110,084</u>	<u>\$1,959,146</u>
General services:				
Dietary	\$ 64,087	\$ 60,553	\$ 6,700	\$ 5,140
Housekeeping	64,564	76,872	-	-
Laundry and linen	-	-	-	-
Plant engineering	62,399	62,640	-	-
	<u>\$ 191,050</u>	<u>\$ 200,065</u>	<u>\$ 6,700</u>	<u>\$ 5,140</u>
Subtotals forward	<u>\$1,667,591</u>	<u>\$1,471,400</u>	<u>\$1,116,784</u>	<u>\$1,964,286</u>

<u>Other Expenses</u>		<u>Total</u>	
<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
\$ -	\$ -	\$ 20,233	\$ 21,115
200	866	200	866
87,701	67,444	117,059	91,205
22,416	702	57,319	15,616
24,146	19,974	695,666	481,445
10,233	6,769	109,372	89,703
-	-	5,870	8,030
12,370	11,420	12,370	11,420
-	-	592,886	616,984
3,091	2,820	51,733	48,874
32,370	45,336	298,762	373,457
23,915	13,996	23,915	13,996
-	89	-	89
136,617	177,519	311,183	356,055
-	-	12,282	15,239
-	-	7,512	4,452
26,893	21,778	37,893	27,778
-	-	140	210
134,317	147,681	206,006	214,721
-	-	92,692	98,377
4,205	9,656	4,205	9,656
619,683	832,746	632,006	840,669
1,122,761	45,475	1,160,990	981,305
32,663	27,527	104,959	106,718
87,027	14,388	177,557	105,126
5,337	4,499	177,705	89,105
85	-	24,440	25,660
591	1,003	591	2,043
-	-	37,700	32,255
<u>\$2,386,621</u>	<u>\$1,451,688</u>	<u>\$4,973,246</u>	<u>\$4,682,169</u>
\$ 93,821	\$ 108,956	\$ 164,608	\$ 174,649
16,339	15,692	80,903	92,564
18,681	15,490	18,681	15,490
<u>256,229</u>	<u>257,364</u>	<u>318,628</u>	<u>320,004</u>
<u>\$ 385,070</u>	<u>\$ 397,502</u>	<u>\$ 582,820</u>	<u>\$ 602,707</u>
<u>\$2,771,691</u>	<u>\$1,849,190</u>	<u>\$5,556,066</u>	<u>\$5,284,876</u>

(continued)

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

SCHEDULE OF DEPARTMENTAL DIRECT
AND GENERAL OPERATING EXPENSES
Years Ended June 30, 1998 and 1997

	<u>Salaries</u>		<u>Professional Fees</u>	
	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
Subtotals forwarded	<u>\$1,667,591</u>	<u>\$1,471,400</u>	<u>\$1,116,784</u>	<u>\$1,964,286</u>
Fiscal and administrative services:				
Accounting	\$ 97,363	\$ 84,632	\$ -	\$ -
Administration	74,700	73,596	5,500	22,438
Business office	99,059	92,216	-	-
Medical records	57,814	53,252	-	-
Payroll taxes	-	-	-	-
Employee benefits	-	-	-	-
Physician recruitment	-	-	-	-
Other general and administrative expenses	<u>57,189</u>	<u>24,048</u>	<u>17,960</u>	<u>19,920</u>
	<u>\$ 386,125</u>	<u>\$ 327,744</u>	<u>\$ 23,460</u>	<u>\$ 42,358</u>
 Total	 <u>\$2,053,716</u>	 <u>\$1,799,144</u>	 <u>\$1,140,244</u>	 <u>\$2,006,644</u>

<u>Other Expenses</u>		<u>Total</u>	
<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
<u>\$2,771,691</u>	<u>\$1,849,190</u>	<u>\$5,556,066</u>	<u>\$5,284,876</u>
\$ 4,901	\$ 4,197	\$ 102,264	\$ 88,829
136,198	20,038	216,398	116,072
51,817	52,716	150,876	144,932
12,345	18,122	70,159	71,374
153,115	135,896	153,115	135,896
127,438	131,432	127,438	131,432
57,266	16,737	57,266	16,737
<u>298,876</u>	<u>252,501</u>	<u>374,025</u>	<u>296,469</u>
<u>\$ 841,956</u>	<u>\$ 631,639</u>	<u>\$1,251,541</u>	<u>\$1,001,741</u>
<u>\$3,613,647</u>	<u>\$2,480,829</u>	<u>\$6,807,607</u>	<u>\$6,286,617</u>

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

SCHEDULE OF BOARD FEES
Years Ended June 30, 1998 and 1997

Each board member is paid \$40 for attendance at each board meeting.

<u>Board Members</u>	<u>1998</u>	<u>1997</u>
Philip Smith	<u>\$440</u>	<u>\$440</u>
Jean Voitier	<u>\$440</u>	<u>\$400</u>
George Brouillette	<u>\$400</u>	<u>\$440</u>
John LeJeune	<u>\$400</u>	<u>\$440</u>
Ward Bellard, M.D.	<u>\$440</u>	<u>\$400</u>
Paul Matte	<u>\$440</u>	<u>\$360</u>



BROUSSARD, POCHE, LEWIS & BREAUX, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

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

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New Iberia, LA
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Church Point, LA
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Eunice, LA
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To the Board of Commissioners
Acadia-St. Landry Hospital Service District
Church Point, Louisiana

We have audited the financial statements of the Acadia-St. Landry Hospital Service District as of and for the year ended June 30, 1998, and have issued our report thereon dated October 29, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Lawrence A. Cramer, CPA*
Eugene C. Gilder, CPA*
Donald W. Kelley, CPA*
Herbert Lemoine II, CPA*
Frank A. Stagno, CPA*
Scott J. Broussard, CPA*
L. Charles Abshire, CPA*
Kenneth R. Dugas, CPA*
P. John Blanchet III, CPA*
Stephen L. Lambousy, CPA*
Craig C. Babineaux, CPA*
Peter C. Borrello, CPA*
Michael P. Crochet, CPA*
George J. Trappey III, CPA*
Daniel E. Gilder, CPA*
Gregory B. Milton, CPA*
S. Scott Soileau, CPA*
Patrick D. McCarthy, CPA*

Compliance

As part of obtaining reasonable assurance about whether the Acadia-St. Landry Hospital Service District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Acadia-St. Landry Hospital Service District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting.

Retired:
Sidney I. Broussard, CPA 1980
Leon K. Poche, CPA 1984
James H. Breaux, CPA 1987
Erna R. Walton, CPA 1988
George A. Lewis, CPA* 1992
Geraldine J. Wimberly, CPA* 1995
Rodney I. Savoy, CPA* 1996
Larry G. Broussard, CPA* 1996

*Members of American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants*

To the Board of Commissioners
Acadia-St. Landry Hospital Service District

However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Acadia-St. Landry Hospital Service District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 1998-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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 over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We believe item 1998-1 described in the accompanying schedule of findings and questioned costs to be a material weakness. We also noted other matters involving the internal control over financial reporting, which we have reported to management of Acadia-St. Landry Hospital Service District in a separate letter dated October 29, 1998.

This report is intended for the information of management and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Bussard, Beck, Lewis & Brown, LLP

Crowley, Louisiana
October 29, 1998

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 1998

We have audited the financial statements of Acadia-St. Landry Hospital Service District as of and for the year ended June 30, 1998, and have issued our report thereon dated October 29, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 1998 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards

The District does not have any federal awards.

Section II Financial Statement Findings

1998-1 Billing and Collection Procedures

Finding: During the course of our audit, we discovered numerous deficiencies in the billing and collection procedures of the hospital to include but not limited to the following:

1. Credit balances in account receivable not researched and corrected.
2. Claims not filed in a timely manner.
3. Denied claims not properly identified and follow up procedures not completed in a timely manner.
4. Inadequate communication between billing department and other departments in order to correctly and timely bill claims.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 1998

Cause: Inadequate billing and collection policies, procedures and controls.

Recommendation: Development of a compliance program that would encompass the implementation and monitoring of adequate billing and collection policies, procedures and controls. In addition to internal policies and procedures, the published recommendation of the Office of Inspector General be used.

Response: Acadia-St. Landry Hospital is in the process of addressing this issue. Billing and collection policies and procedures are currently being reviewed and changed in order to correct deficiencies identified. Staff is also being added or realigned as part of this process. A compliance program will later be developed in order to monitor the policies, procedures and controls.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended June 30, 1998

I Internal Control and Compliance Material to the Financial Statements

1997-1 Public Bid Law

Management should obtain a copy of the public bid law and include the law in the written purchase policy to ensure compliance by all applicable personnel.

Resolved.

1997-2 Debt Restriction Laws

Management should obtain a copy of the debt restriction laws and ensure that all responsible parties are aware of its requirements.

Resolved.

II Internal Control and Compliance Material to Federal Awards

The prior year's report did not include any federal awards.

III Management Letter

The prior year's report did not include a management letter.



BROUSSARD, POCHE', LEWIS & BREAUX, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

October 29, 1998

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70527-0307
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fax: (318) 783-7238

Mr. Alcus Trahan, Administrator
and the Board of Commissioners
Acadia-St. Landry Hospital Service District
Church Point, Louisiana

MANAGEMENT LETTER

We have audited the financial statements of Acadia-St. Landry Hospital Service District as of and for the year ended June 30, 1998, and have issued our report thereon dated October 29, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As a part of our examination, we have issued our report on the financial statements, dated October 29, 1998, and our report on internal control and compliance with laws, regulations and contracts, dated October 29, 1998.

During the course of our examination, we became aware of the following matters which represent immaterial deviations of compliance or suggestions for improved internal controls.

1998-2 Year 2000 Computer Issues

Finding: In our discussions with various employees about what the Hospital has done to review any possible computer problems that may occur on January 1, 2000, we were informed of the following:

1. The supplier stated that the IBM AS400 and the programs will properly accept the January 1, 2000 dates; except for the program for the general ledger. The supplier stated that the general ledger will be Y2K compliance in 1999. We found no formal letter from the supplier to support these assertions.
2. We were informed that all the personal computers (stand alone and computers connected to the AS400) were not checked for Y2K compliance.
3. We are not aware of any verification of Y2K compliance of other possible equipment that is connected to computers or have an internal date capability.

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Society of Louisiana Certified
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Mr Alcus Trahan, Administrator
and the Board of Commissioners
Acadia-St. Landry Hospital Service District

Recommendation: We recommend that management develop a process to identify all possible equipment that can be influenced by an input of a date. After identifying all the equipment, establish an action plan to check the Y2K capability of such equipment. The action plan should include who should verify the compliance and a specific date for a report of such findings to the Administrator.

1998-3 Contract for Partial Day Psychiatric Program

Finding: The contract for the Partial Day Psychiatric program includes a provision that the payment for the services to the contractor not be paid until the payment is received from the payor of the services. Due to the numerous collection problems in this area, many receivables were written off or were considered non-collectible. In doing so, we attempted to properly identify the payable to the contractor for the services that were collected or considered to be collectible. Since the accounting records for this were not kept current, reconciliation was not possible.

Recommendation: We recommend that the detail records for the liability to the contractor be current and reconciled to the specific collections and accounts to be considered collectible. After this reconciliation is complete, communication should be made to the contractor of the results of the liability due them.

We recommend management address the foregoing issues as an improvement to operations and the administration of the Hospital district. We are available to further explain the suggestions or help implement the recommendation(s).

BROUSSARD, POCHE', LEWIS & BREAUX, L.L.P.
Certified Public Accountants

Broussard, Poche, Lewis & BreauX, LLP

ACADIA-ST. LANDRY HOSPITAL

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MANAGEMENTS' CORRECTIVE ACTION PLAN For the Year Ended June 30, 1998

Section I: Internal Control and Compliance Material to the Financial Statement

1998-1 Billing and Collection Procedures

Recommendation: Development of a compliance program that would encompass the implementation and monitoring of adequate billing and collection policies, procedures, and controls. In addition to internal policies and procedures, the published recommendation of the Office of Inspector General be used.

Response: Acadia- St. Landry Hospital is in the process of addressing this issue. Billing and collection policies and procedures are currently being reviewed and changed in order to correct deficiencies identified. Staff is also being added or realigned as part of this process. A compliance program will later be developed in order to monitor the policies, procedures, and controls.

Responsible Party: Gerald Robichaux

Section II: Internal Control and Compliance Material to Federal Awards

N/A

Section III: Management Letter

1998-2 Year 2000 Computer Issues

Recommendation: That management develop a process to identify all possible equipment that can be influenced by an input of a date. After identifying all the equipment, establish an action plan to check the Y2K capability of such equipment.

Response: The process to identify all possible equipment that may be affected by Y2K is currently underway. An action plan will be developed in order to insure that all possible equipment affected is Y2K compliant.

Responsible Party: Mike Regan

MANAGEMENTS' CORRECTIVE ACTION PLAN (CONTINUED)
For the Year Ended June 30, 1998

1998-3 Contract for Partial Day Psychiatric Program

Recommendation: Detail records for the liability to the contractor be current and reconciled to the specific collections and accounts to be considered collectible.

Response: The reconciliation process for the liability to the contractor is currently in the process of being done. The contractor will be notified of the results of the liability due them.

Responsible Party: Jason Leblanc