

HOSPITAL SERVICE DISTRICT NO. 1  
PARISH OF POINTE COUPEE

MANAGEMENT'S DISCUSSION AND ANALYSIS  
AND  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT

FOR THE YEARS ENDED  
OCTOBER 31, 2022 AND 2021



**LESTER, MILLER & WELLS**  
*A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS*

Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Years Ended October 31, 2022 and 2021

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## Hospital Service District No. 1 of the Parish of Pointe Coupee and Affiliate Management's Discussion and Analysis

This section of the Hospital Service District's annual financial report presents background information and management's analysis of the District's financial performance during the fiscal year that ended on October 31, 2022. Please read it in conjunction with the financial statements in this report.

### Financial Highlights

- The District's total assets increased by \$6,455,024, or roughly 11.57%. The increase in assets is due primarily to the recognition of a net pension asset and the accumulation of cash reserves.
- The District's total liabilities increased by \$284,617, or roughly 7.06%. The increase in liabilities results from estimated third-party liabilities.
- The District's total assets exceeded its total liabilities by approximately \$58 million, \$52 million, \$43 million at October 31, 2022, 2021 and 2020, respectively.
- During the year, the District's net patient service revenue increased by \$2,253,355, or 11.62%. Operating expenses increased by \$696,277, or 2.84%. The District had income from operations of \$3,575,270. The District experienced losses from operation in 2021 and 2020 of \$877,252 and \$495,315, respectively.
- Nonoperating income and expenses contributed to an overall positive change in net position over the past three years. Net position increased by \$4,558,152, \$5,468,584 and \$3,201,680 in 2022, 2021, and 2020, respectively.
- The District received sales tax revenues of \$2,791,447 in fiscal year 2022, \$2,442,812 in fiscal year 2021, and \$2,171,857 in fiscal year 2020.

### Required Financial Statements

The Financial Statements of the District report information about the District using Governmental Accounting Standards Board (GASB) accounting principles. These statements offer short-term and long-term financial information about its activities. The Statements of Net Position include all of the District's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the Statements of Revenue, Expenses, and Changes in Net Position. This statement measures improvements in the District's operations over the past two years and can be used to determine whether the District has been able to recover all of its costs through its patient service revenue and other revenue sources. The final required financial statement is the Statements of Cash Flows. The primary purpose of this statement is to provide information about the District's cash from operations, investing, and financing activities, and to provide answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

### Financial Analysis of the Hospital Service District

The Statements of Net Position and the Statements of Revenue, Expenses, and Changes in Net Position report information about the Hospital Service District's activities. These two statements report the net position of the District and changes in them. Increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, other nonfinancial factors such as changes in the health care industry, changes in Medicare and Medicaid regulations, and changes in managed care contracting should also be considered.

Hospital Service District No. 1 of the Parish of Pointe Coupee and Affiliate  
Management's Discussion and Analysis (Continued)

**Net Position**

The District's net position is the difference between its assets, deferred outflows, liabilities and deferred inflows reported in the statement of net position. As discussed in the financial highlights, the District's net position increased by \$4,558,152. The financial highlights also discuss the changes in assets and liabilities as presented in Table 1 below:

**TABLE 1**  
**Condensed Statements of Net Position**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total current assets	\$ 8,899,043	\$ 9,065,462	\$ 6,568,275
Capital assets - net	12,998,600	13,688,905	15,312,568
Right-of-use capital assets - net	409,627	539,376	-0-
Other assets	<u>39,938,599</u>	<u>32,497,102</u>	<u>29,600,760</u>
 Total Assets	 <u>62,245,869</u>	 <u>55,790,845</u>	 <u>51,481,603</u>
 Deferred outflows of resources	 <u>1,778,796</u>	 <u>2,453,940</u>	 <u>1,870,990</u>
 Total Assets and Deferred Outflows of Resources	 \$ <u>64,024,665</u>	 \$ <u>58,244,785</u>	 \$ <u>53,352,593</u>
 Current liabilities	 \$ 3,158,193	 \$ 2,720,359	 \$ 5,094,496
Long-term liabilities	<u>1,158,955</u>	<u>1,312,172</u>	<u>3,176,499</u>
 Total Liabilities	 <u>4,317,148</u>	 <u>4,032,531</u>	 <u>8,270,995</u>
 Deferred inflows of resources	 <u>7,701,347</u>	 <u>6,764,236</u>	 <u>3,102,164</u>
 Invested in capital assets, net of related debt	 12,096,055	 12,781,638	 13,578,000
Restricted	847,862	847,862	847,862
Unrestricted	<u>39,062,253</u>	<u>33,818,518</u>	<u>27,553,572</u>
 Net position	 <u>52,006,170</u>	 <u>47,448,018</u>	 <u>41,979,434</u>
 Total Liabilities, Deferred Inflows of Resources, and Net Position	 \$ <u>64,024,665</u>	 \$ <u>58,244,785</u>	 \$ <u>53,352,593</u>

Hospital Service District No. 1 of the Parish of Pointe Coupee and Affiliate  
Management's Discussion and Analysis (Continued)

**Summary of Revenue, Expenses, and Changes in Net Position**

The following table presents a summary of the District's historical revenues and expenses for each of the fiscal years ended October 31, 2022, 2021, and 2020.

**TABLE 2**  
**Condensed Statements of Revenue, Expenses, and**  
**Changes in Net Position**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenue:			
Net patient service revenue	\$ 21,646,990	\$ 19,393,635	\$ 20,340,744
Other revenues	<u>7,180,587</u>	<u>4,285,143</u>	<u>3,355,776</u>
 Total revenue	 <u>28,827,577</u>	 <u>23,678,778</u>	 <u>23,696,520</u>
Expenses:			
Salaries and benefits	12,846,716	13,099,095	13,326,095
Medical supplies and drugs	1,676,257	1,474,931	1,168,662
Insurance	486,442	440,303	400,862
Professional fees	4,105,800	3,688,351	3,282,090
Depreciation	1,257,397	1,248,629	1,087,843
Other expenses	<u>4,879,695</u>	<u>4,604,721</u>	<u>4,926,283</u>
 Total expenses	 <u>25,252,307</u>	 <u>24,556,030</u>	 <u>24,191,835</u>
 Operating income (loss)	 \$ <u>3,575,270</u>	 \$ <u>(877,252)</u>	 \$ <u>(495,315)</u>

Hospital Service District No. 1 of the Parish of Pointe Coupee and Affiliate  
Management's Discussion and Analysis (Continued)

**Summary of Revenue, Expenses, and Changes in Net Position (Continued)**

**TABLE 2 (Continued)**  
**Condensed Statements of Revenue, Expenses, and**  
**Changes in Net Position**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Nonoperating income (loss):			
Interest income and expense, net	\$ 483,695	\$ 424,536	\$ 388,212
Sales tax revenue	2,791,447	2,442,812	2,171,857
Provider relief funds	848,528	2,114,703	1,195,603
Loan forgiveness	-0-	2,311,946	-0-
Non-employer pension contributions	121,956	123,378	114,587
Gain (loss) on disposal of assets	-0-	-0-	1,800
Payments to Police Jury	<u>(392,000)</u>	<u>(395,250)</u>	<u>(355,000)</u>
Nonoperating income, net	<u>3,853,626</u>	<u>7,022,125</u>	<u>3,517,059</u>
Excess of revenues (expenses)			
before capital grants	7,428,896	6,144,873	3,021,744
Capital grants	<u>-0-</u>	<u>5,937</u>	<u>2,625</u>
Excess of revenues (expenses)	7,428,896	6,150,810	3,024,369
Unrealized investment gains (losses)	<u>(2,870,744)</u>	<u>(682,226)</u>	<u>177,311</u>
Changes in net position	4,558,152	5,468,584	3,201,680
Beginning net position	<u>47,448,018</u>	<u>41,979,434</u>	<u>38,777,754</u>
Ending net position	\$ <u>52,006,170</u>	\$ <u>47,448,018</u>	\$ <u>41,979,434</u>

**Sources of Revenue**

**Operating Income**

During fiscal year 2022, the District derived the majority of its total revenue from patient service revenue. Patient service revenue includes revenue from the Medicare and Medicaid programs and patients or their third-party payers, who receive care in the Hospital's facilities.

The Hospital became a Critical Access Hospital (CAH) on November 1, 2004. This changed the method of payment for most Medicare charges from prospective payment to cost based reimbursement. Swing bed services for Medicare patients also began in fiscal year 2005. Reimbursement for the Medicare and Medicaid programs and the third-party payers is based upon established contracts. The difference between the covered charges and the established contract is recognized as a contractual allowance.

Hospital Service District No. 1 of the Parish of Pointe Coupee and Affiliate  
Management's Discussion and Analysis (Continued)

**Operating Income (Continued)**

Other revenue includes cafeteria sales, rental income, Medicaid managed care incentive payments, physician supplement payments and other miscellaneous services.

Table 3 presents the relative percentages of gross charges billed for patient services by payer for the fiscal years ended October 31, 2022, 2021, and 2020.

**TABLE 3  
Payer Mix by Percentage**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Medicare	21%	23%	23%
Medicaid	24%	24%	23%
Blue Cross Blue Shield	15%	14%	14%
Commercial Insurance	37%	35%	34%
Self Pay	3%	4%	5%

**Nonoperating Revenues**

Nonoperating revenues typically consist of interest income and sales tax revenue. Nonoperating revenues decreased by \$3,168,499 during the current year. This decrease is a direct response to the COVID-19 pandemic. As the pandemic ends, government funding to respond to the pandemic has discontinued. The District recognized \$848,528 in Provider Relief Funds during 2022, compared to \$2,114,703 in 2021. During 2021, the District also recognized nonoperating income of \$2,311,946 as a result of the PPP loan forgiveness.

The District holds designated and restricted funds in its Statements of Net Position that are invested primarily in the Louisiana Asset Management Pool and Merrill Lynch. Total investments in fiscal years 2022, 2021 and 2020, respectively, were \$31,711,686, \$28,360,579 and \$28,612,132.

A 1% sales tax was approved for an indefinite term with 50% of the tax dedicated to District operations and the remainder for hospital operations. In 2016, a ¼% sales tax with a ten-year term was approved.

Hospital Service District No. 1 of the Parish of Pointe Coupee and Affiliate  
Management's Discussion and Analysis (Continued)

**Operating and Financial Performance**

The following summarizes the Hospital's statistical data for the years ended October 31, 2022, 2021, and 2020.

**TABLE 4**  
**Hospital Statistical Data**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Discharges:			
Acute care	92	126	132
Swing bed	73	71	72
Patient days:			
Acute care	371	636	553
Swing bed	840	804	816
Average daily census:			
Acute care	1.0	1.7	1.5
Swing bed	2.3	2.2	2.2
Average length of stay:			
Acute care	4.0	5.0	4.2
Swing bed	11.5	11.3	11.3

Overall activity at the Hospital, as measured by patient discharges, decreased by 32 during fiscal year 2022, following a decrease of 7 and 16 during fiscal year 2021 and 2020, respectively. Patient days decreased by 229 in 2022, compared to an increase of 71 in 2021 and a decrease of 135 in 2020.

In 2022, total net patient service revenue increased by 11.62% or \$2,253,355. Total net patient service revenue increased by 0.80% or \$163,249 in fiscal year 2021 and decreased by 2.26% or \$470,229 in fiscal year 2020.

Average days in net accounts receivable increased to 37.8 in 2022 compared to 36.0 days in 2021 and 30.1 days in 2020. The Hospital continues to exert every effort to assist patients in finding funding sources for health care.

The provision for bad debts decreased by \$303,885 in 2022, \$356,006 in 2021, and \$142,973 in 2020.

Salaries increased in 2022, 2021 and 2020, respectively, by \$892,570, \$709,967 and \$566,060. Benefits decreased by \$1,144,949, \$936,967 and \$1,112,678 in 2022, 2021 and 2020, respectively. Benefits fluctuate primarily due to recognition of non-cash pension expense in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*.

Medical professional fees increased by \$417,449, \$527,737 and \$46,704 in 2022, 2021, and 2020, respectively.

The cost of medical supplies increased by \$201,326 and \$312,265 in 2022 and 2021, compared to a decrease of \$112,258 in 2020.



Hospital Service District No. 1 of the Parish of Pointe Coupee and Affiliate  
Management's Discussion and Analysis (Continued)

**Capital Assets**

During fiscal year 2022, the District invested approximately \$423,607 in capital assets. Net capital assets decreased by \$893,868, \$793,664 and \$829,999 in 2022, 2021 and 2020, respectively.

The District implemented GASB Statement No. 87, *Leases*, on November 1, 2021. As a result, the right-of-use lease assets of \$689,726 are capitalized as of October 31, 2022.

**TABLE 5  
Capital Assets**

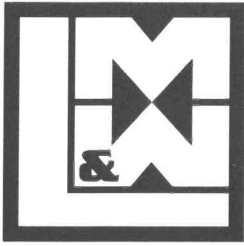
	October 31, <u>2022</u>	October 31, <u>2021</u>	October 31, <u>2020</u>
Land	\$ 1,974,398	\$ 1,974,398	\$ 1,974,398
Construction in progress	<u>203,563</u>	<u>-0-</u>	<u>-0-</u>
 Total nondepreciable capital assets	 \$ <u>2,177,961</u>	 \$ <u>1,974,398</u>	 \$ <u>1,974,398</u>
 Land improvements	 \$ 215,001	 \$ 205,001	 \$ 205,001
Buildings & improvements	23,271,808	23,271,808	23,264,133
Equipment	<u>8,644,445</u>	<u>8,434,401</u>	<u>8,127,754</u>
 Total depreciable capital assets	 32,131,254	 31,911,210	 31,596,888
Less: accumulated depreciation	<u>21,310,615</u>	<u>20,196,703</u>	<u>19,088,717</u>
 Total depreciable capital assets, net	 \$ <u>10,820,639</u>	 \$ <u>11,714,507</u>	 \$ <u>12,508,171</u>
 Right-of-use assets, equipment	 \$ 689,726	 \$ 680,017	 \$ -0-
Less: accumulated amortization	<u>280,099</u>	<u>140,641</u>	<u>-0-</u>
 Total right-of-use capital assets, net	 \$ <u>409,627</u>	 \$ <u>539,376</u>	 \$ <u>-0-</u>

**Long-Term Debt**

As of October 31, 2022, the District had \$884,819 in short-term and long-term debt. Additionally, the District had \$427,353 in short-term and long-term lease obligation liabilities.

**Contacting the Hospital Service District's Financial Manager**

This financial report is designed to provide our citizens, customers and creditors with a general overview of the Hospital Service District's finances and to demonstrate the accountability for the money it receives. If you have questions about this report or need additional financial information, contact Hospital Administration.



## **LESTER, MILLER & WELLS**

*A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS*

3600 Bayou Rapides Road • Alexandria, LA 71303-3653  
Mailing Address: Post Office Box 8758 • Alexandria, LA 71306-1758  
Telephone: (318) 487-1450 • Facsimile: (318) 445-1184

3639 Ambassador Caffery Parkway, Suite 330 • Lafayette, LA 70503-5107  
Telephone: (337) 484-1020 • Facsimile: (337) 484-1029

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

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John S. Wells, CPA  
Robert G. Miller, CPA  
Paul A. Delaney, CPA  
Mary L. Carroll, CPA  
Joey L. Breaux, CPA  
Jason P. LeBlanc, CPA  
Karlie P. Brister, CPA  
P. Trae' O'Pry, CPA, CVA

---

Brenda J. Lloyd, CPA  
Timothy J. Deshotel, CPA  
Andrew J. Wynn, CPA

---

Retired 2015  
Bobby G. Lester, CPA

### INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners  
Hospital Service District No. 1  
Parish of Pointe Coupee, State of Louisiana  
New Roads, Louisiana

#### **Report on the Financial Statements**

##### ***Opinion***

We have audited the accompanying combined financial statements of the Hospital Service District No. 1, Parish of Pointe Coupee, (the "District"), a component unit of the Pointe Coupee Parish Police Jury, New Roads, Louisiana, as of and for the years ended October 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's combined financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District, as of October 31, 2022 and 2021, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Maison Pointe Coupee Apartments, which statements reflect total assets of \$1,531,539 and \$1,573,088 as of December 31, 2022 and 2021, respectively, and total revenues of \$278,771 and \$274,573, respectively, for the years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Maison Pointe Coupee Apartments, is based solely on the report of the other auditors.

##### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Emphasis of Matter***

As discussed in Note 1, the combined financial statements present only the financial information of Pointe Coupee Hospital Service District No. 1 and do not purport to, and do not, present fairly the financial position of the Pointe Coupee Parish Police Jury as of October 31, 2022 and 2021, and the changes in its financial position, or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages i through vii, Schedule of Proportionate Share of Net Pension Liability on page 39, and Schedule of Employer Contributions to Pension Plan on page 41 be presented to supplement the combined financial statements. Such information is the responsibility of management and, although not a part of the combined financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the combined financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the combined financial statements, and other knowledge we obtained during our audit of the combined financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements 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 combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.



Board of Commissioners  
Hospital Service District No. 1  
Parish of Pointe Coupee, State of Louisiana  
Page Four

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Certified Public Accountants  
Alexandria, Louisiana

April 28, 2023



Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Combined Statements of Net Position  
October 31,

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Current		
Cash and cash equivalents (Notes 2 & 3)	\$ 1,984,884	\$ 2,836,605
Patient accounts receivable, net of estimated uncollectibles (Note 6)	2,240,070	1,910,279
Estimated third-party payor settlements	2,494,597	2,511,130
Other receivables	1,058,433	746,415
Inventory	663,545	723,476
Prepaid expenses	159,774	55,587
Current portion of lease receivable	<u>297,740</u>	<u>281,970</u>
 Total Current Assets	 <u>8,899,043</u>	 <u>9,065,462</u>
 Assets limited as to use (Note 4)	 7,034,251	 1,980,047
 Nondepreciable capital assets (Note 7)	 2,177,961	 1,974,398
 Depreciable capital assets, net (Note 7)	 10,820,639	 11,714,507
 Right-of-use capital assets, net (Note 7)	 409,627	 539,376
 Other assets		
Investments	24,849,129	26,535,457
LHA investment	222,523	222,523
Net pension asset (Note 12)	6,944,527	2,573,166
Lease receivable	<u>888,169</u>	<u>1,185,909</u>
 Total Assets	 <u>62,245,869</u>	 <u>55,790,845</u>
 Deferred outflows related to net pension liability	 <u>1,778,796</u>	 <u>2,453,940</u>
 Total Assets and Deferred Outflows of Resources	 <u>\$ 64,024,665</u>	 <u>\$ 58,244,785</u>

See accompanying notes to financial statements.

Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Combined Statements of Net Position (Continued)  
October 31,

<u>LIABILITIES AND NET POSITION</u>	<u>2022</u>	<u>2021</u>
Current		
Accounts payable	\$ 688,979	\$ 840,676
Accrued expenses and withholdings payable (Note 8)	1,767,246	1,545,432
Estimated third-party payor settlements	548,751	199,780
Current portion of lease liability	142,279	124,258
Current portion of long-term debt (Note 9)	<u>10,938</u>	<u>10,213</u>
 Total Current Liabilities	 3,158,193	 2,720,359
Long-term		
Lease liability (Note 10)	285,074	427,353
Long-term debt (Note 9)	<u>873,881</u>	<u>884,819</u>
 Total Liabilities	 <u>4,317,148</u>	 <u>4,032,531</u>
Deferred inflows related to net pension liability	6,570,182	5,331,394
Deferred inflows related to lease receivable	<u>1,131,165</u>	<u>1,432,842</u>
 Total Deferred Inflows of Resources	 <u>7,701,347</u>	 <u>6,764,236</u>
Net Position		
Invested in capital assets, net of related debt	12,096,055	12,781,638
Restricted - Donor capital	847,862	847,862
Unrestricted	<u>39,062,253</u>	<u>33,818,518</u>
 Total Net Position	 <u>52,006,170</u>	 <u>47,448,018</u>
 Total Liabilities, Deferred Inflows of Resources, and Net Position	 \$ <u>64,024,665</u>	 \$ <u>58,244,785</u>

See accompanying notes to financial statements.

Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Combined Statements of Revenue, Expenses, and Changes in Net Position  
Years Ended October 31,

	<u>2022</u>	<u>2021</u>
Revenue		
Net patient service revenue (Note 14)	\$ 21,646,990	\$ 19,393,635
Intergovernmental transfer grant (Note 15)	2,235,084	1,247,188
Grants	278,094	5,500
Other operating revenue	<u>4,667,409</u>	<u>3,032,455</u>
Total Revenue	<u>28,827,577</u>	<u>23,678,778</u>
Expenses		
Salaries and benefits	12,846,716	13,099,095
Medical supplies and drugs	1,676,257	1,474,931
Insurance	486,442	440,303
Professional fees	4,105,800	3,688,351
Depreciation and amortization	1,257,397	1,248,629
Other expenses	<u>4,879,695</u>	<u>4,604,721</u>
Total Expenses	<u>25,252,307</u>	<u>24,556,030</u>
Operating Income (Loss)	<u>3,575,270</u>	<u>(877,252)</u>
Nonoperating Income (Loss)		
Investment income	524,537	483,254
Interest expense	(40,842)	(58,718)
Sales tax revenue	2,791,447	2,442,812
Provider relief funds (Note 21)	848,528	2,114,703
Loan forgiveness	-0-	2,311,946
Non-employer pension contributions	121,956	123,378
Payments to Police Jury	<u>(392,000)</u>	<u>(395,250)</u>
Nonoperating Income (Loss), net	<u>3,853,626</u>	<u>7,022,125</u>
Excess of Revenue (Expenses) before Capital Grants	7,428,896	6,144,873
Capital grants	<u>-0-</u>	<u>5,937</u>
Excess of Revenues (Expenses)	7,428,896	6,150,810
Unrealized investment gains (losses)	<u>(2,870,744)</u>	<u>(682,226)</u>
Changes in net position	4,558,152	5,468,584
Beginning Net Position	<u>47,448,018</u>	<u>41,979,434</u>
Ending Net Position	\$ <u>52,006,170</u>	\$ <u>47,448,018</u>

See accompanying notes to financial statements.



Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Combined Statements of Cash Flows  
Years Ended October 31,

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Cash receipts from patients and third-party payors	\$ 21,682,703	\$ 19,179,844
Cash receipts from other operating revenues	6,848,862	5,379,462
Cash payments to employees and for employee-related cost	(14,960,374)	(13,955,238)
Cash payments for other operating expenses	<u>(11,344,148)</u>	<u>(10,127,929)</u>
Net cash provided (used) by operating activities	<u>2,227,043</u>	<u>476,139</u>
Cash flows from investing activities:		
Other investment income	524,537	483,254
Assets limited as to use	(5,054,204)	(21,545)
Unrestricted investments	<u>(1,184,413)</u>	<u>(429,806)</u>
Net cash provided (used) by investing activities	<u>(5,714,080)</u>	<u>31,903</u>
Cash flows from non-capital financing activities:		
Sales tax utilized in operations	2,791,447	2,442,812
Provider relief funds	848,528	(601,690)
Payments to Police Jury	<u>(392,000)</u>	<u>(395,250)</u>
Net cash provided (used) by non-capital financing activities	<u>3,247,975</u>	<u>1,445,872</u>
Cash flows from capital and related financing activities:		
Purchases of property, plant, and equipment	(220,044)	(314,324)
Purchases of land	(203,563)	-0-
Proceeds from capital grants	-0-	5,937
Principal payments on lease liability	(137,997)	(128,405)
Principal payments on long-term debt	(10,213)	(9,537)
Interest paid on lease liability	(24,896)	(30,688)
Interest paid on long-term debt	<u>(15,946)</u>	<u>(28,030)</u>
Net cash provided (used) by capital and related financing activities	\$ <u>(612,659)</u>	\$ <u>(505,047)</u>

See accompanying notes to financial statements.

Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Combined Statements of Cash Flows (Continued)  
Years Ended October 31,

	<u>2022</u>	<u>2021</u>
Net increase (decrease) in cash and cash equivalents	\$ (851,721)	\$ 1,448,867
Beginning cash and cash equivalents	<u>2,836,605</u>	<u>1,387,738</u>
Ending cash and cash equivalents	\$ <u>1,984,884</u>	\$ <u>2,836,605</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ <u>40,842</u>	\$ <u>58,718</u>
Paycheck Protection Program loan forgiveness	\$ <u>-0-</u>	\$ <u>2,311,946</u>
Right-of-use assets acquired under leases	\$ <u>13,739</u>	\$ <u>680,017</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Operating income (loss)	\$ 3,575,270	\$ (877,252)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	1,257,397	1,248,629
Amortization of lease income	(301,677)	(301,677)
Increase (decrease) in:		
Patient accounts receivable, net	(329,791)	(233,634)
Estimated third-party payor settlements	16,533	(27,571)
Other receivables	(312,018)	1,129,356
Inventory	59,931	(174,013)
Prepaid expenses	(104,187)	1,368
Lease receivable	281,970	266,640
Increase (decrease) in:		
Accounts payable	(151,697)	253,023
Accrued expenses and withholdings payable	221,814	14,022
Estimated third-party payor settlements	348,971	47,414
Pension liability (asset)	<u>(2,335,473)</u>	<u>(870,166)</u>
Net cash provided (used) by operating activities	\$ <u>2,227,043</u>	\$ <u>476,139</u>

See accompanying notes to financial statements.

Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Notes to Combined Financial Statements  
Years Ended October 31, 2022 and 2021

NOTE 1 - ORGANIZATION AND OPERATIONS

Legal Organization

Pointe Coupee Hospital Service District No. 1 (referred to herein as "Pointe Coupee General Hospital" or the "District") was created by an ordinance of the Pointe Coupee Parish Police Jury on June 5, 1979. The District's area includes all of Pointe Coupee Parish, Louisiana.

The District is a political subdivision of the Pointe Coupee Parish Police Jury whose jurors are elected officials. The District's nine commissioners are appointed by the Pointe Coupee Parish Police Jury. As the governing authority of the Parish, for reporting purposes, the Pointe Coupee Parish Police Jury is the financial reporting entity for the District. Accordingly, the District was determined to be a component unit of the Pointe Coupee Parish Police Jury based on Statement No. 14 of the National Committee on Governmental Accounting. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general governmental services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

An affiliate, Hospital Service District No. 1 of Pointe Coupee, Louisiana, Inc. (dba Maison Pointe Coupee Apartments) was incorporated as a Louisiana nonprofit corporation on July 21, 1999. On November 1, 2004, Pointe Coupee Homebound Health and Hospice (PCHHH) was transferred from the Hospital enterprise fund and became a separate enterprise fund of the District.

Nature of Business

The District provides outpatient, emergency, inpatient acute hospital services, skilled nursing (through "swing-beds"), as well as home health care and hospice services. It also provides services to the parish ambulance service, health unit, mental health unit, substance abuse unit and the Council on Aging. Its affiliate began providing elderly housing to local residents on April 5, 2002. On November 1, 2004, the Hospital converted to a 25 bed critical access hospital (CAH).

Principles of Combination

The accompanying combined financial statements include the accounts of the Hospital Service District No. 1, Parish of Pointe Coupee as well as Maison Pointe Coupee Apartments. A separate enterprise fund was created November 1, 2004 for Pointe Coupee Homebound Health and Hospice. The District has control of its affiliate through common board members. All intercompany transactions and balances have been eliminated.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Enterprise Fund

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

Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Notes to Combined Financial Statements  
Years Ended October 31, 2022 and 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

The District uses the enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic measurement focus.

Cash and Cash Equivalents

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

Income Taxes

The entity is a political subdivision and exempt from taxation.

Credit Risk

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

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

Significant Concentration of Economic Dependence

The District has an economic dependence on a small number of staff physicians who admit over 90% of the District's patients. The District also has an economic dependence on Medicare and Medicaid as sources of payments as shown in the table in Note 14. Accordingly, changes in federal or state legislation or interpretations of rules have a significant impact on the District.

Net Patient Service Revenue

The District has entered into agreements with third-party payors, including government programs, health insurance companies, and managed care health plans, under which the Hospital is paid based upon established charges, the cost of providing services, predetermined rates per diagnosis, fixed per diem rates, or discounts from established charges.

Revenues are recorded at estimated amounts due from patients and third-party payors for the Hospital services provided. Settlements under reimbursement agreements with third-party payors are estimated and recorded in the period the related services are rendered and are adjusted in future periods as final settlements are determined.

Inventory

Inventories are stated at the lower of cost determined by the first-in, first-out method, or net realizable value.

Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Notes to Combined Financial Statements  
Years Ended October 31, 2022 and 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets are recorded at cost for purchased assets or at fair market value on the date of any donation. The District uses straight-line method of determining depreciation for financial reporting and third-party reimbursement. The following estimated useful lives are generally used.

Buildings and Improvements	25 to 40 years
Machinery and Equipment	5 to 20 years
Furniture and Fixtures	5 to 15 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.

Net Position

The District classifies net position into three components: invested in capital assets, net of related debt; restricted and unrestricted. Invested in capital assets, net of related debt consists of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Restricted consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Unrestricted are remaining net assets that do not meet the definition of invested in capital assets net of related debt or restricted. When both restricted and unrestricted resources are available for use, it is the Hospital's policy to use restricted resources first, then unrestricted resources as they are needed.

Revenue and Expenses

The District's statements of revenue, expenses, and changes in net assets distinguish between operating and nonoperating revenue and expenses. Operating revenues result from exchange transactions associated with providing health care services – the District's principal activity. Operating revenue also includes sales taxes passed to provide the District with revenue to operate and maintain the District. Nonexchange revenues are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

Patient Accounts Receivable

Patient accounts receivable are carried at a net amount determined by the original charges for the services provided, less an estimate made for contractual adjustments or discounts provided to the third-party payors, less any payments received and less an estimated allowance for doubtful accounts. Management determines that allowance for doubtful accounts by utilizing a historical experience applied to an aging of accounts. Patient accounts receivable are written off as bad debt expense when deemed uncollectible. Recoveries of receivables previously written off as bad debt expense are recorded as a reduction of bad debt expense when received.

Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Notes to Combined Financial Statements  
Years Ended October 31, 2022 and 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants and Contributions

From time to time, the District receives grants and contributions from the State of Louisiana, individuals or private and public organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as operating revenues. Amounts restricted to capital acquisitions are reported after nonoperating revenues and expenses.

Restricted Resources

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

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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year classifications.

Charity Care

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

Risk Management

The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

Advertising

The District expenses advertising cost as incurred. Advertising expense for the years ended October 31, 2022 and 2021 totaled \$74,021 and \$103,925, respectively.

Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Notes to Combined Financial Statements  
Years Ended October 31, 2022 and 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Environmental Matters

The District is subject to laws and regulations relating to the protection of the environment. The District's policy is to accrue environmental and cleanup related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty, the potential financial impact of the District's continuing compliance efforts, management believes any future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of the District. At October 31, 2022 and 2021, management is not aware of any liability resulting from environmental matters.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense item until then. The District has one item that meets this criterion, deferrals of pension expense. In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District has two items that meet the criterion for this category, deferrals of pension expense and deferrals of lease revenue.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees' Retirement System of Louisiana (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value within each plan.

Recently Adopted Accounting Pronouncements

On November 1, 2021, the District adopted GASB Statement No. 87, *Leases*. The primary objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting of leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-of-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The new standard is to be applied to all applicable leases as of the beginning of the earliest period presented; and therefore, the October 31, 2021 financial statements have been restated, as discussed in Note 22.

Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Notes to Combined Financial Statements  
Years Ended October 31, 2022 and 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Principles

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this statement is to provide guidance on the accounting and financial reporting of subscription-based information technology arrangements for government end users. The requirements for this statement are effective for fiscal years beginning after June 15, 2022. Management is evaluating the potential impact of adoption on the District's financial statements.

NOTE 3 - DEPOSITS AND INVESTMENTS

Louisiana state statutes authorize the District to invest in direct obligations of the U.S. Treasury and other federal agencies, time deposits with state banks and national banks having their principal office in the State of Louisiana, guaranteed investment contracts issued by highly rated financial institutions, and certain investments with qualifying mutual or trust institutions. Louisiana statutes also require that all of the deposits of the District be protected by insurance or collateral. The market value of collateral pledged must equal or exceed 100% of the deposits not covered by insurance.

Custodial Credit Risks – Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned to it. Louisiana state statutes require that all of the deposits of the District be protected by insurance or collateral. The fair value of the collateral pledged must equal 100% of the deposits not covered by insurance. The District's deposits were not entirely insured or entirely collateralized by securities held by the pledging bank's trust department in the District's name. All deposits, as of October 31, 2022 and 2021, were insured.

Interest Rate Risks – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. The Hospital does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates.

Concentration of Credit Risks – The District has 6.20% in Federal Home Loan Bank, 49.99% in Federal Farm Credit Bank, and 22.07% in Federal National Mortgage Association.



Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Notes to Combined Financial Statements  
Years Ended October 31, 2022 and 2021

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

The carrying amounts of deposits and investments are included in the Hospital's balance sheets as follows:

	<u>2022</u>	<u>2021</u>
Carrying amount		
Deposits	\$ 9,019,135	\$ 4,816,652
Investments	<u>25,071,652</u>	<u>26,757,980</u>
	<u>\$ 34,090,787</u>	<u>\$ 31,574,632</u>
Included in the following balance sheet captions		
Cash and cash equivalents	\$ 1,984,884	\$ 2,836,605
Assets whose use is limited	7,034,251	1,980,047
Investments	<u>25,071,652</u>	<u>26,757,980</u>
	<u>\$ 34,090,787</u>	<u>\$ 31,574,632</u>

Account balances according to banks' records at October 31, 2022, for the Hospital are as follows:

	<u>Regions Bank</u>	<u>Merrill Lynch</u>	<u>First Guaranty</u>
Cash in bank	\$ <u>2,271,181</u>	\$ <u>186,886</u>	\$ <u>1,500</u>
Insured by FDIC	\$ <u>438,840</u>	\$ <u>186,886</u>	\$ <u>1,500</u>
Collateralization by fair market value	\$ <u>1,832,341</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
Uncollateralized	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

The District has 21.15% of its investments invested in the Louisiana Asset Management Pool, Inc. (LAMP), which is a local government investment pool established as a cooperative effort to enable public entities of the State of Louisiana to aggregate funds for investment. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana and is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Notes to Combined Financial Statements  
Years Ended October 31, 2022 and 2021

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

LAMP is designed to be highly liquid to give participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. Investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of pool shares.

At October 31, 2022 and 2021, the District had the following investments and maturities, all of which were held in the District's name by a custodial bank that is an agent of the District.

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Less Than 1</u>	<u>Investment Maturities (In Years)</u>		
			<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>
Money Market	\$ 769	\$ 769	\$ -0-	\$ -0-	\$ -0-
LAMP	6,642,341	6,642,341	-0-	-0-	-0-
Federal National Mortgage Association	6,929,768	-0-	6,929,768	-0-	-0-
Federal Home Loan Bank	1,945,800	-0-	1,945,800	-0-	-0-
Federal Farm Credit Bank	15,697,964	-0-	15,697,964	-0-	-0-
<b>Total</b>	<b>\$ 31,216,642</b>	<b>\$ 6,643,110</b>	<b>\$ 24,573,532</b>	<b>\$ -0-</b>	<b>\$ -0-</b>

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Less Than 1</u>	<u>Investment Maturities (In Years)</u>		
			<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>
Money Market	\$ 2,478,269	\$ 2,478,269	\$ -0-	\$ -0-	\$ -0-
LAMP	1,604,883	1,604,883	-0-	-0-	-0-
Federal National Mortgage Association	941,959	-0-	941,959	-0-	-0-
Federal Home Loan Bank	5,099,399	3,027,379	2,072,020	-0-	-0-
Federal Farm Credit Bank	17,507,070	-0-	17,507,070	-0-	-0-
<b>Total</b>	<b>\$ 27,631,580</b>	<b>\$ 7,110,531</b>	<b>\$ 20,521,049</b>	<b>\$ -0-</b>	<b>\$ -0-</b>

The District records these investments under the provision of the GASB Statement No 31. These investments are considered Level 2 investments under the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Notes to Combined Financial Statements  
Years Ended October 31, 2022 and 2021

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

As of October 31, 2022, the District's investments were rated as follows:

Investment Type	<u>Moody's</u>	<u>S&amp;P</u>
LAMP	Not Rated	AAAm
Federal National Mortgage Association	AAA	AA+
Federal Home Loan Bank	AAA	AA+
Federal Farm Credit Bank	AAA	AA+

NOTE 4 - ASSETS LIMITED AS TO USE

Assets limited as to use are summarized below. Investments are stated at cost that approximates market value.

	<u>2022</u>	<u>2021</u>
Limited by board for capital improvements	\$ 6,122,069	\$ 1,092,385
Limited by board for third-party payor contingencies	517,965	510,214
Limited by board for tenant deposits	8,875	8,575
Limited by USDA for elderly housing project	<u>385,342</u>	<u>368,873</u>
 Total	 \$ <u>7,034,251</u>	 \$ <u>1,980,047</u>

NOTE 5 - LEASE RECEIVABLE

The District has entered into multiple agreements to lease medical office space to local healthcare providers. Monthly lease payments under these agreements range from \$1,775 to \$22,254, with terms ending between October 2025 and December 2032. For the year ended October 31, 2022, the District recognized lease revenue and interest income related to the above leases in the amounts of \$281,970 and \$43,538, respectively.

Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Notes to Combined Financial Statements  
Years Ended October 31, 2022 and 2021

NOTE 6 - ACCOUNTS RECEIVABLE

A summary of patient accounts receivable is presented below.

	<u>2022</u>	<u>2021</u>
Hospital patient receivables	\$ 2,579,037	\$ 2,460,726
Home Health patient receivables	377,894	362,229
Hospice patient receivables	<u>169,121</u>	<u>137,889</u>
	3,126,052	2,960,844
Estimated uncollectibles	<u>(885,982)</u>	<u>(1,050,565)</u>
Net patient accounts receivable	\$ <u>2,240,070</u>	\$ <u>1,910,279</u>

The following is a summary of the mix of receivables from patients and third-party payors at October 31:

	<u>2022</u>	<u>2021</u>
Medicare	29%	23%
Medicaid	10%	7%
Blue Cross Blue Shield of Louisiana	6%	6%
Commercial and other third-party payors	19%	21%
Patients	<u>36%</u>	<u>43%</u>
Total	<u>100%</u>	<u>100%</u>

The Medicare, Medicaid and third-party payors are shown net of contractual allowances.

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NOTE 7 - CAPITAL ASSETS

The following is a summary of capital assets and related accumulated depreciation and amortization at October 31:

	October 31, <u>2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers</u>	October 31, <u>2022</u>
<b>Nondepreciable capital assets</b>					
Land	\$ 1,974,398	\$ -0-	\$ -0-	\$ -0-	\$ 1,974,398
Construction in progress	<u>-0-</u>	<u>203,563</u>	<u>-0-</u>	<u>-0-</u>	<u>203,563</u>
Total nondepreciable capital assets	<u>\$ 1,974,398</u>	<u>\$ 203,563</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 2,177,961</u>
<b>Depreciable capital assets</b>					
Land improvements	\$ 205,001	\$ 10,000	\$ -0-	\$ -0-	\$ 215,001
Buildings & improvements	23,271,808	-0-	-0-	-0-	23,271,808
Equipment	<u>8,434,401</u>	<u>210,044</u>	<u>-0-</u>	<u>-0-</u>	<u>8,644,445</u>
Total depreciable capital assets	31,911,210	220,044	-0-	-0-	32,131,254
Accumulated depreciation	<u>20,196,703</u>	<u>1,113,912</u>	<u>-0-</u>	<u>-0-</u>	<u>21,310,615</u>
Total depreciable capital assets, net	<u>\$ 11,714,507</u>	<u>\$ (893,868)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 10,820,639</u>
<b>Right-of-use capital assets</b>					
Equipment	\$ 680,017	\$ 13,739	\$ 4,030	\$ -0-	\$ 689,726
Accumulated amortization	<u>140,641</u>	<u>143,488</u>	<u>4,030</u>	<u>-0-</u>	<u>280,099</u>
Total right-of-use capital assets, net	<u>\$ 539,376</u>	<u>\$ (129,749)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 409,627</u>

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**NOTE 7 - CAPITAL ASSETS (Continued)**

	October 31, <u>2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers</u>	October 31, <u>2021</u>
<b>Nondepreciable capital assets</b>					
Land	\$ 1,974,398	\$ -0-	\$ -0-	\$ -0-	\$ 1,974,398
Construction in progress	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total nondepreciable capital assets	<u>\$ 1,974,398</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,974,398</u>
<b>Depreciable capital assets</b>					
Land improvements	\$ 205,001	\$ -0-	\$ -0-	\$ -0-	\$ 205,001
Buildings & improvements	23,264,133	7,675	-0-	-0-	23,271,808
Equipment	<u>8,127,754</u>	<u>306,647</u>	<u>-0-</u>	<u>-0-</u>	<u>8,434,401</u>
Total depreciable capital assets	31,596,888	314,322	-0-	-0-	31,911,210
Accumulated depreciation	<u>19,088,717</u>	<u>1,107,986</u>	<u>-0-</u>	<u>-0-</u>	<u>20,196,703</u>
Total depreciable capital assets, net	<u>\$ 12,508,171</u>	<u>\$ (793,664)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 11,714,507</u>
<b>Right-of-use capital assets</b>					
Equipment	\$ -0-	\$ 680,017	\$ -0-	\$ -0-	\$ 680,017
Accumulated amortization	<u>-0-</u>	<u>140,641</u>	<u>-0-</u>	<u>-0-</u>	<u>140,641</u>
Total right-of-use capital assets, net	<u>\$ -0-</u>	<u>\$ 539,376</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 539,376</u>

**NOTE 8 - ACCRUED EXPENSES AND WITHHOLDINGS PAYABLE**

A summary of accrued expenses follows:

	<u>2022</u>	<u>2021</u>
Salaries and wages	\$ 605,709	\$ 493,179
Compensated absences	950,682	983,292
Payroll taxes and withholdings	200,653	59,001
Other accrued expenses	<u>10,202</u>	<u>9,960</u>
Total accrued expenses	<u>\$ 1,767,246</u>	<u>\$ 1,545,432</u>

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**NOTE 9 - LONG-TERM DEBT**

The following is a summary of the changes in long-term debt as of October 31:

	<u>October 31,</u> <u>2021</u>	<u>Additions</u>	<u>Payments</u>	<u>October 31,</u> <u>2022</u>	<u>Due Within</u> <u>One Year</u>
SBA PPP loan	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
USDA note payable	<u>895,032</u>	<u>-0-</u>	<u>10,213</u>	<u>884,819</u>	<u>10,938</u>
Total	\$ <u>895,032</u>	\$ <u>-0-</u>	\$ <u>10,213</u>	\$ <u>884,819</u>	\$ <u>10,938</u>

	<u>October 31,</u> <u>2020</u>	<u>Additions</u>	<u>Payments</u>	<u>October 31,</u> <u>2021</u>	<u>Due Within</u> <u>One Year</u>
SBA PPP loan	\$ 2,311,946	\$ -0-	\$ 2,311,946	\$ -0-	\$ -0-
USDA note payable	<u>904,569</u>	<u>-0-</u>	<u>9,537</u>	<u>895,032</u>	<u>10,213</u>
Total	\$ <u>3,216,515</u>	\$ <u>-0-</u>	\$ <u>2,321,483</u>	\$ <u>895,032</u>	\$ <u>10,213</u>

The following are the terms and due dates of the District's long-term debt at October 31, 2022:

- USDA note payable at 6.875% with a term of 50 years, due in monthly installments of \$5,952 maturing in the year 2050. The loan is collateralized by two parcels of land owned by the District.
- Small Business Administration (SBA) Paycheck Protection Program (PPP) loan used to pay employee payroll expenses. The SBA forgave the principal and interest attributable to this loan in 2021.

Scheduled principal and interest payments on long-term debt obligations are as follows:

<u>October 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 10,938	\$ 60,491	\$ 71,429
2024	11,714	59,715	71,429
2025	12,545	58,884	71,429
2026	13,436	57,993	71,429
2027	14,389	57,040	71,429
2028-2032	88,790	268,355	357,145
2033-2037	125,090	232,056	357,146
2038-2042	176,233	180,910	357,143
2043-2047	248,283	108,863	357,146
2048-2050	<u>183,401</u>	<u>18,964</u>	<u>202,365</u>
Totals	\$ <u>884,819</u>	\$ <u>1,103,271</u>	\$ <u>1,988,090</u>

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NOTE 10 - LEASE LIABILITY

The following is a summary of the changes in lease liability obligations as of October 31:

	<u>October 31,</u> <u>2021</u>	<u>Additions</u>	<u>Payments</u>	<u>October 31,</u> <u>2022</u>	<u>Due Within</u> <u>One Year</u>
Equipment	\$ <u>551,611</u>	\$ <u>13,739</u>	\$ <u>137,997</u>	\$ <u>427,353</u>	\$ <u>142,279</u>
Total	\$ <u>551,611</u>	\$ <u>13,739</u>	\$ <u>137,997</u>	\$ <u>427,353</u>	\$ <u>142,279</u>
	<u>October 31,</u> <u>2020</u>	<u>Additions</u>	<u>Payments</u>	<u>October 31,</u> <u>2021</u>	<u>Due Within</u> <u>One Year</u>
Equipment	\$ <u>680,017</u>	\$ <u>-0-</u>	\$ <u>128,406</u>	\$ <u>551,611</u>	\$ <u>124,258</u>
Total	\$ <u>680,017</u>	\$ <u>-0-</u>	\$ <u>128,406</u>	\$ <u>551,611</u>	\$ <u>124,258</u>

The following are the terms and due dates of the District's lease obligations:

- Various lease liability obligation for equipment at imputed interest rates ranging from 3.00% to 5.25% with total monthly payments ranging from \$128 to \$13,785 through September 30, 2034.

Scheduled principal and interest payments on lease liability obligations are as follows:

<u>October 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 142,279	\$ 18,013	\$ 160,292
2024	130,691	11,191	141,882
2025	113,410	4,616	118,026
2026	10,572	1,750	12,322
2027	4,278	1,468	5,746
2028-2030	<u>26,123</u>	<u>4,355</u>	<u>30,478</u>
Totals	\$ <u>427,353</u>	\$ <u>41,393</u>	\$ <u>468,746</u>



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NOTE 11 - COMPENSATED ABSENCES

Upon completion of six months of employment, employees are eligible for paid time off (PTO). The amount in which each employee is entitled varies depending upon the job classification, length of service, number of hours worked each week, and other factors. A maximum of 400 hours may be carried over from year to year. Any excess must be paid or used by September 30, of a subsequent year. Vested PTO time has been recorded as a liability in the accompanying financial statements at the payroll rates in effect at the balance sheet date.

NOTE 12 - PENSION PLAN

Plan Description - Substantially all Hospital employees are eligible for participation in the Parochial Employees' Retirement System of Louisiana (the "Plan"), a cost-sharing multiple-employer defined benefit pension plan administered by a board of trustees and established by Act 205 of the 1952 regular session of the Louisiana Legislature. The Plan is governed by Louisiana Revised Statutes, Title 11, Sections 1901 through 2025, specifically, and other general laws of the State of Louisiana. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The District participates in Plan A.

The Plan provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the state of Louisiana which does not have their own retirement system and which elects to become a member of the system. All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the Plan.

The Plan issues a publicly available financial statement report that includes financial statements and required supplementary information. That report may be obtained at [www.PERSLA.org](http://www.PERSLA.org) or by writing to the board of trustees at 7905 Wrenwood Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 928-1361.

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NOTE 12 - PENSION PLAN (Continued)

Retirement Benefits - Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

Generally, retirement benefits are determined as an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Disability Benefits - For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

Survivor Benefits - Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes. A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Deferred Retirement Option Plan (DROP) - Act 338 of 1990 established the deferred retirement option plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

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NOTE 12 - PENSION PLAN (Continued)

For individuals who become eligible to participate in the DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Cost of Living Adjustments - The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older (LRS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Contributions - According to state statute, contributions for all employers are actuarially determined each year. For the years ended December 31, 2021 and 2020, the actuarially determined contribution rate was 7.10% and 10.38% of member's compensation for Plan A. The actual contribution rate for the years ending December 31, 2021 and 2020 was 11.50% and 12.25% for Plan A.

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

The following is a schedule that summarizes information regarding contributions to the Plan for the years ended October 31:

	<u>2022</u>	<u>2021</u>
Total District payroll	\$ 12,517,255	\$ 11,624,685
Total covered payroll	10,281,228	9,839,785
Employee contributions	917,093	882,644
Employer contributions	1,201,434	1,205,371

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NOTE 12 - PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At October 31, 2022 and 2021, the District reported an asset of \$6,944,527 and \$2,573,166, respectively, for its proportionate share of the net pension liability (asset). The net pension liability (asset) for the system was measured as of December 31, 2021 and 2020, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined based on an actuarial valuation as of those dates. The District's proportion of the net pension liability (asset) was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined.

As of the most recent measurement dates, the District's proportionate shares were:

	<u>2021</u>	<u>2020</u>
District's proportionate share	1.474286%	1.467518%
Increase (Decrease) from prior year	0.006768%	0.051513%

For the years ended October 31, 2022 and 2021, the District recognized a total pension benefit of \$1,134,039 and a total pension expense of \$335,205 respectively. The amounts are made up of the following:

<u>Components of Pension Expense</u>	<u>2022</u>	<u>2021</u>
District's pension expense per the pension plan	\$ (1,138,627)	\$ 330,597
District's amortization of actual contributions over its proportionate share of contributions	<u>4,588</u>	<u>4,608</u>
Total pension expense (benefit) recognized by district	\$ <u>(1,134,039)</u>	\$ <u>335,205</u>

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NOTE 12 - PENSION PLAN (Continued)

The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 419,579	\$ (503,317)
Net difference between projected and actual earnings on pension plan investments	-0-	(6,006,897)
Changes in proportion to NPL	362,172	-0-
Differences between the District's contributions and its proportionate share of contributions	107,450	(59,968)
The District's contributions subsequent to the December 31, 2021 measurement date	<u>889,595</u>	<u>-0-</u>
Total - October 31, 2022	\$ <u><u>1,778,796</u></u>	\$ <u><u>(6,570,182)</u></u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 626,478	\$ (307,122)
Net difference between projected and actual earnings on pension plan investments	-0-	(5,022,073)
Changes in proportion to NPL	841,859	-0-
Differences between the District's contributions and its proportionate share of contributions	85,736	(2,199)
The District's contributions subsequent to the December 31, 2020 measurement date	<u>899,867</u>	<u>-0-</u>
Total - October 31, 2021	\$ <u><u>2,453,940</u></u>	\$ <u><u>(5,331,394)</u></u>

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NOTE 12 - PENSION PLAN (Continued)

Deferred outflows of resources resulting from the District's contributions subsequent to the measurement date totaled \$889,595 at October 31, 2022. This amount will be recognized as a reduction of the net pension liability (asset) in the year ending October 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ending October 31,</u>	<u>Amount of Amortization</u>
2023	\$ (1,104,474)
2024	(2,346,473)
2025	(1,586,178)
2026	(643,856)

Actuarial Assumptions - The total pension liability in the Plan's December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal cost
Inflation rate	2.30%
Investment rate of return	6.40% (net of investment expense)
Expected remaining service lives	4 years
Projected salary increases	4.75% (2.45% merit / 2.30% inflation)
Cost of living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Plan and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Plan's Board of Trustees.
Mortality rates	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplies by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

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NOTE 12 - PENSION PLAN (Continued)

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.10% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.00% and 7.00% for the years ended December 31, 2021 and 2020, respectively.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2021 and 2020, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed income	33%	0.85%
Equity	51%	3.23%
Alternatives	14%	0.71%
Real assets	2%	0.11%
Totals	100%	4.90%
Inflation		2.10%
Expected arithmetic nominal return - December 31, 2021		7.00%
Fixed income	33%	0.86%
Equity	51%	3.36%
Alternatives	14%	0.67%
Real assets	2%	0.11%
Totals	100%	5.00%
Inflation		2.00%
Expected arithmetic nominal return - December 31, 2020		7.00%

Discount Rate - The discount rate used to measure the total pension liability was 6.40% and 6.40% for the years ended December 31, 2021 and 2020, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by Louisiana Public Retirement Systems' Actuarial Committee (PRSAC) taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

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NOTE 12 - PENSION PLAN (Continued)

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate - The following presents the net pension liability (asset) of the District calculated using the discount rates for the years ended December 31, 2021 and 2020, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>Changes in Discount Rate</u>		
	1% Decrease 5.40%	Current Discount Rate 6.40%	1% Increase 7.40%
Net pension liability (asset) - December 31, 2021	\$ <u>1,238,076</u>	\$ <u>(6,944,527)</u>	\$ <u>(13,798,956)</u>
	1% Decrease 5.40%	Current Discount Rate 6.40%	1% Increase 7.40%
Net pension liability (asset) - December 31, 2020	\$ <u>5,395,178</u>	\$ <u>(2,573,166)</u>	\$ <u>(9,246,487)</u>

Non-Employer Contributing Entities - Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The District recognizes revenue in an amount equal to their proportionate share of total contributions to the pension plan from these non-employer contributing entities. The District recognized revenue as a result of support received from non-employer contributing entities of \$121,956 and \$123,378 for the years ended October 31, 2022 and 2021, respectively.

Payables to the Pension Plan - As of October 31, 2022 and 2021, the District had payables due to the Plan of \$189,250 and \$58,160, respectively. These amounts represent one and a half month's contributions paid in the month following accrual.

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial report.



Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Notes to Combined Financial Statements  
Years Ended October 31, 2022 and 2021

NOTE 13 - CHARITY CARE

The District provides charity care to patients who are financially unable to pay for part or all of the healthcare services they receive. The patient will either qualify for 100% of charity care or owe a per-diem based on the patient's level of income. Accordingly, the District does not report the amounts it expects not to collect in net operating revenues or in the allowance for doubtful accounts. The District determines the cost associated with providing charity care by aggregating the applicable direct and indirect costs, including wages and related benefits, supplies and other operating expenses. The cost of caring for charity care patients were approximately \$49,000 and \$73,000 for the years ended October 31, 2022 and 2021, respectively. Funds received through UCC and grants, which pay part of the cost of charity care and uninsured care, were approximately \$50,000 and \$67,000 for the years ended October 31, 2022 and 2021, respectively.

NOTE 14 - NET PATIENT SERVICE REVENUE

The District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows.

**Medicare** - Prior to November 1, 2004, inpatient acute care services rendered to Medicare program beneficiaries were paid at prospectively determined rates per discharge. These rates varied according to a patient classification system that was based on clinical, diagnostic, and other factors. Certain outpatient services related to Medicare beneficiaries were paid based on a set fee per diagnosis with a hold harmless provision for cost reimbursement. Effective November 1, 2004, the District became a Medicare "Critical Access Hospital" (CAH). This designation enables the District to receive cost-based reimbursement for most services provided to Medicare beneficiaries on or after this date.

The District is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicare fiscal intermediary. The District's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the District. Home health services are reimbursed based upon a prospectively determined rate per episode. Hospice services are reimbursed based on a prospectively determined rate per day. The District's Medicare cost reports have been settled by the Medicare fiscal intermediary through October 31, 2019. The intermediary may reopen and further adjust any year within three years of the date of a Notice of Program Reimbursement.

**Medicaid** - Medicaid inpatient services are reimbursed based upon a prospectively determined per diem rate. Some Medicaid outpatient services are reimbursed under a cost reimbursement methodology, while others are paid prospectively based on a fee schedule. The District is reimbursed at a tentative rate for cost-based services with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicaid fiscal intermediary. The District's Medicaid cost reports have been settled by the Medicaid fiscal intermediary through October 31, 2017.

During 2019, the District began participation in the state's Medicaid Managed Care Incentive Program (MCIP). The program is designed to provide incentive payments to Medicaid Managed Care Plans for achieving quality reforms that increase access to health care and improve the quality of care. The District received \$2,230,614 and \$1,150,372 for the years ended October 31, 2022 and 2021, respectively.

Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Notes to Combined Financial Statements  
Years Ended October 31, 2022 and 2021

NOTE 14 - NET PATIENT SERVICE REVENUE (Continued)

**Commercial** - The District has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the District under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates. Blue Cross Blue Shield "BCBS" is the largest commercial provider. BCBS charges were 16% and 16% of the total charges for the year ended October 31, 2022 and 2021, respectively.

The following is a summary of the District's net patient service revenue for the years ended October 31:

	<u>2022</u>	<u>2021</u>
Gross charges	\$ 35,074,684	\$ 33,559,953
Less charges associated with charity patients	<u>74,890</u>	<u>104,974</u>
Gross patient service revenue	34,999,794	33,454,979
Less deductions from revenue:		
Contractual adjustments	12,050,455	12,440,185
Discounts	<u>31,374</u>	<u>46,299</u>
Patient service revenue (net of contractual adjustments and discounts)	22,917,965	20,968,495
Less provision for bad debts	<u>1,270,975</u>	<u>1,574,860</u>
Net patient service revenue less provision for bad debts	\$ <u>21,646,990</u>	\$ <u>19,393,635</u>

The District receives a substantial portion of its revenues from the Medicare and Medicaid programs at discounted rates. The following is a summary of Medicare and Medicaid net patient service revenues for the years ended October 31:

Medicare and Medicaid gross patient charges	\$ 15,588,700	\$ 15,579,961
Contractual adjustments	<u>303,462</u>	<u>(406,211)</u>
Program patient service revenue	\$ <u>15,892,162</u>	\$ <u>15,173,750</u>
Percent of total patient gross charges	<u>44%</u>	<u>46%</u>
Percent of total net patient revenues	<u>73%</u>	<u>78%</u>

Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Notes to Combined Financial Statements  
Years Ended October 31, 2022 and 2021

NOTE 14 - NET PATIENT SERVICE REVENUE (Continued)

The Hospital experienced differences between the amounts initially recorded on its cost settlements with Medicare and Medicaid and the finalized amounts. The adjustments resulted in an increase in net patient service revenue of \$199,294 during 2022, and there were no adjustments in 2021.

The Hospital's previous reimbursements are also subject to secondary review by Medicare and Medicaid representatives. These representatives have several initiatives in progress. No material liabilities have been identified to date under these review programs; however, the potential does exist for future claims. These will be recognized in the year the amounts are determined, if any.

NOTE 15 - INTERGOVERNMENTAL TRANSFER GRANTS

The District entered into a cooperative endeavor agreement with a regional public hospital ("Grantor") whereby the Grantor awards an intergovernmental transfer grant ("IGT") to be used solely to provide adequate and essential medically necessary and available healthcare services to the District's service population subject to the availability of such grant funds. The aggregate IGT grant income is \$2,235,084 and \$1,247,188 for the years ended October 31, 2022 and 2021, respectively.

NOTE 16 - PROFESSIONAL LIABILITY RISK

The District participates in the Louisiana Patient's Compensation Fund ("PCF") established by the State of Louisiana to provide professional medical liability coverage to health care providers. The fund provides for \$400,000 of coverage per occurrence above the first \$100,000 per occurrence for which the District 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, the State of Louisiana enacted legislation limiting the amount of settlement for professional liability to \$100,000 per occurrence and limiting the PCF's exposure to \$400,000 per occurrence. Defense costs are not included in these amounts.

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

NOTE 17 - WORKMEN'S COMPENSATION

The District 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 District may be assessed its pro-rata share of the resulting deficit. It is not possible to estimate the amount, if any, of additional assessments. The trust fund presumes to be a "Grantor Trust" and accordingly, income and expenses are pro-rated to member hospitals. The District has included these allocations and equity in the trust in its financial statements.

Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Notes to Combined Financial Statements  
Years Ended October 31, 2022 and 2021

**NOTE 18 - CONTINGENCIES**

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

**Governmental Third-Party Reimbursement Programs (Note 14)** - The District 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 program, the District entered into an agreement with a government agent allowing the agent access to the District'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 District.

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, privacy, government healthcare program participating requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Hospital is in compliance with fraud and abuse statutes as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

**Professional Liability Risk (Note 16)** - The District is contingently liable for losses from professional liability not underwritten by the Louisiana Patient's Compensation Fund or the Louisiana Hospital Association Trust Fund as well as for assessments by the Louisiana Hospital Association Trust Fund.

**Workmen's Compensation Risk** - The District 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 District 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 District is contingently liable for assessments by the Louisiana Hospital Association Trust Fund.

**Payments to Police Jury** - During 2022 and 2021, the District transferred \$392,000 and \$395,250 respectively, to the Police Jury for the District's portion of 911 service. These transfers were funded from interest income.

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

Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Notes to Combined Financial Statements  
Years Ended October 31, 2022 and 2021

NOTE 19 - SALES TAX

On September 29, 1984, a 1% sales tax was renewed by the citizens of the parish for an indefinite term. The resolution provides that 50% of such tax shall be dedicated to the District. The remaining tax revenues are designated by the District to be distributed to hospital operations. On November 8, 2016, a ¼% sales tax was approved by citizens of the parish for a ten (10) year term.

NOTE 20 - RELATED PARTY

The District has engaged in transactions with Innis Community Health Center, Inc., a 501(c)(3) corporation. The District has an economic interest in this entity through common board members. Those transactions consist of various expenses in the amount of \$26,827 and \$42,730 for October 31, 2022 and 2021, respectively.

The District leases medical office space to Innis Community Health Center, Inc. The lease has an effective date of January 1, 2018 for an initial term of five (5) years with an option to extend for an additional ten (10) years. The District received \$15,047 and \$14,567 in rental income for the years ended October 31, 2022 and 2021, respectively. Interest income was \$6,253 and \$6,733 for each respective year.

NOTE 21 - PROVIDER RELIEF FUNDS

The District received \$4,158,834 in Provider Relief Funds (the funds) via the Coronavirus Aid Relief and Economic Security (CARES) Act and the American Rescue Plan (ARP) Act during the fiscal year ending October 31, 2022 and 2020. The funds were issued by the U.S. Department of Health & Human Services (HHS) in response to the coronavirus pandemic to be utilized for healthcare related expenses and lost revenues attributable to coronavirus. The District recognized \$848,528, \$2,114,703 and \$1,195,603 as non-operating revenue in the fiscal years ended October 31, 2022, 2021 and 2020, respectively. The District will submit a report of healthcare related expenses and lost revenues attributable to coronavirus from inception through December 31, 2022. Funds received in excess of the reported expenses and lost revenues, if any, will be owed to HHS. As a result, the amount recorded in the financial statements compared to the District's Provider Relief Fund reporting could differ. This difference could be materially different from current estimates.

NOTE 22 - CHANGE IN METHOD OF ACCOUNTING FOR LEASES

As discussed in Note 2, the District adopted GASB Statement No. 87, *Leases*, on November 1, 2021. This statement is applied retroactively by restating balances in the financial statements as of October 31, 2021 as follows:

	As Previously Reported	As Restated
Lease receivable	-	1,467,879
Right-of-use capital assets, net	-	539,376
Lease liability	-	551,611
Deferred inflows of resources	-	1,432,842

Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Notes to Combined Financial Statements  
Years Ended October 31, 2022 and 2021

NOTE 23 - RECLASSIFICATION

As discussed in Note 2, amounts in prior year financial statements have been reclassified to conform to current year classifications. Physician supplemental revenues were previously included as a component of net patient service revenue. In these financial statements, physician supplemental revenues are included as other operating revenues.

NOTE 24 - SUBSEQUENT EVENTS

During January 2023, the District entered into a construction contract, which totaled \$1,290,000.

Events have been evaluated through April 28, 2023 for subsequent event disclosure. This date is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

Hospital Service District No.1  
Of the Parish of Pointe Coupee and Affiliate  
Schedule of Proportionate Share of Net Pension Liability

Fiscal Year*	District's proportion of the net pension liability (asset)	District's proportionate share of the net pension liability (asset)	District's covered payroll	District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
Louisiana Parochial Employees' Retirement System					
2014	1.431669%	\$ 391,430	\$ 8,061,572	4.86%	99.15%
2015	1.405866%	3,700,644	8,003,102	46.24%	93.50%
2016	1.365762%	2,812,805	8,079,457	34.81%	94.15%
2017	1.327815%	(985,566)	8,172,920	-12.06%	101.98%
2018	1.403537%	6,229,401	8,628,382	72.20%	88.86%
2019	1.416005%	66,658	8,959,238	0.74%	99.89%
2020	1.467518%	(2,573,166)	9,799,208	-26.26%	104.00%
2021	1.474286%	(6,944,527)	9,891,472	-70.21%	110.46%

\*Amounts presented were determined as of the measurement date (December 31).

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.



Hospital Service District No.1  
Of the Parish of Pointe Coupee and Affiliate  
Schedule of Proportionate Share of Net Pension Liability

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes of Benefit Terms

There were no changes of benefit terms for the seven years ended December 31, 2021.

Changes of Assumptions

Year Ended 12/31	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaing Service Lives	Projected Salary Increase
2013	7.25%	7.25%	3.25%	4	5.75%
2014	7.25%	7.25%	3.00%	4	5.75%
2015	7.00%	7.00%	2.50%	4	5.25%
2016	7.00%	7.00%	2.50%	4	5.25%
2017	6.75%	6.75%	2.50%	4	5.25%
2018	6.50%	6.50%	2.40%	4	4.75%
2019	6.50%	6.50%	2.40%	4	4.75%
2020	6.40%	6.40%	2.30%	4	4.75%
2021	6.40%	6.40%	2.30%	4	4.75%

Mortality rates were based on RP-2000 Sex Distinct Tables in 2013 through 2017.

Mortality rates were based on RP-2010 Public Retirement Plans Mortality Tables 2018 through 2020.

Hospital Service District No.1  
Of the Parish of Pointe Coupee and Affiliate  
Schedule of Employer Contributions to Pension Plan

Fiscal Year*	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered payroll	Contributions as a percentage of covered payroll
Louisiana Parochial Employees' Retirement System					
2015	\$ 1,195,934	\$ 1,195,934	\$ -0-	\$ 8,042,831	14.87%
2016	1,107,839	1,107,839	-0-	8,283,695	13.37%
2017	1,024,929	1,024,929	-0-	8,129,939	12.61%
2018	996,789	996,789	-0-	8,512,881	11.71%
2019	1,020,662	1,020,662	-0-	8,875,327	11.50%
2020	1,122,593	1,122,593	-0-	9,285,246	12.09%
2021	1,205,371	1,205,371	-0-	9,839,785	12.25%
2022	1,201,434	1,201,434	-0-	10,281,228	11.69%

\*Amounts presented were determined as of the end of the fiscal year.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**SUPPLEMENTARY INFORMATION**

Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Schedules of Net Patient Service Revenue  
Years Ended October 31,

	<u>2022</u>	<u>2021</u>
Routine services:		
Adult and pediatric	\$ <u>539,280</u>	\$ <u>569,500</u>
Total routine services	<u>539,280</u>	<u>569,500</u>
Other professional services:		
Operating room	52,164	46,332
Anesthesiology	169,300	140,650
Radiology	9,237,585	8,013,587
Laboratory	11,518,945	10,944,663
Cardio pulmonary	647,818	661,202
Physical therapy	2,678,616	2,770,627
Occupational therapy	270,145	285,456
Speech therapy	265,110	270,105
Medical supply	360,908	543,379
Pharmacy	722,836	798,098
Emergency service	4,552,085	4,592,898
Observation room	170,465	118,515
Hospice	1,374,080	1,280,846
Wound care	258,919	246,909
Chemical dependency services	1,156	9,345
Home health	<u>2,255,272</u>	<u>2,267,841</u>
Total other professional services	<u>34,535,404</u>	<u>32,990,453</u>
Gross charges	\$ <u>35,074,684</u>	\$ <u>33,559,953</u>

Hospital Service District No. 1  
 Of the Parish of Pointe Coupee and Affiliate  
 Schedules of Net Patient Service Revenue (Continued)  
 Years Ended October 31,

	<u>2022</u>	<u>2021</u>
Less charges associated with charity patients	\$ <u>(74,890)</u>	\$ <u>(104,974)</u>
Gross patient service revenue	34,999,794	33,454,979
Less deductions from revenue:		
Contractual adjustments	(12,050,455)	(12,440,185)
Discounts	<u>(31,374)</u>	<u>(46,299)</u>
Patient service revenue	22,917,965	20,968,495
Less provision for bad debts	<u>(1,270,975)</u>	<u>(1,574,860)</u>
Net patient service revenue	\$ <u><u>21,646,990</u></u>	\$ <u><u>19,393,635</u></u>

Hospital Service District No. 1  
 Of the Parish of Pointe Coupee and Affiliate  
 Schedules of Other Revenue  
 Years Ended October 31,

	<u>2022</u>	<u>2021</u>
Rent	\$ 625,052	\$ 603,616
Medical record abstracts	4,701	2,247
Cafeteria	69,124	43,677
Legal settlements	-0-	70,975
Managed care incentive payment	2,230,614	1,200,372
Physician supplemental revenue	1,719,507	1,110,358
Miscellaneous revenue	<u>18,411</u>	<u>1,210</u>
 Total other operating revenue	 \$ <u>4,667,409</u>	 \$ <u>3,032,455</u>

Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Schedules of Expenses – Salaries and Benefits  
Years Ended October 31,

	<u>2022</u>	<u>2021</u>
<b>Salaries:</b>		
Administration	\$ 1,829,170	\$ 1,770,452
Plant operations and maintenance	342,119	350,582
Laundry	35,969	31,204
Housekeeping	457,473	461,806
Dietary and cafeteria	364,839	370,236
Nursing administration	159,701	146,782
Medical records	263,494	261,367
Nursing services	2,724,584	2,254,327
Central supply	90,064	84,171
Operating room	104,167	116,175
Radiology	1,000,658	946,122
Laboratory	1,246,452	1,112,870
Cardio pulmonary	461,604	428,792
Pharmacy	279,907	256,298
Emergency room	395,603	437,463
Home health	1,589,373	1,491,283
District	276,212	267,520
Health unit	144,907	134,056
Hospice	<u>750,959</u>	<u>703,179</u>
Total salaries	<u>12,517,255</u>	<u>11,624,685</u>
<b>Benefits:</b>		
Payroll taxes	312,184	289,532
Retirement expense	1,208,324	1,203,443
Retirement actuarial valuation adjustment	(2,335,473)	(870,166)
Hospitalization insurance	<u>1,144,426</u>	<u>851,601</u>
Total benefits	<u>329,461</u>	<u>1,474,410</u>
Total salaries and benefits	<u>\$ 12,846,716</u>	<u>\$ 13,099,095</u>

Hospital Service District No. 1  
 Of the Parish of Pointe Coupee and Affiliate  
 Schedules of Expenses – Medical Supplies and Drugs  
 Years Ended October 31,

	<u>2022</u>	<u>2021</u>
Nursing services	\$ 99,139	\$ 107,784
Operating room	22,499	21,350
Anesthesiology	2,681	216
Radiology	42,701	38,986
Laboratory and blood	866,193	608,591
Cardio pulmonary	72,410	68,752
Physical therapy	18,769	29,284
Central supply	133,418	125,217
Pharmacy	246,066	233,709
Emergency room	98,161	99,650
Wound care	449	59,030
Home health	22,546	24,590
Hospice	<u>51,225</u>	<u>57,772</u>
Total medical supplies and drugs	\$ <u>1,676,257</u>	\$ <u>1,474,931</u>



Hospital Service District No. 1  
 Of the Parish of Pointe Coupee and Affiliate  
 Schedules of Expenses – Professional Fees  
 Years Ended October 31,

	<u>2022</u>	<u>2021</u>
Nursing services	\$ 74,551	\$ 46,045
Operating room	3,312	3,900
Anesthesiology	121,500	112,700
Radiology	343,931	325,140
Laboratory and blood	448,571	450,147
Physical therapy	1,407,514	1,333,683
Cardio pulmonary	42,939	39,788
Pharmacy	64,686	48,036
Hospice	800	41
Wound clinic	169,975	146,600
Emergency room	1,319,538	1,090,923
Ambulance	24,447	35,859
Home health	54,078	37,986
Physician clinic	<u>29,958</u>	<u>17,503</u>
 Total professional fees	 \$ <u>4,105,800</u>	 \$ <u>3,688,351</u>

Hospital Service District No. 1  
 Of the Parish of Pointe Coupee and Affiliate  
 Schedules of Expenses – Other Expenses  
 Years Ended October 31,

	<u>2022</u>	<u>2021</u>
Purchased services	\$ 1,921,593	\$ 2,035,677
Medical specialist	5,550	11,100
Collection fees	24,232	30,576
Supplies	690,620	621,481
Repairs and maintenance	102,351	88,001
Utilities	435,916	391,234
Telephone	65,995	62,103
Travel	129,186	94,418
Rentals	150,877	200,621
Advertising	74,021	103,925
Dues and subscriptions	135,135	136,407
Inter-governmental transfer	716,495	473,848
Miscellaneous	<u>427,724</u>	<u>355,330</u>
 Total other expenses	 \$ <u>4,879,695</u>	 \$ <u>4,604,721</u>

Hospital Service District No.1  
Of the Parish of Pointe Coupee and Affiliate  
Schedule of Per Diem Amounts Paid to Commissioners  
Year Ended October 31, 2022

<u>Board Member</u>	<u>Paid on Behalf of Commissioners</u>
Dr. Carl McLemore, M.D., Chairman	-0-
Mr. Maurice Picard, Vice Chairman	-0-
Mr. Trohn Blanchard, Secretary	-0-
Dr. Donald Doucet, M.D., Finance Chair	-0-
Mr. Dustin Boudreaux	-0-
Ms. Brenda Goode	-0-
Mr. Anthony Hurst	-0-
Mr. William Vercher, Jr.	-0-
Ms. Janet Vosburg	-0-
Mr. Frank Foti	-0-
Ms. Mary Grezaffi	-0-
Mr. Stephen Smith	-0-

Hospital Service District No.1  
 Of the Parish of Pointe Coupee and Affiliate  
 Schedule of Compensation, Benefits and Other  
 Payments to Chief Executive Officer  
 Year Ended October 31, 2022

Agency Head Name: Chad Olinde  
 Position: Chief Executive Officer - Hospital  
 Time Period: November 1, 2021 to October 31, 2022

<u>Purpose</u>	<u>Amount</u>
Salary	267,034
Health insurance	1,405
Retirement	32,712
Car allowance	-0-
Vehicle provided by government	-0-
Reimbursements	-0-
Travel	2,705
Registration fees	-0-
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-

Agency Head Name: Jeanine Thibodeaux  
 Position: Administrator - Home Health & Hospice  
 Time Period: November 1, 2021 to October 31, 2022

<u>Purpose</u>	<u>Amount</u>
Salary	164,489
Health insurance	-0-
Retirement	19,150
Car allowance	-0-
Vehicle provided by government	-0-
Reimbursements	752
Travel	384
Registration fees	735
Conference travel	1,035
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-

Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Combining Statements of Net Position  
October 31, 2022

<u>Assets</u>	<u>Pointe Coupee General Hospital</u>	<u>Pointe Coupee Home Health &amp; Hospice</u>	<u>Maison Pointe Coupee Apartments</u>	<u>Eliminating Entries</u>	<u>Combined</u>
Current assets:					
Cash and cash equivalents (Note 3)	\$ 1,827,522	\$ 112,870	\$ 44,492	\$ -0-	\$ 1,984,884
Patient accounts receivable, net of estimated uncollectibles (Note 6)	1,692,717	549,496	338	(2,481)	2,240,070
Estimated third-party payor settlements	2,494,597	-0-	-0-	-0-	2,494,597
Other receivables	1,058,433	-0-	-0-	-0-	1,058,433
Inventory	650,278	13,267	-0-	-0-	663,545
Prepaid expenses	124,389	4,363	31,022	-0-	159,774
Current portion of lease receivable	<u>297,740</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>297,740</u>
 Total current assets	 8,145,676	 679,996	 75,852	 (2,481)	 8,899,043
 Assets limited as to use (Note 4)	 6,640,035	 -0-	 394,216	 -0-	 7,034,251
 Nondepreciable capital assets (Note 7)	 2,077,961	 -0-	 100,000	 -0-	 2,177,961
 Depreciable capital assets, net (Note 7)	 9,834,771	 24,397	 961,471	 -0-	 10,820,639
 Right-of-use capital assets, net (Note 7)	 409,627	 -0-	 -0-	 -0-	 409,627
Other assets:					
Investments	24,846,822	2,307	-0-	-0-	24,849,129
LHA investment	222,523	-0-	-0-	-0-	222,523
Net pension asset (Note 12)	6,944,527	-0-	-0-	-0-	6,944,527
Lease receivable	<u>888,169</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>888,169</u>
 Total assets	 <u>60,010,111</u>	 <u>706,700</u>	 <u>1,531,539</u>	 <u>(2,481)</u>	 <u>62,245,869</u>
Deferred outflows					
related to net pension liability	<u>1,778,796</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,778,796</u>
 Total assets and deferred outflows of resources	 <u>\$ 61,788,907</u>	 <u>\$ 706,700</u>	 <u>\$ 1,531,539</u>	 <u>\$ (2,481)</u>	 <u>\$ 64,024,665</u>

Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Combining Statements of Net Position (Continued)  
October 31, 2022

	Pointe Coupee General <u>Hospital</u>	Pointe Coupee Home Health & Hospice	Maison Pointe Coupee Apartments	Eliminating Entries	<u>Combined</u>
<u>Liabilities and Net Position</u>					
Current liabilities:					
Accounts payable	\$ 651,752	\$ 30,607	\$ 9,101	\$ (2,481)	\$ 688,979
Accrued expenses and withholdings payable (Note 8)	1,517,258	239,788	10,200	-0-	1,767,246
Estimated third-party payor settlements	548,751	-0-	-0-	-0-	548,751
Current portion of lease liability	142,279	-0-	-0-	-0-	142,279
Current maturities of long-term debt (Note 9)	<u>-0-</u>	<u>-0-</u>	<u>10,938</u>	<u>-0-</u>	<u>10,938</u>
Total current liabilities	<u>2,860,040</u>	<u>270,395</u>	<u>30,239</u>	<u>(2,481)</u>	<u>3,158,193</u>
Lease liability (Note 10)	285,074	-0-	-0-	-0-	285,074
Long-term debt, net of current maturities (Note 9)	<u>-0-</u>	<u>-0-</u>	<u>873,881</u>	<u>-0-</u>	<u>873,881</u>
Total liabilities	<u>3,145,114</u>	<u>270,395</u>	<u>904,120</u>	<u>(2,481)</u>	<u>4,317,148</u>
Deferred inflows - net pension liability	6,570,182	-0-	-0-	-0-	6,570,182
Deferred inflows - lease receivable	<u>1,131,165</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,131,165</u>
Total deferred inflows of resources	<u>7,701,347</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>7,701,347</u>
Net position:					
Invested in capital assets, net of related debt	11,895,006	24,397	176,652	-0-	12,096,055
Restricted - Donor capital	-0-	-0-	847,862	-0-	847,862
Unrestricted	<u>39,047,440</u>	<u>411,908</u>	<u>(397,095)</u>	<u>-0-</u>	<u>39,062,253</u>
Total net position	<u>50,942,446</u>	<u>436,305</u>	<u>627,419</u>	<u>-0-</u>	<u>52,006,170</u>
Total liabilities, deferred inflows of resources, and net position	\$ <u>61,788,907</u>	\$ <u>706,700</u>	\$ <u>1,531,539</u>	\$ <u>(2,481)</u>	\$ <u>64,024,665</u>

Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Combining Statements of Net Position  
October 31, 2021

<u>Assets</u>	<u>Pointe Coupee General Hospital</u>	<u>Pointe Coupee Home Health &amp; Hospice</u>	<u>Maison Pointe Coupee Apartments</u>	<u>Eliminating Entries</u>	<u>Combined</u>
Current assets:					
Cash and cash equivalents (Note 3)	\$ 2,636,649	\$ 147,569	\$ 52,387	\$ -0-	\$ 2,836,605
Patient accounts receivable, net of estimated uncollectibles (Note 6)	1,409,559	500,118	602	-0-	1,910,279
Estimated third-party payor settlements	2,511,130	-0-	-0-	-0-	2,511,130
Other receivables	746,415	-0-	-0-	-0-	746,415
Inventory	710,382	13,094	-0-	-0-	723,476
Prepaid expenses	23,162	5,705	26,720	-0-	55,587
Current portion of lease receivable	<u>281,970</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>281,970</u>
Total current assets	8,319,267	666,486	79,709	-0-	9,065,462
Assets limited as to use (Note 4)	1,602,599	-0-	377,448	-0-	1,980,047
Nondepreciable capital assets (Note 7)	1,874,398	-0-	100,000	-0-	1,974,398
Depreciable capital assets, net (Note 7)	10,666,991	31,585	1,015,931	-0-	11,714,507
Right-of-use capital assets, net (Note 7)	539,376	-0-	-0-	-0-	539,376
Other assets:					
Investments	26,533,173	2,284	-0-	-0-	26,535,457
LHA investment	222,523	-0-	-0-	-0-	222,523
Net pension asset (Note 12)	2,573,166	-0-	-0-	-0-	2,573,166
Lease receivable	<u>1,185,909</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,185,909</u>
Total assets	<u>53,517,402</u>	<u>700,355</u>	<u>1,573,088</u>	<u>-0-</u>	<u>55,790,845</u>
Deferred outflows					
related to net pension liability	<u>2,453,940</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,453,940</u>
Total assets and deferred outflows of resources	\$ <u>55,971,342</u>	\$ <u>700,355</u>	\$ <u>1,573,088</u>	\$ <u>-0-</u>	\$ <u>58,244,785</u>

Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Combining Statements of Net Position (Continued)  
October 31, 2021

	Pointe Coupee General <u>Hospital</u>	Pointe Coupee Home Health & Hospice	Maison Pointe Coupee <u>Apartments</u>	Eliminating <u>Entries</u>	<u>Combined</u>
<u>Liabilities and Net Position</u>					
Current liabilities:					
Accounts payable	\$ 795,580	\$ 37,806	\$ 7,290	\$ -0-	\$ 840,676
Accrued expenses and withholdings payable (Note 8)	1,305,894	229,577	9,961	-0-	1,545,432
Estimated third-party payor settlements	199,780	-0-	-0-	-0-	199,780
Current portion of lease liability	124,258	-0-	-0-	-0-	124,258
Current maturities of long-term debt (Note 9)	<u>-0-</u>	<u>-0-</u>	<u>10,213</u>	<u>-0-</u>	<u>10,213</u>
Total current liabilities	<u>2,425,512</u>	<u>267,383</u>	<u>27,464</u>	<u>-0-</u>	<u>2,720,359</u>
Lease liability (Note 10)	427,353	-0-	-0-	-0-	427,353
Long-term debt, net of current maturities (Note 9)	<u>-0-</u>	<u>-0-</u>	<u>884,819</u>	<u>-0-</u>	<u>884,819</u>
Total liabilities	<u>2,852,865</u>	<u>267,383</u>	<u>912,283</u>	<u>-0-</u>	<u>4,032,531</u>
Deferred inflows - net pension liability	5,331,394	-0-	-0-	-0-	5,331,394
Deferred inflows - lease receivable	<u>1,432,842</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,432,842</u>
Total deferred inflows of resources	<u>6,764,236</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>6,764,236</u>
Net position					
Invested in capital assets, net of related debt	12,529,154	31,585	220,899	-0-	12,781,638
Restricted - Donor capital	-0-	-0-	847,862	-0-	847,862
Unrestricted	<u>33,825,087</u>	<u>401,387</u>	<u>(407,956)</u>	<u>-0-</u>	<u>33,818,518</u>
Total net position	<u>46,354,241</u>	<u>432,972</u>	<u>660,805</u>	<u>-0-</u>	<u>47,448,018</u>
Total liabilities, deferred inflows of resources, and net position	\$ <u>55,971,342</u>	\$ <u>700,355</u>	\$ <u>1,573,088</u>	\$ <u>-0-</u>	\$ <u>58,244,785</u>



Hospital Service District No.1  
Of the Parish of Pointe Coupee and Affiliate  
Combining Statements of Revenue, Expenses, and Changes in Net Position  
Year Ended October 31, 2022

	Pointe Coupee General <u>Hospital</u>	Pointe Coupee Home Health & Hospice	Maison Pointe Coupee <u>Apartments</u>	Eliminating <u>Entries</u>	<u>Combined</u>
<b>Revenue:</b>					
Net patient service revenue	\$ 18,325,711	\$ 3,321,279	\$ -0-	\$ -0-	\$ 21,646,990
Intergovernmental transfer grant	2,235,084	-0-	-0-	-0-	2,235,084
Grants	278,094	-0-	-0-	-0-	278,094
Other operating revenue	<u>4,400,331</u>	<u>50,307</u>	<u>278,771</u>	<u>(62,000)</u>	<u>4,667,409</u>
Total revenue	<u>25,239,220</u>	<u>3,371,586</u>	<u>278,771</u>	<u>(62,000)</u>	<u>28,827,577</u>
<b>Expenses:</b>					
Salaries and benefits	9,966,169	2,772,278	78,410	29,859	12,846,716
Medical supplies and drugs	1,603,031	73,226	-0-	-0-	1,676,257
Insurance	405,250	50,497	30,695	-0-	486,442
Professional fees	4,052,695	54,150	-0-	(1,045)	4,105,800
Depreciation	1,184,647	10,310	62,440	-0-	1,257,397
Other expenses	<u>4,108,028</u>	<u>737,815</u>	<u>124,666</u>	<u>(90,814)</u>	<u>4,879,695</u>
Total expenses	<u>21,319,820</u>	<u>3,698,276</u>	<u>296,211</u>	<u>(62,000)</u>	<u>25,252,307</u>
Operating income (loss)	<u>3,919,400</u>	<u>(326,690)</u>	<u>(17,440)</u>	<u>-0-</u>	<u>3,575,270</u>
<b>Nonoperating income (loss):</b>					
Investment income	524,514	23	-0-	-0-	524,537
Interest expense	(24,896)	-0-	(15,946)	-0-	(40,842)
Sales tax revenue	2,791,447	-0-	-0-	-0-	2,791,447
Provider relief funds	848,528	-0-	-0-	-0-	848,528
Loan forgiveness	-0-	-0-	-0-	-0-	-0-
Non-employer pension contributions	121,956	-0-	-0-	-0-	121,956
Intergovernmental transfers	(330,000)	330,000	-0-	-0-	-0-
Payments to Police Jury	<u>(392,000)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(392,000)</u>
Nonoperating income (loss), net	<u>3,539,549</u>	<u>330,023</u>	<u>(15,946)</u>	<u>-0-</u>	<u>3,853,626</u>
<b>Excess of revenues (expenses)</b>					
before capital grants	7,458,949	3,333	(33,386)	-0-	7,428,896
Capital grants	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess of revenues (expenses)	7,458,949	3,333	(33,386)	-0-	7,428,896
<b>Other comprehensive income</b>					
Unrealized investment gains (losses)	<u>(2,870,744)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(2,870,744)</u>
Comprehensive income (loss)	4,588,205	3,333	(33,386)	-0-	4,558,152
Beginning net position	<u>46,354,241</u>	<u>432,972</u>	<u>660,805</u>	<u>-0-</u>	<u>47,448,018</u>
Ending net position	\$ <u>50,942,446</u>	\$ <u>436,305</u>	\$ <u>627,419</u>	\$ <u>-0-</u>	\$ <u>52,006,170</u>

Hospital Service District No.1  
Of the Parish of Pointe Coupee and Affiliate  
Combining Statements of Revenue, Expenses, and Changes in Net Position  
Year Ended October 31, 2021

	Pointe Coupee General <u>Hospital</u>	Pointe Coupee Home Health & Hospice	Maison Pointe Coupee <u>Apartments</u>	Eliminating <u>Entries</u>	<u>Combined</u>
<b>Revenue:</b>					
Net patient service revenue	\$ 16,068,410	\$ 3,325,225	\$ -0-	\$ -0-	\$ 19,393,635
Intergovernmental transfer grant	1,247,188	-0-	-0-	-0-	1,247,188
Grants	5,500	-0-	-0-	-0-	5,500
Other operating revenue	<u>2,757,594</u>	<u>288</u>	<u>274,573</u>	<u>-0-</u>	<u>3,032,455</u>
Total revenue	<u>20,078,692</u>	<u>3,325,513</u>	<u>274,573</u>	<u>-0-</u>	<u>23,678,778</u>
<b>Expenses:</b>					
Salaries and benefits	10,430,615	2,603,966	64,514	-0-	13,099,095
Medical supplies and drugs	1,392,872	82,059	-0-	-0-	1,474,931
Insurance	373,625	38,520	28,158	-0-	440,303
Professional fees	3,650,472	37,879	-0-	-0-	3,688,351
Depreciation	1,176,578	10,504	61,547	-0-	1,248,629
Other expenses	<u>3,753,702</u>	<u>721,238</u>	<u>129,781</u>	<u>-0-</u>	<u>4,604,721</u>
Total expenses	<u>20,777,864</u>	<u>3,494,166</u>	<u>284,000</u>	<u>-0-</u>	<u>24,556,030</u>
Operating income (loss)	<u>(699,172)</u>	<u>(168,653)</u>	<u>(9,427)</u>	<u>-0-</u>	<u>(877,252)</u>
<b>Nonoperating income (loss):</b>					
Investment income	483,253	1	-0-	-0-	483,254
Interest expense	(42,091)	-0-	(16,627)	-0-	(58,718)
Sales tax revenue	2,442,812	-0-	-0-	-0-	2,442,812
Provider relief funds	2,030,602	84,101	-0-	-0-	2,114,703
Loan forgiveness	1,999,946	312,000	-0-	-0-	2,311,946
Non-employer pension contributions	123,378	-0-	-0-	-0-	123,378
Intergovernmental transfers	(50,000)	50,000	-0-	-0-	-0-
Payments to Police Jury	<u>(395,250)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(395,250)</u>
Nonoperating income (loss), net	<u>6,592,650</u>	<u>446,102</u>	<u>(16,627)</u>	<u>-0-</u>	<u>7,022,125</u>
<b>Excess of revenues (expenses)</b>					
before capital grants	5,893,478	277,449	(26,054)	-0-	6,144,873
Capital grants	<u>5,937</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>5,937</u>
Excess of revenues (expenses)	5,899,415	277,449	(26,054)	-0-	6,150,810
<b>Other comprehensive income</b>					
Unrealized investment gains (losses)	<u>(682,226)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(682,226)</u>
Comprehensive income (loss)	5,217,189	277,449	(26,054)	-0-	5,468,584
Beginning net position	<u>41,137,052</u>	<u>155,523</u>	<u>686,859</u>	<u>-0-</u>	<u>41,979,434</u>
Ending net position	\$ <u>46,354,241</u>	\$ <u>432,972</u>	\$ <u>660,805</u>	\$ <u>-0-</u>	\$ <u>47,448,018</u>

Hospital Service District No.1  
Of the Parish of Pointe Coupee and Affiliate  
Combining Statements of Operations by Service Component  
Year Ended October 31, 2022

	-----District Summary-----						Eliminating Entries	Total
	Hospital	COA*	Home Health & Hospice	Innis	Elderly Housing	District**		
Revenue:								
Net patient service revenue	\$ 18,325,711	\$ -0-	\$ 3,321,279	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 21,646,990
Intergovernmental transfer grant	2,235,084	-0-	-0-	-0-	-0-	-0-	-0-	2,235,084
Grants	278,094	-0-	-0-	-0-	-0-	-0-	-0-	278,094
Other	<u>4,042,952</u>	<u>-0-</u>	<u>50,307</u>	<u>-0-</u>	<u>278,771</u>	<u>357,379</u>	<u>(62,000)</u>	<u>4,667,409</u>
Total revenue	<u>24,881,841</u>	<u>-0-</u>	<u>3,371,586</u>	<u>-0-</u>	<u>278,771</u>	<u>357,379</u>	<u>(62,000)</u>	<u>28,827,577</u>
Expenses:								
Salaries and benefits	9,719,611	-0-	2,772,278	-0-	78,410	246,558	29,859	12,846,716
Medical supplies and drugs	1,603,031	-0-	73,226	-0-	-0-	-0-	-0-	1,676,257
Insurance	405,250	-0-	50,497	-0-	30,695	-0-	-0-	486,442
Professional fees	4,051,650	-0-	55,195	-0-	-0-	-0-	(1,045)	4,105,800
Depreciation	1,006,453	-0-	10,310	15,353	62,440	162,841	-0-	1,257,397
Other expenses	<u>3,602,970</u>	<u>299,547</u>	<u>737,815</u>	<u>11,474</u>	<u>124,666</u>	<u>194,037</u>	<u>(90,814)</u>	<u>4,879,695</u>
Total expenses	<u>20,388,965</u>	<u>299,547</u>	<u>3,699,321</u>	<u>26,827</u>	<u>296,211</u>	<u>603,436</u>	<u>(62,000)</u>	<u>25,252,307</u>
Operating income (loss)	<u>4,492,876</u>	<u>(299,547)</u>	<u>(327,735)</u>	<u>(26,827)</u>	<u>(17,440)</u>	<u>(246,057)</u>	<u>-0-</u>	<u>3,575,270</u>
Nonoperating income (loss):								
Investment income	524,514	-0-	23	-0-	-0-	-0-	-0-	524,537
Interest expense	(24,896)	-0-	-0-	-0-	(15,946)	-0-	-0-	(40,842)
Sales tax revenue	2,791,447	-0-	-0-	-0-	-0-	-0-	-0-	2,791,447
Provider relief funds	848,528	-0-	-0-	-0-	-0-	-0-	-0-	848,528
Loan forgiveness	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Non-employer pension contributions	121,956	-0-	-0-	-0-	-0-	-0-	-0-	121,956
Intergovernmental transfers	(330,000)	-0-	330,000	-0-	-0-	-0-	-0-	-0-
Payments to Police Jury	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(392,000)</u>	<u>-0-</u>	<u>(392,000)</u>
Nonoperating income (loss), net	<u>3,931,549</u>	<u>-0-</u>	<u>330,023</u>	<u>-0-</u>	<u>(15,946)</u>	<u>(392,000)</u>	<u>-0-</u>	<u>3,853,626</u>
Excess of revenues (expenses) before capital grants	8,424,425	(299,547)	2,288	(26,827)	(33,386)	(638,057)	-0-	7,428,896
Capital grants	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess of revenues (expenses)	<u>\$ 8,424,425</u>	<u>\$ (299,547)</u>	<u>\$ 2,288</u>	<u>\$ (26,827)</u>	<u>\$ (33,386)</u>	<u>\$ (638,057)</u>	<u>\$ -0-</u>	<u>\$ 7,428,896</u>

\* Council on Aging

\*\* Remaining non-hospital activities of the District

Hospital Service District No. 1  
Of the Parish of Pointe Coupee and Affiliate  
Combining Statements of Operations by Service Component  
Year Ended October 31, 2021

	-----District Summary-----							Eliminating Entries	Total
	Hospital	COA*	Home Health & Hospice	Innis	Elderly Housing	District**			
Revenue:									
Net patient service revenue	\$ 16,068,410	\$ -0-	\$ 3,325,225	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 19,393,635
Intergovernmental transfer grant	1,247,188	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,247,188
Grants	5,500	-0-	-0-	-0-	-0-	-0-	-0-	-0-	5,500
Other	<u>2,412,097</u>	<u>-0-</u>	<u>288</u>	<u>-0-</u>	<u>274,573</u>	<u>345,497</u>	<u>-0-</u>	<u>-0-</u>	<u>3,032,455</u>
 Total revenue	 <u>19,733,195</u>	 <u>-0-</u>	 <u>3,325,513</u>	 <u>-0-</u>	 <u>274,573</u>	 <u>345,497</u>	 <u>-0-</u>	 <u>-0-</u>	 <u>23,678,778</u>
Expenses:									
Salaries and benefits	10,221,782	-0-	2,603,966	-0-	64,514	208,833	-0-	-0-	13,099,095
Medical supplies and drugs	1,392,872	-0-	82,059	-0-	-0-	-0-	-0-	-0-	1,474,931
Insurance	373,625	-0-	38,520	-0-	28,158	-0-	-0-	-0-	440,303
Professional fees	3,650,472	-0-	37,879	-0-	-0-	-0-	-0-	-0-	3,688,351
Depreciation	991,048	-0-	10,504	15,353	61,547	170,177	-0-	-0-	1,248,629
Other expenses	<u>3,238,948</u>	<u>304,696</u>	<u>721,238</u>	<u>27,377</u>	<u>129,781</u>	<u>182,681</u>	<u>-0-</u>	<u>-0-</u>	<u>4,604,721</u>
 Total expenses	 <u>19,868,747</u>	 <u>304,696</u>	 <u>3,494,166</u>	 <u>42,730</u>	 <u>284,000</u>	 <u>561,691</u>	 <u>-0-</u>	 <u>-0-</u>	 <u>24,556,030</u>
 Operating income (loss)	 <u>(135,552)</u>	 <u>(304,696)</u>	 <u>(168,653)</u>	 <u>(42,730)</u>	 <u>(9,427)</u>	 <u>(216,194)</u>	 <u>-0-</u>	 <u>-0-</u>	 <u>(877,252)</u>
Nonoperating income (loss):									
Investment income	483,253	-0-	1	-0-	-0-	-0-	-0-	-0-	483,254
Interest expense	(42,091)	-0-	-0-	-0-	(16,627)	-0-	-0-	-0-	(58,718)
Sales tax revenue	2,442,812	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,442,812
Provider relief funds	2,030,602	-0-	84,101	-0-	-0-	-0-	-0-	-0-	2,114,703
Loan forgiveness	1,999,946	-0-	312,000	-0-	-0-	-0-	-0-	-0-	2,311,946
Non-employer pension contributions	123,378	-0-	-0-	-0-	-0-	-0-	-0-	-0-	123,378
Intergovernmental transfers	(50,000)	-0-	50,000	-0-	-0-	-0-	-0-	-0-	-0-
Payments to Police Jury	<u>39,446</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(434,696)</u>	<u>-0-</u>	<u>-0-</u>	<u>(395,250)</u>
 Nonoperating income (loss), net	 <u>7,027,346</u>	 <u>-0-</u>	 <u>446,102</u>	 <u>-0-</u>	 <u>(16,627)</u>	 <u>(434,696)</u>	 <u>-0-</u>	 <u>-0-</u>	 <u>7,022,125</u>
Excess of revenues (expenses)									
before capital grants	6,891,794	(304,696)	277,449	(42,730)	(26,054)	(650,890)	-0-	-0-	6,144,873
Capital grants	<u>5,937</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>5,937</u>
 Excess of revenues (expenses)	 <u>\$ 6,897,731</u>	 <u>\$ (304,696)</u>	 <u>\$ 277,449</u>	 <u>\$ (42,730)</u>	 <u>\$ (26,054)</u>	 <u>\$ (650,890)</u>	 <u>\$ -0-</u>	 <u>\$ -0-</u>	 <u>\$ 6,150,810</u>

\* Council on Aging

\*\* Remaining non-hospital activities of the District



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3600 Bayou Rapides Road • Alexandria, LA 71303-3653  
Mailing Address: Post Office Box 8758 • Alexandria, LA 71306-1758  
Telephone: (318) 487-1450 • Facsimile: (318) 445-1184

3639 Ambassador Caffery Parkway, Suite 330 • Lafayette, LA 70503-5107  
Telephone: (337) 484-1020 • Facsimile: (337) 484-1029

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

To the Board of Commissioners  
Hospital Service District No. 1  
Parish of Pointe Coupee, State of Louisiana  
New Roads, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Hospital Service District No. 1, Parish of Pointe Coupee, (the "District" or the "Hospital"), a component unit of the Pointe Coupee Parish Police Jury, as of and for the years ended October 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's combined financial statements as listed in the table of contents, and have issued our report thereon dated April 28, 2023. Our report includes a reference to other auditors who audited the financial statements of Maison Pointe Coupee Apartments, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial

statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2022-002, 2022-003 and 2022-004 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as item 2022-001 to be a significant deficiency.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **The District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants  
Alexandria, Louisiana

April 28, 2023



POINTE COUPEE GENERAL HOSPITAL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED OCTOBER 31, 2022

**Section I. Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weaknesses identified – Yes
- Significant deficiencies identified – Yes

Compliance:

- Noncompliance issues noted – Yes

Management letter issued – No

*Federal Awards – N/A*

**Section II. Financial Statement Findings**

**FINDING 2022-001 - Segregation of Duties**

**Criteria:** Hospital staff should maintain a segregation of duties for effective internal control.

**Condition:** There is not a complete segregation of duties in all accounting, recording and custody functions.

**Cause:** Segregation is not feasible due to small staff size.

**Effect:** A weakness in internal control exists over job duties and functions, allowing an opportunity for fraud.

**Recommendation:** We recommend that duties be segregated to the extent possible to prevent both intentional and unintentional errors. Segregation includes 1) separating transaction authorization from custody of related assets; 2) separating transaction recording from general ledger posting and maintenance; 3) separating operations responsibility from record-keeping. Where these segregations are not possible, we recommend close supervision and review.

**Response:** Management will continue to segregate duties as much as possible and will closely supervise and review duties to prevent errors.



POINTE COUPEE GENERAL HOSPITAL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED OCTOBER 31, 2022

**Section II. Financial Statement Findings (Continued)**

**FINDING 2022-002 - Third-party Payor Settlements**

**Criteria:** Management is responsible for calculating and recording estimates of interim Medicare and Medicaid cost settlements.

**Condition:** Management did not calculate and record an estimate for the current year Medicare and Medicaid cost reports.

**Cause:** Management lacks the resources, staff, and knowledge required to prepare interim cost reports. Due to the cost outweighing the benefit, management elected not to prepare an estimate as of year-end.

**Effect:** An adjustment of approximately \$1,496,000 was made to record the current year cost report receivable from Medicare and Medicaid.

**Recommendation:** We recommend calculating an estimate for the current year Medicare and Medicaid cost reports and recording the results on an interim basis.

**Response:** Management has considered the recommendation and concluded that the implementation cost is greater than the benefit derived from preparing interim cost reports. It is more efficient and cost effective for external cost report preparers to prepare the cost reports at year-end.

**FINDING 2022-003 - Leases**

**Criteria:** Leases should be recorded in accordance with the new accounting standard, GASB No. 87, *Leases*.

**Condition:** The District did not implement GASB No. 87, *Leases*.

**Cause:** Management lacks the resources to implement the new accounting standard for leases. Due to the cost outweighing the benefit, management elected not to implement the new standard as of year-end.

**Effect:** Lease related assets were understated by approximately \$1,596,000 and lease related liabilities were understated by \$427,353. Deferred inflows of resources were understated by \$1,130,000.

**Recommendation:** We recommend implementing GASB 87, *Leases*, and recording the effects on a monthly basis.

**Response:** Lease assets, liabilities and deferred inflows of resources will be recorded on future financial statements.





POINTE COUPEE GENERAL HOSPITAL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED OCTOBER 31, 2022

**Section II. Financial Statement Findings (Continued)**

**FINDING 2022-004 - Receivables**

**Criteria:** Patient receivables should be adjusted monthly to reflect amounts expected to be received. Other receivables should be recorded when earned.

**Condition:** The estimate for receivables as of year-end were not adequate.

**Cause:** Management is conservative when recording revenue.

**Effect:** Receivables and operating revenues were understated by approximately \$609,000.

**Recommendation:** We recommend recording the estimate for allowances on patient accounts receivable monthly based on the most current data available. Other receivables should be recorded when the funds are considered earned.

**Response:** Management has updated calculations to provide a more accurate estimate.

**Section III. Management Letter**

Not Applicable

**Section IV. Federal Award Findings and Questioned Costs**

Not Applicable



POINTE COUPEE GENERAL HOSPITAL  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
YEAR ENDED OCTOBER 31, 2022

**Section I. Financial Statement Findings**

**FINDING 2021-001 - Segregation of Duties**

**Fiscal Year Initially Reported:** October 31, 2007

**Condition:** Due to a limited number of available employees, there is not a complete segregation of duties in all accounting, recording and custody functions.

**Recommendation:** We recommend that duties be segregated to the extent possible to prevent both intentional and unintentional errors. Segregation includes 1) separating transaction authorization from custody of related assets; 2) separating transaction recording from general ledger posting and maintenance; 3) separating operations responsibility from record-keeping. Where these segregations are not possible, we recommend close supervision and review.

**Current Status:** Not resolved - See finding 2022-001.

**FINDING 2021-002 - Third-party Payor Settlements**

**Fiscal Year Initially Reported:** October 31, 2016

**Condition:** Management is responsible for calculating and recording estimates of interim (Medicare and Medicaid) cost settlements. An adjustment of \$664,185 was made to record the FY 2021 cost report receivable from Medicare and Medicaid.

**Recommendation:** Management should calculate and record settlements based on interim cost report calculations, if the cost does not exceed the benefits.

**Current Status:** Not resolved - See finding 2022-002.

**Section II. Management Letter**

Not Applicable

**Section III. Federal Award Findings and Questioned Costs**

Not Applicable



HOSPITAL SERVICE DISTRICT NO. 1  
PARISH OF POINTE COUPEE

INDEPENDENT AUDITORS' REPORT  
ON APPLYING AGREED UPON  
PROCEDURES

FOR THE YEAR ENDED  
OCTOBER 31, 2022



**LESTER, MILLER & WELLS**  
*A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS*



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### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners  
of Hospital Service District No. 1  
Parish of Pointe Coupee, State of Louisiana  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Board of Commissioners of Hospital Service District No. 1, Parish of Pointe Coupee and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period November 1, 2021 through October 31, 2022. The Hospital's management is responsible for those C/C areas identified in the SAUPs.

The Hospital has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period November 1, 2021 through October 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

#### ***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (*if applicable to public funds and the entity's operations*):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving.
  - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (*e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation*).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (*e.g., determining the reasonableness of fuel card purchases*).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy, and (5) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Exceptions:** Purchasing policies and procedures did not address how vendors are added. Contracting policies and procedures did not address legal review of contracts. Ethics policies and procedures did not address the system to monitor violations or include a requirement that documentation be maintained to demonstrate that all employees and officials were notified of changes to the ethics policy. IT policies and procedures did not address timely application of updates or critical event recovery. One component of the District did not provide written policies and procedures related to sexual harassment.

**Management's Response:** Management will continue to update and to implement policies as needed.

### **Board or Finance Committee**

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2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:



- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

**Exceptions:** The Board meets on a monthly basis according to its bylaws. During the period under examination, the board did not meet two (2) of the twelve (12) months.

### ***Bank Reconciliations***

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3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (*or all accounts if less than 5*). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (*e.g., initialed and dated, electronically logged*);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (*e.g., initialed and dated, electronically logged*); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Exceptions:** For two (2) of the five (5) bank accounts tested, the bank statement originally prepared was not provided. A copy of the bank reconciliation was provided. The copy did not include evidence the reconciliation was prepared within two months of the closing statement date or evidence of management's review.

**Management's Response:** Management will ensure bank reconciliation and supporting documentation are kept on file with evidence of timely preparation and management or board review.



***Collections (excluding electronic funds transfers)***

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4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (*cash*) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (*i.e., 5 collection locations for 5 deposit sites*), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (*e.g., pre-numbered receipts*) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - e) Trace the actual deposit per the bank statement to the general ledger.



**Exceptions:** Of the ten (10) deposits tested, three (3) deposits were not made within one business day of receipt.

**Management's Response:** Management will implement procedures to ensure receipts are deposited within one business day of receipt.

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations *(or all locations if less than 5)*.
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
  - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
  - b) Observe that the disbursement documentation included evidence *(e.g., initial/date, electronic logging)* of segregation of duties tested under #9, as applicable.

**Exceptions:** Of the ten (10) disbursements tested, one (1) disbursement did not have documentation indicating the deliverables were received, and three (3) disbursements did not include evidence of segregation of duties.

**Management's Response:** Management will review current processes and determine how to segregate the initiating, recording and approval functions. Due to the small staff, the District will continue to experience problems segregating duties.





### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. *(Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)*
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

**Exceptions:** Two (2) monthly statements and supporting documentation were not reviewed and approved, in writing, by someone other than the authorized card holder. Of the five (5) statements tested, one (1) statement included finance charges. Two (2) transactions did not have written documentation of the business purpose.

**Management's Response:** Monthly statements and supporting documentation for the CEO and Administrator will be reviewed and signed by a member of the governing board. Efforts will be made to ensure all transactions have an original, itemized receipt with a documented business purpose.

### ***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

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14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:



- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Exceptions:** Two (2) reimbursements included instances of missing original, itemized receipts. One (1) reimbursement did not have a documented business purpose. Two (2) reimbursements included three (3) instances where meal reimbursements exceeded limit set by policy.

**Management's Response:** Management will monitor expense reimbursements to ensure all original itemized receipts are present for reimbursement and reimbursed amounts are within set limits. Management plans to update the allowed reimbursement amounts stated on the expense reimbursement form with more accurate representations of today's costs.

## **Contracts**

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
  - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (*e.g., solicited quotes or bids, advertised*), if required by law.
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law (*e.g., Lawrason Act, Home Rule Charter*).
  - c) If the contract was amended (*e.g., change order*), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (*e.g., if approval is required for any amendment, was approval documented*).
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

**Exceptions:** No exceptions were found as a result of these procedures.



### ***Payroll and Personnel***

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16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (*e.g., vacation, sick, compensatory*). (*Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.*)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

**Exceptions:** No exceptions were found as a result of these procedures.

### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
  - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

**Exceptions:** No exceptions were found as a result of these procedures.



### ***Debt Service***

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21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (*including contingency funds, short-lived asset funds, or other funds required by the debt covenants*).

**Exceptions:** No exceptions were found as a result of these procedures.

### ***Fraud Notice***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Exceptions:** No exceptions were found as a result of these procedures.

### ***Information Technology Disaster Recovery/Business Continuity***

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25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
  - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (*e.g., tapes, CDs*), observe evidence that backups are encrypted before being transported.
  - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus



software and that the operating system and accounting system software in use are currently supported by the vendor.

**Exceptions:** We performed the procedure and discussed the results with management.

### ***Sexual Harassment***

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26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
  - a) Number and percentage of public servants in the agency who have completed the training requirements;
  - b) Number of sexual harassment complaints received by the agency;
  - c) Number of complaints which resulted in a finding that sexual harassment occurred;
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e) Amount of time it took to resolve each complaint.

**Exceptions:** Sexual harassment policies and complaint procedures were not posted on District websites or in a conspicuous location on the premises. One component of the District did not prepare an annual sexual harassment report for the current fiscal period.

**Management's Response:** Management will post sexual harassment policies and complaint procedures on websites or in a conspicuous location on the premises. Management is now aware of the annual report requirements and will complete by February 1 in future years.

