



**St. Charles Parish Hospital Service District**  
A Component Unit of St. Charles Parish

**FINANCIAL STATEMENTS**

December 31, 2023 and 2022



<b>REPORT</b>	<b>Page</b>
Independent Auditor’s Report.....	1
<b>FINANCIAL STATEMENTS</b>	
Statements of Net Position.....	4
Statements of Revenues, Expenses, and Changes in Net Position.....	6
Statements of Cash Flows.....	7
Notes to Financial Statements.....	9
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of Compensation, Benefits, and Other Payments to Agency Head.....	51
Schedule of Board of Commissioners and Compensation.....	52
Schedule of Bonds.....	53
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	57
Independent Auditor’s Report on Compliance for each Major Federal and State Program And on Internal Control over Compliance Required by Uniform Guidance.....	59
Schedule of Expenditures of Federal Awards.....	62
Notes to Schedule of Expenditures of Federal Awards.....	63
Schedule of Findings and Questioned Costs.....	65



# REPORT





**Carr, Riggs & Ingram, LLC**  
3850 North Causeway Boulevard  
Suite 1400  
Two Lakeway Center  
Metairie, LA 70002

504.837.9116  
504.837.0123 (fax)  
CRlcpa.com

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners of  
St. Charles Parish Hospital Service District  
Luling, Louisiana

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of St. Charles Parish Hospital Service District (the Hospital), a component unit of St. Charles Parish, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Hospital's basic 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 St. Charles Parish Hospital Service District (the Hospital), as of December 31, 2023 and 2022, and the changes in financial position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Hospital and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 the 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 Hospital'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.

### ***Auditor's 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 Hospital'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 Hospital'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.

### ***Required Supplementary Information***

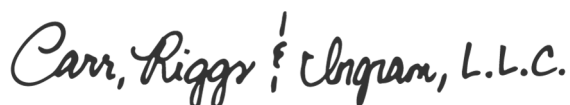
Management has omitted Management’s Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Hospital’s basic financial statements. The schedule of compensation, benefits, and other payments to agency head, the schedule of board of commissioners and compensation, the schedule of bonds, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head, the schedule of board of commissioners and compensation, the schedule of bonds, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2024, on our consideration of the Hospital’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Hospital’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 Hospital’s internal control over financial reporting and compliance.



CARR, RIGGS & INGRAM, LLC

Metairie, Louisiana

June 27, 2024



# FINANCIAL STATEMENTS



**St. Charles Parish Hospital Service District**  
**Statements of Net Position**

<i>As of December 31,</i>	<b>2023</b>	<b>2022</b>
<b>Assets and Deferred Outflow of Resources</b>		
Current assets		
Cash and cash equivalents	\$ 30,660,543	\$ 14,948,388
Receivables:		
Patient accounts receivable, net of estimated uncollectibles and allowances of \$24,003,411 in 2023 and \$16,269,986 in 2022	7,000,984	4,931,245
Ad valorem receivable	10,632,532	9,542,557
MCIP receivable	990,000	641,064
Current portion of lease receivables	858,175	1,032,234
Other receivables	29,012	681,975
Estimated third-party payer settlements	3,295,189	6,978,955
Restricted cash - debt service	5,020,450	4,327,259
Inventory	882,766	575,089
Prepaid expenses	408,006	468,585
<b>Total current assets</b>	<b>59,777,657</b>	<b>44,127,351</b>
Noncurrent assets		
Cash and cash equivalents whose use is limited:		
By indenture agreement for debt service	5,020,450	4,327,259
By indenture agreement for capital acquisition	9,442,308	13,976,123
<b>Total assets whose use is limited</b>	<b>14,462,758</b>	<b>18,303,382</b>
Less: amounts required to meet current obligations	(5,020,450)	(4,327,259)
<b>Total noncurrent assets whose use is limited</b>	<b>9,442,308</b>	<b>13,976,123</b>
<b>Capital assets, net</b>	<b>47,953,099</b>	<b>43,311,892</b>
<b>Long-term portion of lease receivables</b>	<b>1,963,757</b>	<b>2,766,915</b>
<b>Total assets</b>	<b>119,136,821</b>	<b>104,182,281</b>
Deferred outflow of resources		
Deferred outflow - bond refundings	44,380	82,418
<b>Total assets and deferred outflow of resources</b>	<b>\$ 119,181,201</b>	<b>\$ 104,264,699</b>

(Continued)

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



**St. Charles Parish Hospital Service District**  
**Statements of Net Position**

<i>As of December 31,</i>	<b>2023</b>	<b>2022</b>
<b>Liabilities, Deferred Inflow of Resources, and Net Position</b>		
Current liabilities		
Accounts payable	\$ 1,865,255	\$ 855,945
Due to Hospital manager	12,805,174	7,634,880
Accrued salaries and benefits	1,094,113	937,173
Accrued interest payable	253,901	295,838
Full Medicaid Payment Program payable	5,501,960	2,751,960
Current maturities of long-term debt	6,421,169	6,210,137
Current maturities of multi-employer pension withdrawal liability	-	483,240
Current portion of lease obligation	238,078	455,982
HHS CARES Act Provider Relief Fund - deferred revenue	-	834,494
Other liabilities and accrued expenses	215,704	162,986
<b>Total current liabilities</b>	<b>28,395,354</b>	<b>20,622,635</b>
Long-term debt and other liabilities		
Long-term debt, net of current maturities	44,535,155	50,964,532
Long-term portion of lease obligation	513,704	127,287
Lease deposits	20,202	20,202
<b>Total long-term debt and other liabilities</b>	<b>45,069,061</b>	<b>51,112,021</b>
<b>Total liabilities</b>	<b>73,464,415</b>	<b>71,734,656</b>
Deferred inflow of resources		
Leases	2,533,101	3,480,627
Net position		
Net investment in capital assets	5,778,634	(370,339)
Restricted		
Expendable for:		
Debt service	5,020,450	4,327,259
Unrestricted	32,384,601	25,092,496
<b>Total net position</b>	<b>43,183,685</b>	<b>29,049,416</b>
<b>Total liabilities, deferred inflow of resources, and net position</b>	<b>\$ 119,181,201</b>	<b>\$ 104,264,699</b>

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

**St. Charles Parish Hospital Service District**  
**Statements of Revenues, Expenses, and Changes in Net Position**

<i>For the Years Ended December 31,</i>	<b>2023</b>	<b>2022</b>
<b>Operating Revenue</b>		
Net patient service revenues	\$ 66,353,126	\$ 52,780,636
Rural hospital grant	137,900	3,548,858
MCIP revenue	3,760,283	2,179,748
Other operating revenues	2,566,046	2,372,469
<b>Total operating revenues</b>	<b>72,817,355</b>	<b>60,881,711</b>
<b>Operating Expenses</b>		
Salaries and wages	13,993,943	15,535,459
Employee benefits	2,630,237	2,400,379
Supplies and other	18,060,606	15,967,227
Purchased services	9,686,181	1,982,981
Medicaid program support	22,750,000	21,250,000
Depreciation and amortization	5,210,576	4,546,783
<b>Total operating expenses</b>	<b>72,331,543</b>	<b>61,682,829</b>
Operating income (loss)	485,812	(801,118)
<b>Nonoperating Revenue (Expenses)</b>		
Ad valorem taxes - maintenance	5,339,193	4,289,445
Ad valorem taxes - debt service	5,610,859	5,403,129
In-kind contribution	-	1,683,490
Federal award income	1,672,983	-
Interest income	257,394	133,426
Gain on insurance proceeds	2,284,325	759,769
Interest expense	(1,516,297)	(1,834,457)
<b>Total nonoperating revenue (expense)</b>	<b>13,648,457</b>	<b>10,434,802</b>
Change in net position	14,134,269	9,633,684
Net position - beginning of year	29,049,416	19,415,732
<b>Net position - end of year</b>	<b>\$ 43,183,685</b>	<b>\$ 29,049,416</b>

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

**St. Charles Parish Hospital Service District**  
**Statements of Cash Flows**

<i>For the Years Ended December 31,</i>	<b>2023</b>	<b>2022</b>
<b>Operating Activities</b>		
Revenue collected	\$ 77,485,409	\$ 61,490,817
Payments for supplies, services, and other operations	(44,511,563)	(38,677,631)
Payments to employees and for employee-related costs	(16,467,240)	(16,302,009)
Net cash provided by operating activities	<b>16,506,606</b>	6,511,177
<b>Noncapital Financing Activities</b>		
Ad valorem taxes - maintenance	4,807,726	3,770,805
Ad valorem taxes - debt service	5,052,351	4,749,832
Noncapital grants and contributions	838,489	834,494
Net cash provided by noncapital financing activities	<b>10,698,566</b>	9,355,131
<b>Capital and Related Financing Activities</b>		
Principal payments on general obligation bonds	(4,170,000)	(4,090,000)
Principal payments on limited tax bonds	(1,760,000)	(1,695,000)
Principal payment on other long term debt	(280,094)	(268,326)
Principal payments on multi-employer pension liability	(483,240)	(605,582)
Principal payments on lease obligations	(647,174)	(987,252)
Cash paid for interest on debt obligations	(1,558,234)	(1,875,520)
Proceeds from insurance	2,284,325	759,769
Purchase of capital assets (property, plant and equipment)	(9,006,309)	(6,133,265)
Net cash used in capital and related financing activities	<b>(15,620,726)</b>	(14,895,176)
<b>Investing Activities</b>		
Cash received as interest	287,085	117,824
Net cash provided by investing activities	<b>287,085</b>	117,824
Net increase in cash and cash equivalents	<b>11,871,531</b>	1,088,956
Cash and cash equivalents - beginning of year	<b>33,251,770</b>	32,162,814
Cash and cash equivalents - end of year	<b>\$ 45,123,301</b>	<b>\$ 33,251,770</b>

(Continued)

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

**St. Charles Parish Hospital Service District**  
**Statements of Cash Flows**

*For the Years Ended December 31,* **2023** **2022**

**Reconciliation of Cash to the Statement of Net Position**

Cash and cash equivalents	\$ 30,660,543	\$ 14,948,388
Restricted cash held for capital improvements	9,442,308	13,976,123
Restricted cash held for debt service	5,020,450	4,327,259

Cash and cash equivalents - end of year	\$ 45,123,301	\$ 33,251,770
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**Reconciliation of Operating Income (Loss) to Net**

**Cash Provided by Operating Activities:**

Operating (loss) income	\$ 485,812	\$ (801,118)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation and amortization	5,180,789	4,516,715
Amortization of premium/discount on long term debt	29,787	30,068
Provision for bad debts	2,910,745	1,738,588
In-kind contribution	-	1,683,490
Changes in operating assets and liabilities:		
Patient accounts receivable	(4,980,484)	(2,315,310)
MCIP receivable	(348,936)	144,166
Other receivable	652,963	2,275,474
Estimated third-party payer settlements	3,683,766	(2,319)
Inventory	(307,677)	175,620
Prepaid expenses	60,579	(127,163)
Accounts payable	1,009,310	124,071
Due to Hospital manager	5,170,294	194,086
Accrued salaries and benefits	156,940	(49,661)
Other accrued expenses	52,718	155,963
Full Medicaid Payment Program payable	2,750,000	250,000
CMS Accelerated and Advanced Payment Program	-	(1,481,493)

Net cash provided by operating activities	\$ 16,506,606	\$ 6,511,177
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**Supplemental Disclosures of Noncash Capital and Related Financing Activities**

Capital assets financed through lease obligations	\$ 671,490	\$ -
Capital assets through lease modifications	\$ 144,197	\$ -

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

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 1: DESCRIPTION OF HOSPITAL

#### ***Reporting Entity***

St. Charles Parish Hospital Service District (the Hospital), a special district and component unit of St. Charles Parish (the Parish), was formed for the purpose of operating St. Charles Parish Hospital, a non-profit community hospital established in 1956. The Board of Commissioners is the governing authority for the Hospital and is responsible for obtaining voter approval for the levy of tax or debt issuance, but all related Louisiana State Bond Commission approvals must be obtained through the Parish.

On September 1, 2014, the Hospital entered into a management agreement with a wholly-owned subsidiary of Ochsner Health System, to provide management, staff, and other assistance to operate the Hospital. This expanded affiliation enables the Hospital to further enhance existing clinical services while simultaneously improving resources, including operational efficiencies (see Note 17).

#### ***Blended Component Units***

The Hospital follows the requirements under GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34*. The financial statements of the Hospital include the accounts of the Hospital and its wholly owned component units, St. Charles Health Initiatives, Inc., St. Charles Hospital Continuum of Care Corporation, and Plantation View Medical Offices. The significant intercompany transactions and balances have been eliminated.

The St. Charles Hospital Continuum of Care Corporation (SCHCCC) was incorporated on August 10, 2006 with a subsequent name change to St. Charles Health Initiatives, Inc. (SCHII). SCHII is a non-profit hospital that principally provides housing, healthcare, and other related services to residents. SCHII maintains a shared governing board and receives funding through the Hospital Service District. Due to the level of control and the financial benefit/burden relationship with the Hospital that exists, SCHII is considered a blended component unit of the Hospital for accounting purposes. The operations of SCHII are included in the financial statements of the Hospital for the years ended December 31, 2023 and 2022.

St. Charles Hospital Services Corporation (the Corporation) is a non-profit entity that, while legally separate from the Hospital, is reported as if it were a part of the Hospital because of the presence of a shared governing body with the Hospital. As a component unit of the Hospital, the operations of the Corporation are included in the financial statements of the Hospital; however, the operations of the Corporation became dormant. During the year ended December 31, 2007, the Corporation changed its name to the St. Charles Hospital Continuum of Care Corporation after the SCHCCC mentioned above changed its name to St. Charles Health Initiatives, Inc. As a blended component unit of the Hospital, the operations of the Corporation are included in the financial statements of the Hospital for the years ended December 31, 2023 and 2022.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 1: DESCRIPTION OF HOSPITAL (Continued)

#### *Blended Component Units (Continued)*

On December 2, 2013, Plantation View Medical Offices (PVMO) was formed with St. Charles Parish Hospital being the sole member. PVMO was formed as a not-for-profit corporation for the purpose of building a medical office building on the east bank of St. Charles Parish. On January 13, 2014, PVMO received a donation of land that was appraised at \$714,000. PVMO also secured financing in the amount of \$14,700,000, to build the medical office building. The financing is a mixture of New Markets Tax Credits, a commercial loan, and a grant from the Hospital. Construction was substantially completed in March of 2016. As a blended component unit of the Hospital, the operations of PVMO are included in the financial statements of the Hospital for the years ended December 31, 2023 and 2022.

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Measurement Focus, Basis of Accounting and Financial Statement Presentation*

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility and timing requirements imposed by the provider have been met.

The Hospital's financial statements are prepared based on accounting principles applicable to governmental units as established by the GASB and the provisions of the American Institute of Certified Public Accountants, "Audit and Accounting Guide, Health Care Entities," to the extent that they do not conflict with GASB. SCHII, the Corporation, and PVMO also use the accrual method.

#### *Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the determination of the allowances for uncollectible accounts and contractual adjustments and estimated third-party payer settlements. In particular, laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates related to these programs will change by a material amount in the near term.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Risk Management***

The Hospital is exposed to various risks of loss from tort; 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.

The Hospital purchases medical malpractice under claims-made policies. Under these policies, only claims made and reported to the insurer are covered during the policy term, regardless of when the incident giving rise to the claim occurred.

#### ***Cash and Cash Equivalents***

Cash and cash equivalents include investments in highly liquid debt instruments with maturities of three months or less, excluding amounts whose use is limited by board designation, other arrangements under trust agreements, or with third-party payers.

#### ***Assets Whose Use is Limited***

Assets whose use is limited include cash restricted for indenture agreements. It also includes cash restricted in accordance with funds provided from indenture agreements to be used for capital improvements.

#### ***Patient Accounts Receivable, Net***

Patient accounts receivable are reduced by estimated contractual and other adjustments and estimated uncollectible accounts. In evaluating the collectability of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowances for third-party contractual and other adjustments and bad debt. Management reviews data about these major payer sources of revenue on a monthly basis in evaluating the sufficiency of the allowances. On a continuing basis, management analyzes delinquent receivables and writes them off against the allowance when deemed uncollectible. No interest is charged on patient accounts receivable balances.

For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for contractual adjustments and, if necessary, a provision for bad debts (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payer has not yet paid, or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely).

## St. Charles Parish Hospital Service District Notes to Financial Statements

### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

For receivables associated with uninsured patients (also known as 'self-pay'), which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the Hospital records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many uninsured patients are often either unable or unwilling to pay the full portion of their bill for which they are financially responsible. The difference between standard rates (or the discounted rates, if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for uncollectible accounts.

The Hospital has not materially altered its accounts receivable and revenue recognition policies during fiscal year 2023 and did not have significant write-offs from third-party payers related to collectability in fiscal years 2023 or 2022.

#### ***Inventory***

Inventory, consisting primarily of pharmaceuticals and medical supplies, are stated using the average cost method or net realizable value, whichever is lower, using the first in, first out (FIFO) method. When evidence exists that the net realizable value of inventories is lower than its cost, the difference is recognized as a loss in the statement of revenues, expenses, and changes in net position in the period in which it occurs. The cost of such inventories is recorded as an expense when consumed rather than when purchased.

#### ***Prepaid Expenses***

Prepaid expenses are amortized over the estimate period of future benefit, generally on a straight-line basis.

#### ***Capital Assets***

Capital assets are stated at cost on the date of acquisition. The Hospital's capitalization policy for assets includes all items with an initial individual costs greater than \$1,000, except for intangible right-of-use lease assets. Gifts or contributions of capital assets, and assets received in a service concession arrangement are recorded at acquisition value at the time received. Depreciation on capital assets is calculated using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are depreciated over the shorter of the useful life of the underlying asset or the lease term.



## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The ranges of estimated useful lives for the various other capital asset categories are as follows:

Buildings and improvements	20 - 40 years
Leasehold improvements	5 - 15 years
Equipment	3 - 7 years
Vehicle	4 - 12 years
Software	1 - 3 years
Right of use assets	2 - 5 years
Land	not depreciated
Construction in Progress	not depreciated

Upon sale or retirement of capital assets, the cost and related accumulated depreciation are eliminated from the respective accounts, and the resulting gain or loss, if any, is included in the statement of revenues, expenses and changes in net position.

Expenditures that materially increase values, change capacities, or extend useful lives of the respective assets are capitalized. Routine maintenance and repairs are charged to expense when incurred.

#### ***Long-Lived Assets Impairment***

Long-lived assets are reviewed for impairment if circumstances suggest that there is a significant, unexpected decline in service utility of a long-lived asset. The service utility of a long-lived asset is the usable capacity that at acquisition was expected to be used to provide service. An assessment of recoverability is performed prior to any write-down of assets and an impairment charge is recorded on those assets for which the estimated fair value is below its carrying amount.

Based on management's evaluations, no long-lived assets impairments were recognized during the years ended December 31, 2023 and 2022.

#### ***Cost of Borrowing***

Premiums or discounts incurred in connection with the issuance of bonds are amortized over the life of the obligations using the effective interest method, and the unamortized amount is included in the balance of outstanding debt. Bond issuance costs are expensed in the period incurred, except for prepaid insurance costs.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Compensated Absences***

Employees accumulate general purpose time at varying rates according to years of service. Employees are immediately vested in accrued general purpose time when earned. Upon termination, all unused paid time off hours are paid to the employee at the employee's current rate of pay. Expense and the related liability are recognized as vacation benefits are earned whether the employee is expected to realize the benefit as time off or in cash. The maximum number of hours that can be accrued for paid time off is 240 hours.

Accrued compensated absences, included as a component of accrued salaries and benefits on the Hospital's statements of net position, was \$395,618 and \$339,305 as of December 31, 2023 and 2022, respectively.

#### ***Net Position***

Net position of the Hospital is classified in three components, as follows:

*Net investment in capital assets* – consists of capital assets, net of accumulated depreciation, reduced by the current balances of any outstanding borrowings (including leases and subscription liabilities) used to finance the purchase or construction of those assets.

*Restricted net position* – made up of noncapital assets that must be used for a particular purpose, as specified by creditors, grantors or donors external to the Hospital, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings. Restricted net position at December 31, 2023 and 2022 were funds advanced from bond issuances not yet utilized for capital additions or improvements and amounts set aside to fund future debt obligations.

*Unrestricted net position* – the remaining net position that does not meet the definitions of net investment in capital assets or restricted net position described above.

#### ***Operating Revenue and Expenses***

The Hospital's statements of revenues, expenses and changes in net position distinguish between operating and nonoperating revenue and expenses. Operating revenue results from exchange transactions associated with providing health care services, the Hospital's principal activity. Non-exchange revenue, including investment income, grants and contributions received for purposes other than capital asset acquisition, are reported as nonoperating revenue. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Net Patient Service Revenue*

The Hospital has agreements with third-party payers that provide for payments to the Hospital at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered including estimated retroactive adjustments under reimbursement agreements with third-party payers.

Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined or as years are no longer subject to such audits, reviews, and investigations.

The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potentially significant wrongdoing. However, compliance with such laws and regulations is subject to future government review and interpretation, as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid program, and in recent years there has been an increase in regulatory initiatives at the state and federal levels including the Recovery Audit Contractor (“RAC”) and Medicaid Integrity Contractor (“MIC”) programs, among others. These programs were created to review Medicare and Medicaid claims for medical necessity and coding appropriateness. The RAC’s have authority to pursue ‘improper’ (in their judgment) payments with a three year look back from the date the claim was paid.

#### *Charity Care*

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

The Hospital maintains records to identify and monitor the level of charity care it provides to all of its qualifying patients. These records include the amount of charges foregone for services and supplies furnished under its charity care policy. As presented in Note 5, the Hospital reduced its gross revenues for its cost of charity care. For the years ended December 31, 2023 and 2022, charity care totaled \$331,388 and \$286,310, respectively. The estimated costs and expenses incurred to provide charity care were determined by applying the Hospital’s cost to charge ratio from its latest filed Medicare cost report to its charges foregone for charity care, at established rates.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Managed Care Incentive Payment Revenue***

The Hospital participates in the State of Louisiana's Managed Care Incentive Payment (MCIP) Program which provides incentive payments to healthcare entities for achieving quality reforms that increase access to health care, improve the quality care, and/or enhance the health of patients they serve. Incentive payments are received after the specified activities, targets, performance measures, or quality-based outcomes are achieved by the healthcare entity. The revenue associated with MCIP incentive payments is recognized by the Hospital as soon as the amounts are estimable. Any changes resulting from the change in estimate are recognized within operations in the period in which they occur.

#### ***Full Medicaid Payment Program Revenues***

The Hospital participates in the State's Full Medicaid Payment Program which provides continuing support to healthcare entities who provide services to Managed Medicaid patients, whereby the State distributes additional payments to approximate Medicaid reimbursement (Full Medicaid Payment). The Hospital records the revenues as soon as they are estimable with any true-ups recorded at the time of payment. The Full Medicaid Payment Program was replaced during 2022 with the Medicaid Directed Payment Program.

#### ***Rural Hospital Grant***

The Hospital participates in Rural Hospital Grant Program to assist rural hospitals in receiving adequate reimbursement for uninsured and indigent patients under the State of Louisiana Rural Hospital Preservation Act. The Hospital records the revenues as soon as they are estimable with any true-ups recorded at the time of payment. The Rural Hospital Grant Program was replaced during 2022 with the Medicaid Directed Payment Program.

#### ***Medicaid Directed Payment Program (DPP)***

The Hospital participates in the State's Medicaid Directed Payment Program, which provides continuing support to hospitals that provide services to Managed Medicaid patients through a percentage increase to each hospital's base Medicaid claims payments for hospital services to the Medicaid managed care population. The Hospital records the revenues as soon as they are estimable with any true-ups recorded at the time of payment.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Grants and Contributions***

From time to time, the Hospital receives grants from other governmental entities as well as contributions from individuals and private 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 either for specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts restricted to capital acquisition are reported after nonoperating revenue and expenses.

#### ***Lease Receivables***

The Hospital is a lessor for noncancellable leases. The District recognizes a lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. Under the lease agreements, the Hospital may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The Hospital uses the stated rate in the lease or its estimated incremental borrowing rate as the discount rate for the leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The Hospital monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

#### ***Lease Obligations***

The Hospital is the lessee for nine noncancellable leases of equipment. The Hospital recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements.

At the commencement of a lease, the Hospital initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Lease Obligations (Continued)*

Key estimates and judgments related to leases include how the Hospital determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Hospital uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Hospital generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Hospital is reasonably certain to exercise.

The Hospital monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

#### *Ad Valorem Tax Revenues*

The Hospital receives dedicated property tax revenues in amounts sufficient to fund annual debt maturities of the general obligation bonds and related interest costs, and to fund maintenance and operations of the Hospital. Such revenues are considered nonoperating in the accompanying statements of revenues, expenses and changes in net position.

Ad valorem taxes are normally levied and billed in November of each year and are due by December 31st of the year levied. Revenues are recognized when levied due to the extent they are determined to be currently collectible. Ad valorem taxes are billed and collected using the assessed values determined by the Tax Assessor of St. Charles Parish. For the year ended December 31, 2023, the millage rates have been set at 2.43 mills for Maintenance and Operations and 2.56 mills for Bonds. For the year ended December 31, 2022, the millage rates have been set at 2.43 mills for Maintenance and Operations and 3.06 mills for Bonds. The ad valorem taxes receivable for the years ended December 31, 2023 and 2022 totaled \$10,632,532 and \$9,542,557, respectively on the accompanying statements of net position.

#### *In-kind Contribution*

During the COVID-19 pandemic, the Louisiana Department of Health provided the Hospital with additional personnel needed to respond to the increased capacity workload as a result of the pandemic. The personnel was provided free of charge to the Hospital. For the year ended December 31, 2022, the Hospital recorded an in-kind contribution for those services in the amount of \$1,683,490 in salaries and wages on the accompanying statements of revenues, expenses, and changes in net position. No in-kind contribution was recorded for the year ended December 31, 2023.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Current Healthcare Environment***

The Hospital monitors economic conditions closely, both with respect to potential impacts on the healthcare industry and from a more general business perspective. Management recognizes that economic conditions may continue to impact the Hospital in a number of ways, including, but not limited to, uncertainties associated with the United States and state political landscape and rising uninsured patient volumes and corresponding increases in uncompensated care.

Additionally, the general healthcare industry environment is increasingly uncertain, especially with respect to the ongoing impacts of the federal healthcare reform legislation. Potential impacts of ongoing healthcare industry transformation include, but are not limited to:

- Significant capital investment in healthcare information technology
- Continuing volatility in state and federal government reimbursement programs
- Effective management of multiple major regulatory mandates, including the previously mentioned audit activity
- Significant potential business model changes throughout the healthcare system, including within the healthcare commercial payer industry.
- Workforce shortages primarily in nursing and other clinically skilled positions; as well as increased payroll costs to retain staff

The business of healthcare in the current economic, legislative, and regulatory environment is volatile. Any of the above factors, along with others both currently in existence and which may or may not arise in the future, could have a material adverse impact on the Hospital's financial position and operating results.

#### ***Advertising Costs***

Advertising costs are expensed as incurred. Advertising expenses are included in supplies and other of \$17,799 and \$26,399 for the years ended December 31, 2023 and 2022, respectively, in the accompanying statements of revenues, expenses, and changes in net position.

#### ***Income Tax Status***

The Hospital is a governmental unit which is exempt from Federal income taxes on related income pursuant to Section 115 of the Internal Revenue Code.

SCHII, the Corporation and PVMO, the component units of the Hospital as noted in Note 1, are exempt from taxes on income other than unrelated business income under section 501(c)(3) of the Internal Revenue Code.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Pronouncements Recently Adopted*

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. There were no significant impacts of implementing this Statement.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments. As of July 1, 2023, derivative instruments that hedge the interest rate risk of taxable debt and use an IBOR as a reference rate are no longer eligible for hedge accounting. There were no significant impacts of implementing this Statement.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This statement was effective for fiscal years beginning after June 15, 2022. The Hospital adopted the provisions of this statement for fiscal year ended December 31, 2023, and GASB 94 did not have any impact on the Hospital's financial statements

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This Statement is effective for the Hospital for the year ended December 31, 2023 and management adopted this effective January 1, 2022. There was no significant impact of implementing this statement.



## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Pronouncements Issued But Not Yet Effective*

In April 2022, GASB issued GASB Statement No. 99, *Omnibus 2022*. This Statement seeks to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The Hospital adopted the provisions of GASB 99 during the year ended December 31, 2023 which had no impact on the Hospital's financial statements.

The requirements of this Statement not yet effective are as follows:

- The requirements related to financial guarantees and the classification and reporting of other derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Early application is encouraged.

In June 2022, GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

The Hospital is evaluating the requirements of the above statements and the impact on reporting.

**St. Charles Parish Hospital Service District  
Notes to Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Reclassifications***

Certain reclassifications were made to prior year balances to conform with current year presentation.

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 27, 2024, and determined there were no events that occurred that required disclosure to the financial statements. No subsequent events occurring after that date have been evaluated for inclusion in these financial statements.

**Note 3: CASH AND RESTRICTED CASH**

At December 31, 2023 and 2022 the Hospital had \$45,123,301 and \$33,251,770, respectively, held in interest bearing demand deposits as follows:

<i>December 31,</i>	<b>2023</b>		2022	
Cash	\$	<b>30,660,543</b>	\$	14,948,388
Limited Use Cash		<b>14,462,758</b>		18,303,382
<b>Total</b>	<b>\$</b>	<b>45,123,301</b>	<b>\$</b>	<b>33,251,770</b>

***Custodial Credit Risk***

Custodial credit risk is the risk that in the event of a bank failure the Hospital's deposits may not be returned to it. Under state law, deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities, plus the federal deposit insurance, must at all times equal the amount on deposit with the fiscal agent. The custodial bank must advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

The Hospital's cash deposits included in cash on its statement of net position as of December 31, 2023 and 2022, were entirely covered by federal depository insurance or collateralized with securities held by the pledging financial institution's trust department or agent in the Hospital's name.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### **Note 3: CASH AND RESTRICTED CASH (Continued)**

At December 31, 2023, the Hospital had \$45,671,894 in securities pledged by banks that are holding Hospital accounts that have balances in excess of the federal deposit insurance. Of this amount, \$44,920,394 was over the federal deposit insurance limit, all of which were secured by collateral owned by the fiscal agent bank in the name of the Hospital. At December 31, 2022, the Hospital had \$33,031,873 in securities pledged by banks that are holding Hospital accounts that have balances in excess of the federal deposit insurance. Of this amount, \$32,281,873 was over the federal deposit insurance limit, all of which were secured by collateral owned by the fiscal agent bank in the name of the Hospital.

Under Louisiana Revised Statutes 39:1271 and 33:2955, the Hospital may deposit funds in demand deposit accounts, interest-bearing demand deposit accounts, money market accounts, and time certificates of deposit with state banks, organized under Louisiana Law and National Banks having principal offices in Louisiana. Additionally, Louisiana statutes allow the Hospital to invest in direct obligations of the U.S. Government, federally insured instruments, guaranteed investment contracts issued by certain financial institutions, and mutual or trust funds registered with the Securities and Exchange Commission.

#### ***Concentration of Credit Risk***

As required under GASB statement 40, *Deposit and Investment Risk Disclosures, an Amendment of GASB Statement No. 3*, concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. GASB 40 further defines an at-risk investment to be one that represents more than five percent (5%) of the fair value of the total investment portfolio and requires disclosure of such at-risk investments. GASB 40 specifically excludes investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments from the disclosure requirement. At December 31, 2023 and 2022, the Organization had no investments requiring concentration of credit risk disclosure.

**St. Charles Parish Hospital Service District**  
**Notes to Financial Statements**

**Note 4: ASSETS WHOSE USE IS LIMITED**

Assets whose use is limited that are required for bond obligations classified as current liabilities are also reported as current assets as these amounts have been designated by the board to pay the debt. The composition of assets whose use is limited at December 31, 2023 and 2022 is set forth in the following table:

<i>December 31,</i>	<b>2023</b>		2022	
Restricted Cash - Debt Service				
Cash and cash equivalents	\$	<b>5,020,450</b>	\$	4,327,259
Restricted Cash - Capital Acquisition				
Cash and cash equivalents		<b>9,442,308</b>		13,976,123
<b>Total</b>	<b>\$</b>	<b>14,462,758</b>	<b>\$</b>	<b>18,303,382</b>

**Note 5: PATIENT ACCOUNTS RECEIVABLE AND REVENUE**

***Patient Account Receivables***

The Hospital is located in St. Charles, Louisiana. The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements.

The mix of receivables from patients and third-party payers at December 31, 2023 and 2022 was:

<i>December 31,</i>	<b>2023</b>		2022	
Medicare	\$	<b>13,752,109</b>	\$	7,400,781
Medicaid		<b>6,805,533</b>		5,719,215
Other third-party payers		<b>8,580,922</b>		6,682,584
Patients		<b>1,865,831</b>		1,398,651
<b>Total patient accounts receivables</b>		<b>31,004,395</b>		21,201,231
Less: Allowance for uncollectible accounts		<b>(24,003,411)</b>		(16,269,986)
<b>Patient accounts receivables, net</b>	<b>\$</b>	<b>7,000,984</b>	<b>\$</b>	<b>4,931,245</b>

**St. Charles Parish Hospital Service District  
Notes to Financial Statements**

**Note 5: PATIENT ACCOUNTS RECEIVABLE AND REVENUE (Continued)**

***Patient Account Receivables (Continued)***

The mix of accounts receivable due from patients and third-party payers as of December 31, 2023 and 2022 was as follows:

<i>December 31,</i>	<b>2023</b>	2022
Medicare	<b>44.3%</b>	34.9%
Medicaid	<b>22.0%</b>	27.0%
Other third-party payers	<b>27.7%</b>	31.5%
Patients	<b>6.0%</b>	6.6%
<b>Total</b>	<b>100.0%</b>	100.0%

***Net Patient Service Revenue***

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

*Medicare* – The Hospital is reimbursed under the Medicare Prospective Payment System for acute care inpatient services provided to Medicare beneficiaries and is paid a predetermined amount for these services based, for the most part, on the Diagnosis Related Group (DRG) assigned to the patient.

In addition, the Hospital is paid prospectively for Medicare inpatient capital costs based on the federal specific rate. The Hospital qualifies as a disproportionate share provider under the Medicare regulations. As such, the Hospital receives an additional payment for Medicare inpatients served. Except for Medicare disproportionate share reimbursement and Medicare bad debts, there is no retroactive settlement for inpatient costs under the Medicare inpatient prospective payment methodology.

Medicare outpatient services (excluding clinical lab and outpatient therapy) are reimbursed by the Outpatient Prospective Payment System (OPPS), which establishes a number of Ambulatory Payment Classifications (APC) for outpatient procedures in which the Hospital is paid a predetermined amount per procedure. Medicare outpatient clinical lab services are reimbursed based upon the Medicare fee schedules. The Hospital’s Medicaid cost reports have most recently been audited by the Medicare fiscal intermediary through July 31, 2020.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 5: PATIENT ACCOUNTS RECEIVABLE AND REVENUE (Continued)

#### *Net Patient Service Revenue (Continued)*

*Medicaid* – The Hospital is paid a prospective per diem rate for Medicaid inpatients. The per diem rate is based on a peer grouping methodology, which assigns a per diem rate to each hospital in the peer group. Certain outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. Medicaid outpatient clinical lab and Medicaid ambulatory surgery and outpatient therapy services are reimbursed based upon the Medicare fee schedules.

Retroactive cost settlements, based upon annual cost reports, are estimated for those programs subject to retroactive settlement and recorded in the financial statements. Final determination of retroactive cost settlements to be received under the Medicare and Medicaid regulations is subject to review by program representatives. The difference between a final settlement and an estimated settlement in any year is reported as an adjustment of net patient service revenue in the year the final settlement is made.

Revenue derived from the Medicare and Medicaid programs is subject to audit and adjustment by the fiscal intermediary and must be accepted by the United States Department of Health and Human Services (HHS) before settlement amounts become final. Annually, management evaluates the recorded estimated settlements and adjusts these balances based upon the results of the intermediary's audit of filed cost reports and additional information becoming available. The Hospital's Medicaid cost reports have been most recently audited by the Medicaid fiscal intermediary through July 31, 2018.

*Other* – The Hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

A summary of the Hospital's gross revenue from patient services provided under contracts with third-party payers for the years ended December 31, 2023 and 2022 is as follows:

<i>December 31,</i>	<b>2023</b>	2022
Medicare	<b>42.1%</b>	36.7%
Medicaid	<b>26.2%</b>	27.9%
Other commercial and preferred provider organizations	<b>31.7%</b>	35.4%
<b>Total</b>	<b>100.0%</b>	100.0%

**St. Charles Parish Hospital Service District  
Notes to Financial Statements**

**Note 5: PATIENT ACCOUNTS RECEIVABLE AND REVENUE (Continued)**

***Net Patient Service Revenue (Continued)***

A summary of the Hospital's net patient service revenue for the years ended December 31, 2023 and 2022 is as follows:

<i>December 31,</i>	<b>2023</b>	2022
Gross patient service revenue	<b>\$ 220,852,889</b>	\$ 182,729,798
Less provision for contractual adjustments under third-party reimbursement programs and other adjustments	<b>(151,257,630)</b>	(127,924,264)
Provision for bad debts	<b>(2,910,745)</b>	(1,738,588)
Charity care	<b>(331,388)</b>	(286,310)
<b>Net patient service revenue</b>	<b>\$ 66,353,126</b>	\$ 52,780,636

**St. Charles Parish Hospital Service District**  
**Notes to Financial Statements**

**Note 6: CAPITAL ASSETS**

Capital asset activity as of and for the year ended December 31, 2023, is as follows:

	December 31, 2022	Additions/ Transfers	Disposals Transfers/	December 31, 2023
<b>Nondepreciable capital assets:</b>				
Land	\$ 2,686,869	\$ -	\$ 644,896	\$ 3,331,765
Construction in progress	2,531,813	8,594,376	(8,638,920)	2,487,269
Total nondepreciable capital assets	5,218,682	8,594,376	(7,994,024)	5,819,034
<b>Depreciable capital assets:</b>				
Building and improvements	64,285,260	170,000	5,226,414	69,681,674
Equipment	26,594,237	225,906	2,758,876	29,579,019
Leasehold improvements	5,646,482	16,027	-	5,662,509
Software	8,880	-	-	8,880
Vehicles	1,330,837	-	-	1,330,837
Right-of-use asset (equipment)	2,015,557	815,687	-	2,831,244
Total depreciable capital assets	99,881,253	1,227,620	7,985,290	109,094,163
<b>Less accumulated depreciation:</b>				
Building and improvements	(38,327,879)	(1,776,747)	8,734	(40,095,892)
Equipment	(19,492,848)	(1,717,217)	-	(21,210,065)
Leasehold improvements	(1,436,841)	(913,715)	-	(2,350,556)
Software	(8,880)	-	-	(8,880)
Vehicles	(1,105,246)	(103,245)	-	(1,208,491)
Right-of-use asset (equipment)	(1,416,349)	(669,865)	-	(2,086,214)
Total accumulated depreciation	(61,788,043)	(5,180,789)	8,734	(66,960,098)
Total depreciable capital assets, net	38,093,210	(3,953,169)	7,994,024	42,134,065
Total capital assets, net	\$ 43,311,892	\$ 4,641,207	\$ -	\$ 47,953,099



**St. Charles Parish Hospital Service District**  
**Notes to Financial Statements**

**Note 6: CAPITAL ASSETS (Continued)**

Capital asset activity as of and for the year ended December 31, 2022, is as follows:

	December 31, 2021	Additions/ Transfers	Disposals/ Transfers	December 31, 2022
<b>Nondepreciable capital assets:</b>				
Land	\$ 1,839,632	\$ 847,237	\$ -	\$ 2,686,869
Construction in progress	380,542	2,151,271	-	2,531,813
Total nondepreciable capital assets	2,220,174	2,998,508	-	5,218,682
<b>Depreciable capital assets:</b>				
Building and improvements	65,166,065	10,000	(890,805)	64,285,260
Equipment	27,149,090	2,068,358	(2,623,211)	26,594,237
Leasehold improvements	4,639,347	1,023,699	(16,564)	5,646,482
Software	8,880	-	-	8,880
Vehicles	1,330,837	-	-	1,330,837
Right-of-use asset (equipment)	2,015,557	-	-	2,015,557
Total depreciable capital assets	100,309,776	3,102,057	(3,530,580)	99,881,253
<b>Less accumulated depreciation:</b>				
Building and improvements	(37,450,730)	(1,758,546)	881,397	(38,327,879)
Equipment	(20,765,849)	(1,408,882)	2,681,883	(19,492,848)
Leasehold improvements	(848,735)	(588,106)	-	(1,436,841)
Software	(7,502)	(1,378)	-	(8,880)
Vehicles	(1,013,836)	(91,410)	-	(1,105,246)
Right-of-use asset (equipment)	(747,956)	(668,393)	-	(1,416,349)
Total accumulated depreciation	(60,834,608)	(4,516,715)	3,563,280	(61,788,043)
Total depreciable capital assets, net	39,475,168	(1,414,658)	32,700	38,093,210
Total capital assets, net	\$ 41,695,342	\$ 1,583,850	\$ 32,700	\$ 43,311,892

Depreciation expense reported in the year ended December 31, 2023, was \$5,180,789. Depreciation expense reported in the year ended December 31, 2022, was \$4,516,715.

**St. Charles Parish Hospital Service District  
Notes to Financial Statements**

**Note 7: LONG-TERM DEBT**

The components of long-term debt obligations as of December 31, 2023 and 2022 are as follows:

<i>December 31,</i>		<b>2023</b>	<b>2022</b>
Hospital Revenue Bonds, Series 2012A	(A)	\$ 4,920,000	\$ 5,365,000
Hospital Revenue Bonds, Series 2012B	(A)	3,825,000	4,145,000
Taxable GO Bonds, Series 2013	(B)	-	115,000
GO Refunding Bonds, Series 2013A	(C)	430,000	740,000
First National Bank Loan	(D)	10,539,991	10,820,085
GO Refunding Bonds, Series, 2016	(E)	2,025,000	2,815,000
GO Refunding Bonds, Series, 2016A	(F)	6,320,000	7,165,000
Taxable Limited Tax Refunding Bonds, Series 2018	(G)	3,565,000	5,275,000
Limited Tax Bonds, Series 2018A	(H)	2,075,000	2,125,000
Hospital Revenue Bonds, Series 2020	(I)	2,190,000	2,515,000
Go Refunding Bonds, Series 2021	(J)	14,975,000	15,995,000
Unamortized discount/premium		91,333	99,584
		<b>50,956,324</b>	<b>57,174,669</b>
Less: Current Maturities		<b>(6,421,169)</b>	<b>(6,210,137)</b>
<b>Total</b>		<b>\$ 44,535,155</b>	<b>\$ 50,964,532</b>

Scheduled maturities of general obligation bonds, limited tax bonds, and long-term debt as of December 31, 2023 are as follows:

<i>Year Ending December 31,</i>	Principal	Interest
2024	\$ 6,421,169	\$ 1,378,804
2025	6,135,246	1,196,102
2026	6,193,662	1,022,479
2027	4,027,668	886,408
2028	3,796,163	787,034
2029-2033	13,573,016	2,629,057
2034-2038	6,202,818	1,346,123
2039-2043	3,041,612	662,725
2044-2046	1,473,637	69,606
	50,864,991	9,978,338
Plus: Unamortized discount/premium	91,333	
<b>Total</b>	<b>\$ 50,956,324</b>	<b>\$ 9,978,338</b>

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 7: LONG-TERM DEBT (Continued)

- (A) In April 2012, the residents of the Parish voted for a bond proposition authorizing the Hospital to issue up to \$15,000,000 of 20-year General Obligation Bonds for the purpose of purchasing, acquiring land and constructing buildings, machinery, equipment, and furnishings, including both real and personal property, to be used in providing hospital facilities. These bonds are general obligations of the Hospital and payable from ad valorem taxes.

In August 2012, the Hospital adopted a resolution issuing \$8,000,000 General Obligation, Series 2012A bonds and \$6,000,000 Taxable General Obligation, Series 2012B bonds. Interest is payable semiannually on March 1 and September 1.

The Series 2012A bonds mature according to maturity schedules contained in the bond documents beginning on March 1, 2013, with scheduled maturities ranging from \$45,000 to \$635,000 each year through March 1, 2032. Interest rates associated with this Series range from 2.00% to 3.25%.

The Series 2012B bonds mature, according to maturity schedules contained in the bond documents, beginning on March 1, 2013. Scheduled maturities range from \$50,000 to \$520,000 each year through March 1, 2032. Interest rates associated with this Series range from 2.00% to 4.25%. These bonds are secured by and payable from ad valorem taxes.

- (B) During the year ended July 31, 2014, the Hospital issued \$1,000,000 of General Obligation Bonds, Series 2013, dated September 10, 2013. The purpose of the issue is purchasing, acquiring land and constructing buildings, machinery, equipment and furnishings, including both real and personal property, to be used in providing hospital facilities. The outstanding principal of the bonds will be repaid in ten annual installments ranging from \$85,000 to \$115,000 beginning March 1, 2014, with the final installment due March 1, 2023. Interest is payable semi-annually on March 1 and September 1 at a rate of 4.55%. These bonds are secured by and payable from ad valorem taxes.
- (C) During the year ended July 31, 2014, the Hospital issued \$4,350,000 of General Obligation Bonds, Series 2013A, dated September 10, 2013. The purpose of the issue is refunding all or a portion of the Hospital's outstanding Taxable General Obligation Refunding Bonds, Series 2003A, and General Obligation Bonds, Series 2004, and paying the costs incurred in connection with the issuance thereof. The outstanding principal of the bonds will be repaid in eleven annual installments ranging from \$280,000 to \$555,000 beginning March 1, 2014, with the final installment due March 1, 2024. Interest is payable semi-annually on March 1 and September 1 at a rate of 3.05%. These bonds are secured by and payable from ad valorem taxes.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 7: LONG-TERM DEBT (Continued)

- (D) PVMO began drawing down on its debt for construction of a medical center on the East Bank of St. Charles Parish (the Project) during fiscal 2014. The Facility A and B notes are intended to qualify as a “qualified low-income community investment” for the purposes of generating certain tax credits called New Markets Tax Credits (NMTCs) under section 45D of the Internal Revenue Code of 1986, as amended. To qualify, PVMO must comply with certain representations, warranties, and covenants. These include, but are not limited to, a covenant that the “portion of the business” (as defined) will operate to qualify as a qualified low-income community business. If, as a result of the breach of the agreement or loan documents by PVMO, the Lender is required to recapture all or any part of the New Markets Tax Credits previously claimed by the Lender, PVMO agrees to pay to the Lender an amount equal to the sum of the credits recaptured. Additionally, the QLICI Lender has a security interest in the assets of PVMO other than real property.

On January 10, 2014, PVMO issued a note payable (Facility A) to FNBC-CDE #13, LLC. The note is subject to credit and loan agreements executed by PVMO, as the community development entity (CDE) under the New Markets Tax Credit Program, and FNBC- CDE #13, LLC (Lender).

The Facility A Note, issued for \$1,914,596, is secured under the aforementioned credit and loan agreements. The Facility A Note was to mature on January 10, 2021. The note borne interest at a rate per annum equal to 3.74%. PVMO paid interest only on this note quarterly in arrears on March 15, June 15, September 15, and December 15 of each year, commencing March 15, 2014, and continued until December 15, 2020. PVMO could not prepay this note in full or in part any time prior to the expiration of the NMTC seven year compliance period. In January 2021, the remaining balance of the Facility A Note was included in the refinance disclosed below in (E).

The Facility B Note in the amount of \$1,585,404 was issued in connection with Facility A on January 10, 2014 to PVMO. The note is secured under the same aforementioned credit and loan agreements executed by PVMO for the Facility A Note. The note borne interest at a rate per annum equal to 3.74% and PVMO paid interest only on this note quarterly in arrears on March 15, June 15, September 15, and December 15 of each year commencing March 15, 2014, and continued until December 15, 2020. The entire principal was due on June 15, 2021. PVMO could not prepay this note in full or in part any time prior to the expiration of the NMTC compliance period. In January 2021, PVMO exercised a put option and paid a purchase price in the amount of \$1,000 and obtained a partial debt forgiveness and the remaining balance was extinguished.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 7: LONG-TERM DEBT (Continued)

In association with Facility Notes A and B (the NMTC Facilities), the Hospital, for the benefit of PVMO, unconditionally and irrevocably guaranteed the full, complete, and timely payment and, to the extent legally permissible, performance of all obligations owed to the Lender under the loan documents.

The First National Bank Direct Loan (the Direct Loan) is a \$10,000,000 note used in construction of PVMO. Interest is payable semi-annually at a rate of 6% and principal is payable annually through 2044. It is secured with a 1st mortgage and assignment of leases and rents on the Project. The Facility A and B Notes provide funding for PVMO through the NMTC transaction and are secured with a 2nd mortgage and assignment of leases and rents. In January 2021, PVMO refinanced the Direct Loan along with the outstanding balance of the Facility A Note. The new loan balance of \$11,318,218 is to be repaid in equal monthly installments of \$61,739 beginning February 15, 2021 with the final installment due January 15, 2046. Interest is paid monthly at a rate of 4.25%.

- (E) During the period from August 1, 2015 through December 31, 2016, the Hospital issued \$7,040,000 of General Obligation Refunding Bonds, Series 2016, dated May 31, 2016. The purpose of the issue is refunding all or a portion of the Hospital's outstanding Taxable General Obligation Bonds, Series 2005, and General Obligation Bonds, Series 2006, and paying the costs incurred in connection with the issuance thereof. The outstanding principal of the bonds will be repaid in ten annual installments ranging from \$370,000 to \$840,000 beginning March 1, 2017, with the final installment due March 1, 2026. Interest is payable semi-annually on March 1 and September 1 at a rate of 2.19%.
- (F) During the period from August 1, 2015 through December 31, 2016, the Hospital issued \$10,655,000 of General Obligation Refunding Bonds, Series 2016A, dated August 9, 2016. The purpose of the issue is refunding all or a portion of the Hospital's outstanding Taxable General Obligation Bonds, Series 2007, General Obligation Bonds, Series 2009, and General Obligation Bonds, Series 2009A, and paying the costs incurred in connection with the issuance thereof.

The outstanding principal of the bonds will be repaid in thirteen annual installments ranging from \$420,000 to \$1,305,000 beginning March 1, 2017, with the final installment due March 1, 2029. Interest is payable semi-annually on March 1 and September 1 at a rate of 2.23%.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 7: LONG-TERM DEBT (Continued)

- (G) During the year ended December 31, 2018, the Hospital issued \$11,565,000 of Taxable Limited Tax Refunding Bonds, Series 2018, dated October 9, 2018. The purpose of the issue is refunding all or a portion of the Hospital's outstanding Limited Tax Bonds, Series 2014 and Limited Tax Bonds, Series 2015, and paying the costs incurred in connection with the issuance thereof. The outstanding principal of the bonds will be repaid in seven annual installments ranging from \$1,515,000 to \$1,785,000 beginning March 1, 2019, with the final installment due March 1, 2025. Interest is payable semi-annually on March 1 and September 1 at a rate of 4.06%.
  
- (H) During the year ended December 31, 2018, the Hospital issued \$2,300,000, of Limited Tax Bonds, Series 2018A, dated October 9, 2018. The purpose of the issue is construction, operating and maintaining the Hospital facilities, and paying the cost incurred in connection with the issuance thereof. The outstanding principal of the bonds will be repaid in eight annual installments ranging from \$35,000 to \$1,945,000 beginning March 1, 2019, with the final installment due March 1, 2026. Interest is payable semi-annually on March 1 and September 1 at a rate of 3.37%.
  
- (I) During the year ended December 31, 2020, the Hospital issued \$3,135,000 of General Obligation Refunding Bonds, Series 2020, dated March 24, 2020. The purpose of the issue is refunding all of the Hospital's outstanding General Obligation Bonds, Series 2009B, and paying the costs incurred in connection with the issuance thereof. The outstanding principal of the bonds will be repaid in annual installments ranging from \$305,000 to \$400,000 beginning March 1, 2021, with the final installment due March 1, 2029. Interest is payable semi-annually on March 1 and September 1 at a rate of 2.82%.
  
- (J) During the year ended December 31, 2021, the Hospital issued \$17,000,000 of General Obligation Refunding Bonds, Series 2021, dated August 31, 2021. The purpose of the issue is purchasing, acquiring and constructing lands, buildings, machinery, equipment and furnishings, including both real and personal property. The outstanding principal of the bonds will be repaid in fifteen annual installments ranging from \$1,005,000 to \$1,270,000 beginning March 1, 2022, with the final installment due March 1, 2036. Interest is payable semi-annually on March 1 and September 1 at a rate of 1.67%.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 7: LONG-TERM DEBT (Continued)

A summary of changes in the Hospital's long term debt, including lease obligations, for the year ended December 31 2023, is as follows:

	December 31, 2022	Additions	Reductions	December 31, 2023	Due Within One Year
<b>General Obligation Bonds:</b>					
Series 2012A	\$ 5,365,000	\$ -	\$ (445,000)	\$ <b>4,920,000</b>	\$ 465,000
Series 2012B	4,145,000	-	(320,000)	<b>3,825,000</b>	340,000
Series 2013	115,000	-	(115,000)	-	-
Series 2013A	740,000	-	(310,000)	<b>430,000</b>	430,000
Series 2016	2,815,000	-	(790,000)	<b>2,025,000</b>	815,000
Series 2016A	7,165,000	-	(845,000)	<b>6,320,000</b>	885,000
Series 2020	2,515,000	-	(325,000)	<b>2,190,000</b>	335,000
Series 2021	15,995,000	-	(1,020,000)	<b>14,975,000</b>	1,040,000
<b>Limited Tax Bonds:</b>					
Series 2018	5,275,000	-	(1,710,000)	<b>3,565,000</b>	1,785,000
Series 2018A	2,125,000	-	(50,000)	<b>2,075,000</b>	35,000
<b>Other Long-Term Debt</b>					
FNB Loan	10,820,085	-	(280,094)	<b>10,539,991</b>	291,169
<b>Unamortized</b>					
discount/premium	99,584	-	(8,251)	<b>91,333</b>	-
<b>Total Long-Term Debt</b>	<b>57,174,669</b>	<b>-</b>	<b>(6,218,345)</b>	<b>50,956,324</b>	<b>6,421,169</b>
<b>Other Long-Term Liabilities</b>					
<b>Multi-employer pension</b>					
withdrawal liability	483,240	-	(483,240)	-	-
Lease Obligations	583,269	815,687	(647,174)	<b>751,782</b>	238,078
Lease Deposits	20,202	-	-	<b>20,202</b>	-
<b>Total other long-term liabilities</b>	<b>1,086,711</b>	<b>815,687</b>	<b>(1,130,414)</b>	<b>771,984</b>	<b>238,078</b>
<b>Total Long-Term Debt and Other Obligations</b>	<b>\$ 58,261,380</b>	<b>\$ 815,687</b>	<b>\$ (7,348,759)</b>	<b>\$ 51,728,308</b>	<b>\$ 6,659,247</b>

**St. Charles Parish Hospital Service District**  
**Notes to Financial Statements**

**Note 7: LONG-TERM DEBT (Continued)**

A summary of changes in the Hospital's long term debt, including lease obligations, for the year ended December 31, 2022, is as follows:

	2021	Additions	Transfers	2022	One Year
<b>General Obligation Bonds:</b>					
Series 2012A	\$ 5,795,000	\$ -	\$ (430,000)	5,365,000	445,000
Series 2012B	4,450,000	-	(305,000)	4,145,000	320,000
Series 2013	230,000	-	(115,000)	115,000	115,000
Series 2013A	1,045,000	-	(305,000)	740,000	310,000
Series 2016	3,575,000	-	(760,000)	2,815,000	790,000
Series 2016A	8,020,000	-	(855,000)	7,165,000	845,000
Series 2020	2,830,000	-	(315,000)	2,515,000	325,000
Series 2021	17,000,000	-	(1,005,000)	15,995,000	1,020,000
<b>Limited Tax Bonds:</b>					
Series 2018	6,920,000	-	(1,645,000)	5,275,000	1,710,000
Series 2018A	2,175,000	-	(50,000)	2,125,000	50,000
<b>Other Long-Term Debt</b>					
FNB Loan	11,088,411	-	(268,326)	10,820,085	280,137
<b>Unamortized</b>					
discount/premium	107,554	-	(7,970)	99,584	-
<b>Total Long-Term Debt</b>	<b>63,235,965</b>	<b>-</b>	<b>(6,061,296)</b>	<b>57,174,669</b>	<b>6,210,137</b>
<b>Other Long-Term Liabilities</b>					
<b>Multi-employer pension</b>					
withdrawal liability	1,088,822	-	(605,582)	483,240	483,240
Lease Obligations	1,570,521	-	(987,252)	583,269	455,982
Lease Deposits	20,202	-	-	20,202	-
<b>Total other long-term liabilities</b>	<b>2,679,545</b>	<b>-</b>	<b>(1,592,834)</b>	<b>1,086,711</b>	<b>939,222</b>
<b>Total Long-Term Debt and Other Obligations</b>	<b>\$ 65,915,510</b>	<b>\$ -</b>	<b>\$ (7,654,130)</b>	<b>\$ 58,261,380</b>	<b>\$ 7,149,359</b>



**St. Charles Parish Hospital Service District  
Notes to Financial Statements**

**Note 7: LONG-TERM DEBT (Continued)**

**Lease Obligations**

Following is a schedule by year of future minimum lease payments required under the Hospital's lease arrangements in excess of one year as of December 31, 2023:

<i>Year Ending December 31,</i>	Principal		Interest	
2024	\$	238,078	\$	27,183
2025		161,883		19,340
2026		113,708		13,315
2027		100,415		8,532
2028		105,311		3,620
Thereafter		32,387		109
<b>Total</b>	<b>\$</b>	<b>751,782</b>	<b>\$</b>	<b>72,099</b>

***Defeasance of Debt***

In 2021, the Hospital defeased \$1,914,596 of the Facility A Note and The First National Bank Direct Loan of 9,293,749 and issued \$11,325,228 of First National Bank Loan. The difference between the cash flows required to service the old debt and the cash flows required to service the new debt totaled \$1,052,850. An economic gain (difference between the present value of the old debt and new debt service payments) of \$2,726,883 resulted from the refunding. There were no deferred outflows recorded at December 31, 2021 relate to the defeasance of the Facility A Note and the First National Bank Direct Loan.

In 2018, the Hospital defeased \$7,725,000 of Limited Tax Bonds, Series 2014 and \$3,520,000 of Limited Tax Bonds, Series 2015 and issued \$11,565,000 of Taxable Limited Tax Refunding Bonds, Series 2018 and \$2,300,000 of Limited Tax Bonds, Series 2018A. Deferred outflows of \$44,380 and \$82,418 at December 31, 2023 and 2022 relate to the defeasance of the Series 2014 and 2015 bonds, respectively.

**St. Charles Parish Hospital Service District  
Notes to Financial Statements**

**Note 8: NET INVESTMENT IN CAPITAL ASSETS**

The Hospital's net investment in capital assets for the years ended December 31, 2023 and 2022, as presented on the accompanying statements of net position is calculated as follows:

<i>December 31,</i>	<b>2023</b>	<b>2022</b>
Capital assets, net	\$ 47,953,099	\$ 43,311,892
Less: debt related to capital assets		
Bonds Payable	(50,864,991)	(57,075,085)
Lease Obligations	(751,782)	(583,269)
Plus:		
Cash held for capital acquisition	9,442,308	13,976,123
<b>Net Investment in Capital Assets</b>	<b>\$ 5,778,634</b>	<b>\$ (370,339)</b>

**Note 9: RURAL HOSPITAL GRANT**

Since the Hospital serves a disproportionate share of low-income patients, it qualifies for additional reimbursements from the State of Louisiana Department of Health and Hospitals rural hospital grant program. The rural hospital grant program was developed by the Rural Hospital Coalition, Inc., to assist rural hospitals in receiving adequate reimbursement for uninsured and indigent patients under the State of Louisiana Rural Hospital Preservation Act. The grant funds totaled \$137,900 and \$3,548,858 for the years ended December 31, 2023 and 2022, respectively. The rural hospital grant program ended during October 2022 and was replaced by the Rural Hospital Directed Payment Program described below.

**Note 10: MEDICAID DIRECTED PAYMENT PROGRAM**

The Hospital participates in the State's Directed Payment Program (DPP). Under the DPP, MCOs are contracted to pay increased reimbursements for physician services that more closely align the reimbursement rates for the Medicaid managed care population with the equivalent total reimbursement rates for the Medicaid fee-for-service population. DPP revenue recorded by the Hospital under DPP reimbursement totaled \$10,608,389 and \$4,666,362 in 2023 and 2022, respectively, on the accompanying statements of revenues, expenses, and changes in net position as net patient service revenue. Additionally, the Hospital recorded a receivable of \$16,616 and \$663,027 for the years ended December 31, 2023 and 2022, respectively, on the accompanying statements of net position as other receivables.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### **Note 11: MANAGED CARE INCENTIVE PAYMENT PROGRAM**

As part of the State of Louisiana's MCIP Program, the Hospital participated in the Quality and Outcome Improvement Network (QIN). The network formed to contract with hospitals wishing to participate in the MCIP program and implemented measures designed by the QIN to achieve incentive arrangements in exchange for incentive payments from QIN. The MCIP receivable for the years ended December 31, 2023 and 2022 totaled \$990,000 and \$641,064, respectively, on the accompanying statements of net position. The MCIP revenue for the years ended December 31, 2023 and 2022, totaled \$3,760,283 and \$2,179,748, respectively on the accompanying statements of revenues, expenses, and changes in net position.

### **Note 12: CARES ACT FUNDING**

#### ***Provider Relief Fund***

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law by the President of the United States. Included in the CARES Act was a healthcare provider relief fund (PRF), administered by the Department of Health and Human Services (HHS), to be distributed to healthcare providers. The purpose of the PRF is to help providers offset certain costs incurred as a result of COVID-19, including the impact to the provider's revenue, if applicable. Providers were allocated a portion of the PRF based on prior revenue information reported to the Centers for Medicare & Medicaid Services (CMS) in their annual Medicare cost reports. During the year ended December 31, 2023 and 2022, the Hospital received \$-0- and \$834,494 in PRF payments, respectively. For year ended December 31, 2023 and 2022, the Hospital determined that, based on the guidance provided by HHS, sufficient additional costs and lost revenues related to COVID-19 are allocable to PRF payments received and has recognized \$834,494 and \$-0-, respectively, as governmental support in the statements of revenues, expenses, and changes in net position.

### **Note 13: RENTAL REVENUES**

The Hospital leases the Medical Office Building from PVMO under a master lease agreement whereby the Hospital pays PVMO \$78,000 per month adjusted for the Consumer Price Index every five years, which eliminates in the consolidation for reporting purposes herein.

As part of this agreement, the Hospital can sublease the office space to third parties. For the years ended December 31, 2023 and 2022, rental income related to this property and others rented by the Hospital totaled \$1,681,881 and \$1,718,261, respectively, and is recorded on the statements of revenues, expenses, and changes in net position as other operating revenues. The rental income recorded in accordance with GASB 87 totaled \$1,014,317 and \$1,270,934 for the years ended December 31, 2023 and 2022, respectively. The incremental borrowing rates for the leases range from 0.25% to 4.01%. The variance payments for leases not meeting the requirements to be recorded in accordance with GASB 87 totaled \$667,564 and \$447,327 during the year ended December 31, 2023 and 2022, respectively.

**St. Charles Parish Hospital Service District  
Notes to Financial Statements**

**Note 13: RENTAL REVENUES (Continued)**

The Hospital has various office space leases with the Hospital’s manager. Annual payments under the leases range from \$53,392 to \$304,792 and the leases expire at various dates through April 30, 2031. The incremental borrowing rates for the leases range from 0.25% to 2.56%. For the years ended December 31, 2023 and 2022, the Hospital recorded rental income in accordance with GASB 87 of \$1,023,634 and \$1,225,350, respectively, from the Hospital’s manager. Rental income with the Hospital’s manager not in accordance with GASB 87 totaled \$235,322 and \$187,406 for the years ended December 31, 2023 and 2022, respectively, and is included in total rental income from the Hospital’s manager disclosed above.

Future minimum rent receipts are as follows:

<i>Year Ending December 31,</i>	Principal	Interest	Total
2024	\$ 858,175	\$ 44,778	\$ 902,953
2025	824,066	27,536	851,602
2026	474,245	14,603	488,848
2027	388,266	8,060	396,326
2028	148,070	3,876	151,946
Thereafter	129,110	3,662	132,772
<b>Total</b>	<b>\$ 2,821,932</b>	<b>\$ 102,515</b>	<b>\$ 2,924,447</b>

**Note 14: MEDICAID PROGRAM SUPPORT**

As part of the Hospital’s continuing support of the State of Louisiana’s Medicaid Program, the Hospital has, throughout the year, made Medicaid supplemental payments to the State of Louisiana (State) restricted for use in support of the Medicaid Program. For the years ended December 31, 2023 and 2022, the Hospital made Medicaid supplemental payments of \$22,750,000 and \$21,250,000, respectively, to the State which is included in Medicaid program support on the accompanying statements of revenues, expenses, and changes in net position.

**Note 15: RETIREMENT BENEFITS**

***Multi-Employer Defined Benefit Pension Plan and 2013 Withdrawal***

Substantially all employees of the Hospital had been members of the Parochial Employees’ Retirement System of Louisiana (System), a cost sharing, multiple-employer public employee retirement system, controlled and administered by a separate board of trustees. The Hospital formally terminated its participation in the Plan effective December 1, 2013.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 15: RETIREMENT BENEFITS (Continued)

#### *Multi-Employer Defined Benefit Pension Plan and 2013 Withdrawal (Continued)*

Per Louisiana Revised Statute 11:1903, if an employer terminates its agreement for coverage of its employees, the employer shall remit to the System that portion of the unfunded actuarial accrued liability which is attributable to the employer's participation in the System. The amount required to be remitted shall be determined as of the December thirty-first immediately prior to the date of termination. The amount due shall be determined by the actuary employed by the System and shall either be paid in a lump sum or amortized over ten years in equal monthly payments with interest at the System's actuarial valuation rate, at the option of the employer.

The Hospital has chosen to pay its withdrawal liability over ten years in equal monthly installments of principal and interest of \$55,298, with the first payment due September 1, 2013. The non-interest component of this monthly payment equates to a total withdrawal liability of \$0- and \$483,240 as of December 31, 2023 and 2022, respectively.

In planning for the termination of participation in the Parochial Employees' Retirement System of Louisiana, the Hospital established a deferred compensation 457(b) plan and a defined contribution 401(a) retirement plan for eligible employees.

#### *Section 457(b) Deferred Compensation Plan*

Effective December 1, 2013, the Hospital offered to its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The plan is available to all Hospital employees as of the first enrollment date following the date they become an employee and permits them to contribute a portion of their salary to the plan on an annual basis.

The Hospital also established a 401(a) retirement plan for the purpose of matching 100% of an employee's salary reduction contributions to the deferred compensation plan up to 3% of the employee's compensation received for that year. To be eligible for this match, the employee must be employed as of December 31. The contribution match for the Hospital will be made during the first quarter of the following year. For the year ended December 31, 2023 and 2022, total employer contributions to the plan were \$130,463 and \$104,203, respectively.

The amounts of compensation deferred, and other contributions under the above plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries, and the benefits may not be diverted to any other use. It is the opinion of Hospital management that the Hospital has no liability for losses under the plans but does have the duty of due care that would be required of an ordinary prudent investor.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 16: COMMITMENTS

#### *Total Renal Care Cooperative Endeavor and Services Agreements*

On April 1, 2010, the Hospital entered into a ten year cooperative endeavor lease agreement with Total Renal Care, Inc. (TRC). Under this agreement, TRC is leasing approximately 4,425 square feet of the Hospital building for the sum of \$92,727 per year, payable in equal monthly installments of \$7,719. This agreement was extended for an additional 60 months, commencing on April 1, 2020 and expiring on March 31, 2025. Under the new agreement, TRC is leasing approximately 4,759 square feet of the Hospital building. Payments under this agreement increase annually and range from \$118,975 to \$133,907, payable in equal monthly installments ranging from \$9,915 to \$11,159.

The Hospital entered into a five year Acute Services Agreement with TRC effective April 1, 2010. The agreement states that the Hospital appoints TRC as its exclusive provider of dialysis and other related services to its patients. The Hospital will pay TRC for these services under the fee schedule described in "Exhibit 7.1" of the agreement. This agreement will be automatically renewed for successive two year terms unless terminated.

The Hospital also entered into a one year Stat Laboratory Services Agreement with TRC effective June 10, 2013. The agreement states that the Hospital will provide certain laboratory tests and services necessary for TRC's dialysis patients. TRC will compensate the Hospital for these services under the fee schedule described in "Exhibit A" of the agreement. This agreement has been automatically renewed for one year effective each annual period following the initial agreement, and will be automatically renewed for successive one year terms unless terminated.

### Note 17: HOSPITAL MANAGEMENT CONTRACT

As mentioned in Note 1, effective September 1, 2014, the Hospital is managed by St. Charles Operational Management Company (SCOMC), a wholly owned subsidiary of Ochsner Health System. The Hospital pays a monthly management fee to SCOMC in exchange for management, staff, and other assistance to operate the Hospital.

In addition to the management fee referred to above, the Hospital provides other payments to SCOMC for supplies purchased, professional services provided outside of the management agreement, and other miscellaneous items received or services provided throughout the year.

During year ended December 31, 2023, the Hospital purchased supplies and other items pursuant to this agreement through SCOMC totaling approximately \$9,500,000 and made payments of approximately \$12,000,000; outstanding amounts of approximately \$12,800,000 are recorded as due to Hospital manager in the Hospital's statement of net position as a current liability at December 31, 2023. During year ended December 31, 2022, the Hospital purchased supplies and other items pursuant to this agreement through SCOMC totaling approximately \$10,625,000 and made payments of approximately \$7,900,000, outstanding amounts of approximately \$7,600,000 are recorded as due to Hospital manager in the Hospital's statement of net position as a current liability.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### **Note 18: RISK MANAGEMENT AND REGULATORY MATTERS**

The health care 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, government health care program participation requirements, and reimbursement for patient services. Government activity has continued with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers.

Violations of these laws and regulations could result in expulsion from government health care 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, 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.

To ensure accurate payments to providers, the Tax Relief and Healthcare Act of 2006 mandated the CMS to implement a so-called Recovery Audit Contractor (RAC) program on a permanent and nationwide basis. The program uses RACs to search for potentially improper Medicare payments that may have been made to health care providers that were not detected through existing CMS program integrity efforts, on payments that have occurred at least one year ago but not longer than three years ago. Once a RAC identifies a claim it believes to be improper, it makes a deduction from the provider's Medicare reimbursement in an amount estimated to equal the overpayment.

A five-state pilot program concluded in March 2008, with a nationwide rollout of the RAC effort done in phases beginning in 2009. The experiences during the pilot found far more overpayments than underpayments.

Similarly, the CMS created new entities titled Audit Medicaid Integrity Contractors (MIC) in order to continue its efforts to ensure the highest integrity of its healthcare programs. The goal of the provider audits is to identify overpayments and to ultimately decrease the payment of inappropriate Medicaid claims. The MIC is to review claims submitted by all types of Medicaid providers, including all settings of care and types of services, with most audits taking place at staff headquarters and on occasion on-site at a provider's place of business. The Hospital has not been the subject of any MIC or RAC audits during 2023 or 2022.

#### ***Litigation***

In the normal course of business, the Hospital is, from time to time, subject to allegations that may or do result in litigation. The Hospital evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of legal counsel, management records an estimate of the amount of ultimate expected loss, if any, for each. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### **Note 18: RISK MANAGEMENT AND REGULATORY MATTERS (Continued)**

#### ***Workmen's Compensation***

The Hospital participates in the Louisiana Commercial and Trade Association Workmen's Compensation Trust Fund (the Trust Fund). Should the Trust Fund's assets not be adequate to cover claims made against it, the Hospital may be assessed its pro rata share of the resulting deficit. It is not practical to estimate the amount of additional assessments, if any, and the costs associated with any such assessments are treated as period expenses at the time they are assessed.

The Trust Fund presumes to be a "grantor trust" and, accordingly, income and expenses are prorated to member hospitals. The Hospital has included these allocations and equity amounts assigned to the Hospital by the Trust Fund in its financial statements.

#### ***Medical Malpractice Insurance***

The Hospital participates in the State of Louisiana Patient Compensation fund (the Fund). The Fund provides malpractice coverage to the Hospital for claims in excess of \$100,000 up to \$500,000. According to current state law, medical malpractice liability (exclusive of future medical care awards) is limited to \$500,000 per occurrence. The management of the Hospital has no reason to believe that the Hospital will be prevented from continuing its participation in the Fund.

The Hospital purchases medical malpractice insurance under a claims-made policy on a fixed premium basis. Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon the Hospital's claims experience, no such accrual is deemed necessary. It is reasonably possible that this estimate could change materially in the near term.

In addition, other claims may be asserted arising from services provided to patients in the past. In the opinion of management, adequate provision has been made for losses which may occur from such asserted and unasserted claims that are not covered by liability insurance, if any. It is reasonably possible that this estimate could change materially in the near term.

### **Note 19: TAX ABATEMENTS**

In accordance with GASB 77, *Tax Abatement Disclosures*, which requires the Hospital to disclose information regarding the ad-valorem tax abatements that affect the taxes collected by the Hospital, whether approved by the Hospital or other governmental entity, ad-valorem tax abatements affecting the Hospital's tax collections are summarized below.



## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 19: TAX ABATEMENTS (Continued)

The program under which these abatements are granted is described below:

- Industrial Tax Exemption:** Manufacturers receive a property tax exemption for a five-year period, renewable for an additional five years. Exemptible property includes buildings, machinery, equipment, furniture and fixtures for a new expanded or renovated facility.

For the year ended December 31, 2023 the Hospital's tax collections are affected by abatements authorized by the State of Louisiana (State), St. Charles Parish Council (Council), and the Industrial Development Board of St. Charles Parish (IDB) as detailed below:

Industrial Tax Exemption	Total Amount of Abated Taxes	Hospital's Share of Abated Taxes
State approved	\$ 106,861,918	\$ 4,364,746
Council approved	134,638	5,952
IDB approved	3,950,226	174,640

For the year ended December 31, 2022 the Hospital's tax collections are affected by abatements authorized by the State of Louisiana (State), St. Charles Parish Council (Council), and the Industrial Development Board of St. Charles Parish (IDB) as detailed below:

Industrial Tax Exemption	Total Amount of Abated Taxes	Hospital's Share of Abated Taxes
State approved	\$ 122,043,221	\$ 5,484,303
Council approved	140,767	6,383
IDB approved	2,994,054	135,770

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 20: COMBINING CONDENSED BLENDED COMPONENT UNIT INFORMATION

The following table presents the combining condensed statements of net position for the Hospital and its component units for the year ended December 31, 2023:

	St. Charles Parish					Total
	Hospital Service District	Plantation View Medical Offices	SCHII	Eliminations		
<b>Current Assets</b>	\$ 59,771,580	\$ 1,000	\$ 5,077	\$ -	\$ -	<b>\$ 59,777,657</b>
Assets whose use is limited	9,442,308	-	-	-	-	<b>9,442,308</b>
Capital assets, net	34,114,847	13,838,252	-	-	-	<b>47,953,099</b>
Other assets	1,963,757	-	-	-	-	<b>1,963,757</b>
Total assets	105,292,492	13,839,252	5,077	-	-	<b>119,136,821</b>
Deferred outflow of resources	44,380	-	-	-	-	<b>44,380</b>
Total assets and deferred outflow of resources	\$ 105,336,872	\$ 13,839,252	\$ 5,077	\$ -	\$ -	<b>\$ 119,181,201</b>
<b>Current Liabilities</b>	\$ 28,113,411	\$ 281,943	\$ -	\$ -	\$ -	<b>\$ 28,395,354</b>
Long-term liabilities - less amounts due within one year	34,820,239	10,248,822	-	-	-	<b>45,069,061</b>
Total liabilities	62,933,650	10,530,765	-	-	-	<b>73,464,415</b>
Deferred inflow of resources	2,533,101	-	-	-	-	<b>2,533,101</b>
<b>Net position</b>	39,870,121	3,308,487	5,077	-	-	<b>43,183,685</b>
Total liabilities, deferred inflow of resources, and net position	\$ 105,336,872	\$ 13,839,252	\$ 5,077	\$ -	\$ -	<b>\$ 119,181,201</b>

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 20: COMBINING CONDENSED BLENDED COMPONENT UNIT INFORMATION (Continued)

The following table presents the combining condensed statements of net position information for the Hospital and its component units for the year ended December 31, 2022:

	St. Charles Parish					
	Hospital Service	Plantation View				
	District	Medical Offices	SCHII	Eliminations	Total	
Current Assets	\$ 43,933,455	\$ 188,819	\$ 5,077	\$ -	\$ 44,127,351	
Assets whose use is limited	13,976,123	-	-	-	13,976,123	
Capital assets, net	28,987,916	14,323,976	-	-	43,311,892	
Other assets	2,766,915	-	-	-	2,766,915	
Total assets	89,664,409	14,512,795	5,077	-	104,182,281	
Deferred outflow of resources	82,418	-	-	-	82,418	
Total assets and deferred outflow of resources	\$ 89,746,827	\$ 14,512,795	\$ 5,077	\$ -	\$ 104,264,699	
Current Liabilities	\$ 19,907,213	\$ 715,422	\$ -	\$ -	\$ 20,622,635	
Long-term liabilities - less amounts due within one year	40,572,073	10,539,948	-	-	51,112,021	
Total liabilities and net position	60,479,286	11,255,370	-	-	71,734,656	
Deferred inflow of resources	3,480,627	-	-	-	3,480,627	
Net position	25,786,914	3,257,425	5,077	-	29,049,416	
Total liabilities, deferred inflow of resources, and net position	\$ 89,746,827	\$ 14,512,795	\$ 5,077	\$ -	\$ 104,264,699	

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 20: COMBINING CONDENSED BLENDED COMPONENT UNIT INFORMATION (Continued)

The following table presents the combining condensed statement of revenues, expenses, and changes in net position for the Hospital and its component units for the year ended December 31, 2023:

	St. Charles Parish		SCHII	Eliminations	Total
	Hospital Service District	Plantation View Medical Offices			
<b>Operating Revenues</b>	\$ 72,817,355	\$ 1,013,060	\$ -	\$ (1,013,060)	\$ 72,817,355
<b>Operating Expenses</b>					
Salaries, wages, and benefits	16,624,180	-	-	-	16,624,180
Supplies, other, and Medicaid program support	41,756,537	67,129	-	(1,013,060)	40,810,606
Purchased services	9,670,681	15,500	-	-	9,686,181
Depreciation and amortization	4,791,980	418,596	-	-	5,210,576
Total operating expenses	72,843,378	501,225	-	(1,013,060)	72,331,543
<b>Operating income (loss)</b>	(26,023)	511,835	-	-	485,812
<b>Nonoperating Revenues (Expenses)</b>					
Ad valorem taxes	10,950,052	-	-	-	10,950,052
Federal award income	1,672,983	-	-	-	1,672,983
Gain on insurance proceeds	2,284,325	-	-	-	2,284,325
Interest income	257,394	-	-	-	257,394
Interest expense	(1,055,524)	(460,773)	-	-	(1,516,297)
Total nonoperating revenues (expenses)	14,109,230	(460,773)	-	-	13,648,457
Change in Net Position	14,083,207	51,062	-	-	14,134,269
Net Position, Beginning of Year	25,786,914	3,257,425	5,077	-	29,049,416
Net Position, End of Year	\$ 39,870,121	\$ 3,308,487	\$ 5,077	\$ -	\$ 43,183,685

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 20: COMBINING CONDENSED BLENDED COMPONENT UNIT INFORMATION (Continued)

The following table presents the combining condensed statement of revenues, expenses, and changes in net position for the Hospital and its component units for the year ended December 31, 2022:

	St. Charles Parish		SCHII	Eliminations	Total
	Hospital Service District	Plantation View Medical Offices			
<b>Operating Revenues</b>	\$ 60,881,711	\$ 1,013,060	\$ -	\$ (1,013,060)	\$ 60,881,711
<b>Operating Expenses</b>					
Salaries, wages, and benefits	17,935,838	-	-	-	17,935,838
Supplies, other, and Medicaid program support	38,230,287	-	-	(1,013,060)	37,217,227
Purchased services	1,965,191	17,790	-	-	1,982,981
Depreciation and amortization	4,128,186	418,597	-	-	4,546,783
<b>Total operating expenses</b>	<b>62,259,502</b>	<b>436,387</b>	<b>-</b>	<b>(1,013,060)</b>	<b>61,682,829</b>
<b>Operating income (loss)</b>	<b>(1,377,791)</b>	<b>576,673</b>	<b>-</b>	<b>-</b>	<b>(801,118)</b>
<b>Non-Operating Revenues (Expenses)</b>					
Ad valorem taxes	9,692,574	-	-	-	9,692,574
In-kind contribution	1,683,490	-	-	-	1,683,490
Gain on insurance proceeds	759,769	-	-	-	759,769
Interest income	133,426	-	-	-	133,426
Interest expense	(1,361,916)	(472,541)	-	-	(1,834,457)
<b>Total nonoperating revenues (expenses)</b>	<b>10,907,343</b>	<b>(472,541)</b>	<b>-</b>	<b>-</b>	<b>10,434,802</b>
<b>Change in Net Position</b>	<b>9,529,552</b>	<b>104,132</b>	<b>-</b>	<b>-</b>	<b>9,633,684</b>
<b>Net Position, Beginning of Year</b>	<b>16,257,362</b>	<b>3,153,293</b>	<b>5,077</b>	<b>-</b>	<b>19,415,732</b>
<b>Net Position, End of Year</b>	<b>\$ 25,786,914</b>	<b>\$ 3,257,425</b>	<b>\$ 5,077</b>	<b>\$ -</b>	<b>\$ 29,049,416</b>

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 20: COMBINING CONDENSED BLENDED COMPONENT UNIT INFORMATION (Continued)

The following table presents the combining condensed statement of cash flows for the Hospital and its component units as of December 31, 2023:

	St. Charles Parish Hospital Service District	Plantation View Medical Offices	SCHII	Eliminations	Total
Net cash provided by (used in):					
Operating activities	\$ 16,506,606	\$ -	\$ -	\$ -	\$ 16,506,606
Noncapital financing activities	10,698,566	-	-	-	10,698,566
Capital and related financing activities	(15,620,726)	-	-	-	(15,620,726)
Investing activities	287,085	-	-	-	287,085
Net increase (decrease) in cash and cash equivalents	11,871,531	-	-	-	11,871,531
Cash and cash equivalents - beginning of period	33,246,693	-	5,077	-	33,251,770
Cash and cash equivalents - end of period	\$ 45,118,224	\$ -	\$ 5,077	\$ -	\$45,123,301

The following table presents the combining condensed statement of cash flows for the Hospital and its component units as of December 31, 2022:

	St. Charles Parish Hospital Service District	Plantation View Medical Offices	SCHII	Eliminations	Total
Net cash (used in) provided by:					
Operating activities	\$ 6,511,177	\$ -	\$ -	\$ -	\$ 6,511,177
Noncapital financing activities	9,355,131	-	-	-	9,355,131
Capital and related financing activities	(14,895,176)	-	-	-	(14,895,176)
Investing activities	117,824	-	-	-	117,824
Net (decrease) increase in cash and cash equivalents	1,088,956	-	-	-	1,088,956
Cash and cash equivalents - beginning of period	32,157,737	-	5,077	-	32,162,814
Cash and cash equivalents - end of period	\$ 33,246,693	-	\$ 5,077	\$ -	\$33,251,770



## SUPPLEMENTARY INFORMATION



**St. Charles Parish Hospital Service District  
Schedule of Compensation, Benefits and Other Payments to Agency Head  
For The Year Ended December 31, 2023**

**Agency Head Name:** Keith Dacus, Chief Executive Officer.

**Note:** Effective September 1, 2014, St. Charles Parish Hospital Service District is managed by St. Charles Operational Management Company, a wholly owned subsidiary of Ochsner Health System (Ochsner). The Agency Head is Keith Dacus, Chief Executive Officer. Keith Dacus is an employee of Ochsner. St. Charles Parish Hospital Service District did not make any payments to or on behalf of the Chief Executive Officer, an individual as the agency head, for the year ended December 31, 2023.



**St. Charles Parish Hospital Service District  
Schedule of Board of Commissioners and Compensation  
For The Year Ended December 31, 2023**

<b>Name</b>	<b>Number of Meetings Attended</b>	<b>Amount Paid</b>	<b>Amount Payable</b>	<b>Total</b>
Karen Raymond	12	\$ 720	\$ -	\$ 720
Jake Lemmon	10	600	-	600
Timothy J. Vial	12	-	-	-
William Sirmon	5	300	-	300
Pamela Smith	10	600	-	600
<b>Total</b>	<b>49</b>	<b>\$ 2,220</b>	<b>\$ -</b>	<b>\$ 2,220</b>

## St. Charles Parish Hospital Service District Schedule of Bonds For The Year Ended December 31, 2023

General Obligation Bonds, Series 2012A	Rate	Interest Payment Date	Interest Payment Amount	Principal Payment Date	Scheduled Principal Payments	Principal Portion of Bonds			
						Authorized	Issued	Retired	Outstanding
2.00% to 3.25%						\$ 8,000,000	\$ 8,000,000	\$ 3,080,000	\$ 4,920,000
		3/1/2024	\$ 70,172	3/1/2024	\$ 465,000				
		9/1/2024	70,172						
		3/1/2025	64,234	3/1/2025	485,000				
		9/1/2025	64,234						
		3/1/2026	57,766	3/1/2026	500,000				
		9/1/2026	57,766						
		3/1/2027	50,391	3/1/2027	525,000				
		9/1/2027	50,391						
		3/1/2028	42,365	3/1/2028	545,000				
		9/1/2028	42,365						
		3/1/2029	33,864	3/1/2029	565,000				
		9/1/2029	33,864						
		3/1/2030	24,840	3/1/2030	590,000				
		9/1/2030	24,840						
		3/1/2031	15,275	3/1/2031	610,000				
		9/1/2031	15,275						
		3/1/2032	10,319	3/1/2032	635,000				
			<u>\$ 728,133</u>		<u>\$ 4,920,000</u>				

General Obligation Bonds, Series 2012B	Rate	Interest Payment Date	Interest Payment Amount	Principal Payment Date	Scheduled Principal Payments	Principal Portion of Bonds			
						Authorized	Issued	Retired	Outstanding
2.00% to 4.25%						\$ 6,000,000	\$ 6,000,000	\$ 2,175,000	\$ 3,825,000
		3/1/2024	\$ 69,719	3/1/2024	\$ 340,000				
		9/1/2024	69,719						
		3/1/2025	64,289	3/1/2025	360,000				
		9/1/2025	64,289						
		3/1/2026	58,179	3/1/2026	380,000				
		9/1/2026	58,179						
		3/1/2027	51,349	3/1/2027	400,000				
		9/1/2027	51,349						
		3/1/2028	43,759	3/1/2028	420,000				
		9/1/2028	43,759						
		3/1/2029	35,319	3/1/2029	445,000				
		9/1/2029	35,319						
		3/1/2030	26,219	3/1/2030	465,000				
		9/1/2030	26,219						
		3/1/2031	16,309	3/1/2031	495,000				
		9/1/2031	16,309						
		3/1/2032	11,050	3/1/2032	520,000				
			<u>\$ 741,334</u>		<u>\$ 3,825,000</u>				

**St. Charles Parish Hospital Service District**  
**Schedule of Bonds**  
**For The Year Ended December 31, 2023**

General Obligation Bonds, Series 2013	Interest Payment Date	Interest Payment Amount	Principal Payment Date	Scheduled Principal Payments	Principal Portion of Bonds			
					Rate	Authorized	Issued	Retired
					\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -

General Obligation Bonds, Series 2013A	Interest Payment Date	Interest Payment Amount	Principal Payment Date	Scheduled Principal Payments	Principal Portion of Bonds			
					Rate	Authorized	Issued	Retired
					\$ 4,350,000	\$ 4,350,000	\$ 3,920,000	\$ 430,000
	3/1/2024	\$ 6,558	3/1/2024	\$ 430,000				
		<u>\$ 6,558</u>		<u>\$ 430,000</u>				

Limited Tax Bonds, Series 2016	Interest Payment Date	Interest Payment Amount	Principal Payment Date	Scheduled Principal Payments	Principal Portion of Bonds			
					Rate	Authorized	Issued	Retired
					\$ 7,040,000	\$ 7,040,000	\$ 5,015,000	\$ 2,025,000
	3/1/2024	\$ 22,174	3/1/2024	\$ 815,000				
	9/1/2024	13,250						
	3/1/2025	13,250	3/1/2025	840,000				
	9/1/2026	4,052						
	3/1/2026	4,052	3/1/2026	370,000				
		<u>\$ 56,778</u>		<u>\$ 2,025,000</u>				

Limited Tax Bonds, Series 2016A	Interest Payment Date	Interest Payment Amount	Principal Payment Date	Scheduled Principal Payments	Principal Portion of Bonds			
					Rate	Authorized	Issued	Retired
					10,655,000	10,655,000	\$ 4,335,000	6,320,000
	3/1/2024	\$ 70,468	3/1/2024	\$ 885,000				
	9/1/2024	60,600						
	3/1/2025	60,600	3/1/2025	870,000				
	9/1/2026	50,900						
	3/1/2026	50,900	3/1/2026	1,250,000				
	9/1/2026	36,962						
	3/1/2027	36,962	3/1/2027	1,305,000				
	9/1/2027	22,412						
	3/1/2028	22,412	3/1/2028	990,000				
	9/1/2028	11,373						
	3/1/2029	11,373	3/1/2029	1,020,000				
		<u>\$ 434,962</u>		<u>\$ 6,320,000</u>				

**St. Charles Parish Hospital Service District**  
**Schedule of Bonds**  
**For The Year Ended December 31, 2023**

Taxable Limited Tax Refunding Bonds, Series 2018	Rate	Interest Payment Date	Interest Payment Amount	Principal Payment Date	Scheduled Principal Payments	Principal Portion of Bonds			
						Authorized	Issued	Retired	Outstanding
	4.06%					\$ 11,565,000	\$ 11,565,000	\$ 8,000,000	\$ 3,565,000
		3/1/2024	\$ 72,370	3/1/2024	\$ 1,785,000				
		9/1/2024	36,134						
		3/1/2025	36,134	3/1/2025	1,780,000				
			<u>\$ 144,638</u>		<u>\$ 3,565,000</u>				

Limited Tax Bonds, Series 2018A	Rate	Interest Payment Date	Interest Payment Amount	Principal Payment Date	Scheduled Principal Payments	Principal Portion of Bonds			
						Authorized	Issued	Retired	Outstanding
	3.37%					\$ 2,300,000	\$ 2,300,000	\$ 225,000	\$ 2,075,000
		3/1/2024	\$ 34,964	3/1/2024	\$ 35,000				
		9/1/2024	34,374						
		3/1/2025	34,374	3/1/2025	95,000				
		9/1/2025	32,773						
		3/1/2026	32,773	3/1/2026	1,945,000				
			<u>\$ 169,258</u>		<u>\$ 2,075,000</u>				

General Obligation Bonds, Series 2020	Rate	Interest Payment Date	Interest Payment Amount	Principal Payment Date	Scheduled Principal Payments	Principal Portion of Bonds			
						Authorized	Issued	Retired	Outstanding
	2.82%					\$ 3,135,000	\$ 3,135,000	\$ 945,000	\$ 2,190,000
		3/1/2024	\$ 30,879	3/1/2024	\$ 335,000				
		9/1/2024	26,156						
		3/1/2025	26,156	3/1/2025	345,000				
		9/1/2025	21,291						
		3/1/2026	21,291	3/1/2026	355,000				
		9/1/2026	16,286						
		3/1/2027	16,286	3/1/2027	370,000				
		9/1/2027	11,069						
		3/1/2028	11,069	3/1/2028	385,000				
		9/1/2028	5,640						
		3/1/2029	5,640	3/1/2029	400,000				
			<u>\$ 191,763</u>		<u>\$ 2,190,000</u>				

**St. Charles Parish Hospital Service District**  
**Schedule of Bonds**  
**For The Year Ended December 31, 2023**

General Obligation Bonds, Series 2021	Interest Payment Date	Interest Payment Amount	Principal Payment Date	Scheduled Principal Payments	Principal Portion of Bonds			
					Authorized	Issued	Retired	Outstanding
1.67%					\$ 17,000,000	\$ 17,000,000	\$ 2,025,000	\$ 14,975,000
	3/1/2024	\$ 125,041	3/1/2024	\$ 1,040,000				
	9/1/2024	116,357						
	3/1/2025	116,357	3/1/2025	1,055,000				
	9/1/2025	107,548						
	3/1/2026	107,548	3/1/2026	1,075,000				
	9/1/2026	98,572						
	3/1/2027	98,572	3/1/2027	1,095,000				
	9/1/2027	89,429						
	3/1/2028	89,429	3/1/2028	1,110,000				
	9/1/2028	80,160						
	3/1/2029	80,160	3/1/2029	1,130,000				
	9/1/2029	70,725						
	3/1/2030	70,725	3/1/2030	1,150,000				
	9/1/2030	61,122						
	3/1/2031	61,122	3/1/2031	1,170,000				
	9/1/2031	51,353						
	3/1/2032	51,353	3/1/2032	1,190,000				
	9/1/2032	41,416						
	3/1/2033	41,416	3/1/2033	1,210,000				
	9/1/2033	31,313						
	3/1/2034	31,313	3/1/2034	1,230,000				
	9/1/2034	21,042						
	3/1/2035	21,042	3/1/2035	1,250,000				
	9/1/2035	10,605						
	3/1/2036	10,605	3/1/2036	1,270,000				
		<u>\$ 1,684,325</u>		<u>\$ 14,975,000</u>				

Total Interest	<u>\$ 4,157,749</u>	Total principal	<u>\$ 40,325,000</u>
Due within one year	929,107	Due within one year	6,130,000
Long-term	<u>3,228,642</u>	Long-term	<u>34,195,000</u>
Total	<u>\$ 4,157,749</u>	Total	<u>40,325,000</u>
		Bond Premium, Net	<u>91,333</u>
		Total	<u>\$ 40,416,333</u>



Carr, Riggs & Ingram, LLC  
3850 North Causeway Boulevard  
Suite 1400  
Two Lakeway Center  
Metairie, LA 70002

504.837.9116  
504.837.0123 (fax)  
CRlcpa.com

**INDEPENDENT AUDITOR’S 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  
St. Charles Parish Hospital Service District  
Luling, 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 St. Charles Parish Hospital Service District (the Hospital), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Hospital’s basic financial statements, and have issued our report thereon dated June 27, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Hospital’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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Hospital’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Hospital’s internal control.

*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 Hospital’s financial statements will not be prevented, or detected and corrected, on a timely basis. 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.

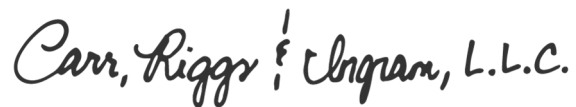
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hospital'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*.

### 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 Hospital'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. Under Louisiana revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." The signature is written in a cursive, flowing style.

CARR, RIGGS & INGRAM, LLC

Metairie, Louisiana  
June 27, 2024



**Carr, Riggs & Ingram, LLC**  
3850 North Causeway Boulevard  
Suite 1400  
Two Lakeway Center  
Metairie, LA 70002

504.837.9116  
504.837.0123 (fax)  
CRIcpa.com

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

To the Board of Commissioners  
St. Charles Parish Hospital Service District  
Luling, Louisiana

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited St. Charles Parish Hospital Service District's (the Hospital), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Hospital's major federal programs for the year ended December 31, 2023. The Hospital's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Hospital complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Hospital and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Hospital's compliance with the compliance requirements referred to above.



### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Hospital's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Hospital's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Hospital's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Hospital's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Hospital's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control over Compliance

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Metairie, LA  
June 27, 2024

**St. Charles Parish Hospital Service District  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2023**

Federal Grantor/Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Entity No.	Amounts Provided Through To Subrecipients	Federal Expenditures
<b><u>U.S. Department of Health and Human Services</u></b>				
COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	93.498	NA	\$ -	\$ 834,638
<i>Total U.S. Department of Health and Human Services</i>				<b>834,638</b>
<b><u>U.S. Department of Homeland Security</u></b>				
Disaster Grants - Public Assistance - (Presidentially Declared Disasters) - Hurricane Ida -passed through State of LA Governor's Office of Homeland Security and Emergency Preparedness	97.036	GOHSEP	-	838,475
<i>Total U.S. Department of Homeland Security</i>				<b>838,475</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ -</b>	<b>\$ 1,673,113</b>

**St. Charles Parish Hospital Service District  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2023**

**Note 1: BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards presents the federal award activity of St. Charles Parish Hospital Service District (the Hospital), as defined in Note 1 to the Hospital's basic financial statements for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). All federal financial assistance that was received directly from federal agencies is included on the schedule, as well as federal assistance passed through other government agencies. Because the schedule present only a selected portion of the operations of the Hospital, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Hospital.

**Note 2: INDIRECT COST RATE**

The Hospital elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Hospital and is presented on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where in certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 4: FEDERALLY FUNDED INSURANCE**

The Hospital has no federally funded insurance.

**Note 5: NONCASH ASSISTANCE**

The Hospital did not receive any federal noncash assistance for the fiscal year ended December 31, 2023.

**St. Charles Parish Hospital Service District  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2023**

**Note 6: FEDERAL ASSISTANCE RECONCILIATION**

Federal grants as presented on the Schedule of Expenditures of Federal Awards are included in following financial statement line items on the statements of revenues, expenses, and changes in net position:

Federal award income	\$	1,672,983
Interest income		130
<hr/>		
<b>Total Federal Grants per Schedule of Expenditures Federal Awards</b>	<b>\$</b>	<b>1,673,113</b>
<hr/>		

**St. Charles Parish Hospital Service District  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2023**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

- |  |            |
|--|------------|
| 1. Type of auditor’s report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?   | No         |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted?                     | No         |

**Federal Awards**

- |   |            |
|---|------------|
| 1. Type of auditor’s report issued on compliance for major programs   | Unmodified |
| 2. Internal control over major programs:  |            |
| a. Material weaknesses identified?  | No         |
| b. Significant deficiencies identified not considered to be material weaknesses?                              | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? | No         |

4. Identification of major programs

Federal Assistance Listing Number	Federal Program
93.498	COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution
97.036	Disaster Grants - Public Assistance - (Presidentially Declared Disasters) - Hurricane Ida

- |  |    |
|--|----|
| 5. Dollar threshold used to distinguish between type A and type B programs : \$750,000 |    |
| 6. Auditee qualified as a low-risk auditee?  | No |

**St. Charles Parish Hospital Service District  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2023**

**Section II – Financial Statement Findings**

*No matters were reported.*

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

*No matters were reported.*

**Section IV – Summary Schedule of Prior Audit Findings**

*No matters were reported.*



**St. Charles Parish Hospital Service District**  
A Component Unit of St. Charles Parish

**AGREED-UPON PROCEDURES REPORT**

**December 31, 2023**



## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Commissioners of  
St. Charles Parish Hospital Service District  
Luling, Louisiana  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by St. Charles Parish Hospital Service District (the Hospital) 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 January 1, 2023 through December 31, 2023. 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 agreed-upon procedures engagement. 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***

---

1. Obtain and inspect the Hospital's written policies and procedures and observe whether 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.

**Results:** No exceptions were found as a result of applying the above procedure.

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.

**Results:** No exceptions were found as a result of applying the above procedure.

- c) **Disbursements**, including processing, reviewing, and approving.

**Results:** No exceptions were found as a result of applying the above procedure.

- 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).

**Results:** No exceptions were found as a result of applying the above procedure.

- e) **Payroll/Personnel**, including (1) payroll processing, (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.

**Results:** No exceptions were found as a result of applying the above procedure.

- 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.

**Results:** No exceptions were found as a result of applying the above procedure.

- g) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

**Results:** No exceptions were found as a result of applying the above procedure.

- h) **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).

**Results:** No exceptions were found as a result of applying the above procedure.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

**Results:** No exceptions were found as a result of applying the procedure.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Results:** No exceptions were found as a result of applying the procedure.

- 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.

**Results:** No exceptions were found as a result of applying the procedure.

- l) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Results:** No exceptions were found as a result of applying the procedure.

### **Board of Finance Committee**

---

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.

**Results:** No exceptions were found as a result of applying the procedure.

- 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 nonprofit 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.*

**Results:** No exceptions were found as a result of applying the procedure.

- 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

**Results:** No exceptions were found as a result of applying the procedure.

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until findings are considered fully resolved.

**Results:** No exceptions were found as a result of applying the procedure.

### ***Bank Reconciliations***

---

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 or electronically logged);  
**Results:** No exceptions were found as a result of applying the procedure.
  - b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation was prepared (e.g., initialed and dated or electronically logged); and  
**Results:** No exceptions were found as a result of applying the procedure.
  - 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.  
**Results:** No exceptions were found as a result of applying the procedure.

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

---

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).  
**Results:** Not applicable because third-party contractor performed collection functions.
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.  
**Results:** Not applicable because third-party contractor performed collection functions.
  - 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.  
**Results:** Not applicable because third-party contractor performed collection functions.
  - 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.  
**Results:** Not applicable because third-party contractor performed collection functions.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

**Results:** Not applicable because third-party contractor performed collection functions.

- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

**Results:** No exceptions were found as a result of applying the procedure.

- 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.

**Results:** Not applicable. There are no Hospital employees who are responsible for collections.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

**Results:** Not applicable. There are no Hospital employees who are responsible for collections.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

**Results:** Not applicable. There are no Hospital employees who are responsible for collections.

- 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).

**Results:** Not applicable. There are no Hospital employees who are responsible for collections.

- e) Trace the actual deposit per the bank statement to the general ledger.

**Results:** Not applicable. There are no Hospital employees who are responsible for collections.

***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).

**Results:** No exceptions were found as a result of applying the procedure.

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.

**Results:** No exceptions were found as a result of applying the procedure.

- b) At least two employees are involved in processing and approving payments to vendors.

**Results:** No exceptions were found as a result of applying the procedure.

- 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.

**Results:** No exceptions were found as a result of applying the procedure.

- 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.

**Results:** No exceptions were found as a result of applying the procedure.

- e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

**Results:** No exceptions were found as a result of applying the procedure.

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, whether by paper or electronic means, matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

**Results:** No exceptions were found as a result of applying the procedure.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Results:** No exceptions were found as a result of applying the procedure.

11. Using the entity's main operating account and the month selected in the Bank Reconciliations procedure 10a, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds per entity's policy (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does not include electronic disbursements.*

**Results:** No exceptions were found as a result of applying the procedure

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

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12. 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.

**Results:** No exceptions were found as a result of applying the procedure.

13. 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 (those instances requiring such approval may constrain the legal authority of certain public officials such as the mayor of a Lawrason Act municipality, should not be reported); and

**Results:** No exceptions were found as a result of applying the procedure.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

**Results:** No exceptions were found as a result of applying the procedure.

14. Using the monthly statements or combined statements selected under #13 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.

**Results:** No exceptions were found as a result of applying the procedure.

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

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15. 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 that 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)).

**Results:** No exceptions were found as a result of applying the procedure.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

**Results:** No exceptions were found as a result of applying the procedure.

- 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 Policies and Procedures (procedure #1h).

**Results:** No exceptions were found as a result of applying the procedure.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results:** No exceptions were found as a result of applying the procedure.

### ***Contracts***

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16. 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 whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

**Results:** No exceptions were found as a result of applying the procedure

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

**Results:** No exceptions were found as a result of applying the procedure

- 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).

**Results:** No exceptions were found as a result of applying the procedure



- 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.

**Results:** No exceptions were found as a result of applying the procedure

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

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17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

**Results:** No exceptions were found as a result of applying the procedure.

18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

**Results:** No exceptions were found as a result of applying the procedure.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

**Results:** No exceptions were found as a result of applying the procedure.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

**Results:** No exceptions were found as a result of applying the procedure.

- d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

**Results:** No exceptions were found as a result of applying the procedure.

19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

**Results:** No exceptions were found as a result of applying the procedure.

20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

**Results:** No exceptions were found as a result of applying the procedure.

## ***Ethics***

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21. Using the 5 randomly selected employees/officials from procedure #17 under “Payroll and Personnel” above: obtain ethics documentation from management, and:
- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.  
**Results:** Not applicable to the employees of the Hospital under state law R.S. 42:1170 A.(3)(c).
  - b. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.  
**Results:** Not applicable to the employees of the Hospital under state law R.S. 42:1170 A.(3)(c).
22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170  
**Results:** Not applicable to the employees of the Hospital under state law R.S. 42:1170 A.(3)(c).

## ***Debt Service***

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23. 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 as required by Article VII, Section 8 of the Louisiana Constitution.  
**Results:** No exceptions were found as a result of applying the procedure.
24. 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).  
**Results:** No exceptions were found as a result of applying the procedure.

## ***Fraud Notice***

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25. 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 as required by R.S. 24:523.  
**Results:** No exceptions were found as a result of applying the procedure.

26. 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.

**Results:** No exceptions were found as a result of applying the procedure.

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

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27. 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, was not stored on the governments local server or network, and was encrypted.

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

- 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.

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

- 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.

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

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

**Results:** No exceptions were found as a result of applying the procedure.

29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s information technology assets have completed cybersecurity training as required by R.S. 42:126725. The requirements are as follows:

1. Hired before June 9, 2020 - completed the training; and
2. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

**Results:** No exceptions were found as a result of applying the procedure.

## ***Prevention of Sexual Harassment***

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30. Using the 5 randomly selected employees/officials from procedure #17 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

**Results:** No exceptions were found as a result of applying the procedure.

31. Observe that 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).

**Results:** No exceptions were found as a result of applying the procedure.

32. 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 that 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;

**Results:** No exceptions were found as a result of applying the procedure.

b. Number of sexual harassment complaints received by the agency;

**Results:** No exceptions were found as a result of applying the procedure.

c. Number of complaints which resulted in a finding that sexual harassment occurred;

**Results:** No exceptions were found as a result of applying the procedure.

d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action

**Results:** No exceptions were found as a result of applying the procedure.

e. Amount of time it took to resolve each complaint.

**Results:** No exceptions were found as a result of applying the procedure.

We were engaged by the Hospital to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Hospital and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS, INGRAM, LLC

Metairie, Louisiana  
June 27, 2024