Management Discussion and Analysis and
Financial Statements
June 30, 2024 and 2023

North Caddo Hospital Service District dba North Caddo Medical Center

Independent Auditor's Report

The Board of Commissioners
North Caddo Hospital Service District
dba North Caddo Medical Center
Vivian, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of North Caddo Hospital Service District dba North Caddo Medical Center (Medical Center), as of and for the year then ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Medical Center's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Medical Center, as of June 30, 2024, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*. 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 Medical Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Correction of Error

The financial statements of the Medical Center as of and for the year ended June 30, 2023, were audited by other auditors, whose report dated December 21, 2023, contained an unmodified opinion on those statements. As discussed in Note 18 to the financial statements, the June 30, 2023, financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter. As part of our audit of the 2024 financial statements, we also audited the adjustments described in Note 18 that were applied to restate the June 30, 2023, financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review or apply any procedures to the June 30, 2023, financial statements of the Medical Center other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the June 30, 2023 financial statements as a whole.

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 Medical Center'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 GAAS 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 GAAS 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 Medical Center'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 Medical Center'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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13, the Schedule of Employer's Proportionate Share of the Net Pension Liability on page 55 and Schedule of Employer Pension Contributions on page 56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Medical Center's basic financial statements. The combining schedule of statement of net position as of June 30, 2024, combining schedules of statement of net patient service revenue, combining schedules of statement of other operating revenue, combining schedules of statement of operating expenses, schedule of compensation, benefits, and other payments to agency head, schedule of per diem and other compensation paid to Medical Center board members, and schedule of insurance policies, are presented for purposes of additional analysis and are not a required part of the basic 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 GAAS. In our opinion, the combining schedule of statement of net position as of June 30, 2024, combining schedules of statement of net patient service revenue, combining schedules of statement of other operating revenue, combining schedules of statement of operating expenses, schedule of compensation, benefits, and other payments to agency head, schedule of per diem and other compensation paid to Medical Center board members, and schedule of insurance policies is 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 December 31, 2024 on our consideration of the Medical Center'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 Medical Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Medical Center's internal control over financial reporting and compliance.

Eide Bailly LLP

Oklahoma City, Oklahoma
December 31, 2024

Introduction

The discussion and analysis of the financial performance for North Caddo Hospital Service District dba North Caddo Medical Center (Medical Center) provides an overview of the Medical Center's financial activities and balances as of and for the fiscal years ended June 30, 2024, 2023 and 2022. The intent of this discussion and analysis is to provide further information on the Medical Center's performance as a whole; readers should also review the basic financial statements and the notes thereto to enhance their understanding their understanding of the Medical Center's financial status.

Financial Highlights

- Total assets increased in 2024 by $4,574,821 or 9% and decreased in 2023 by $5,018,700 or 9%.
- Total liabilities decreased in 2024 by $2,367,590 or 8% and increased in 2023 by $1,402,488 or 6%.
- The Medical Center's net position increased in 2024 by $5,053,096 or 17% and increased in 2023 by $1,079,181 or 4%.
- The Center reported an operating loss in 2024 of $2,876,212 and an operating loss in 2023 of $1,727,975 and operating income in 2022 of $728,899. During 2024, the operating loss increased by $1,147,446 or 66% and the operating loss increased by $2,456,874 or 337% during 2023.

Using This Annual Report

The Medical Center's financial statements consist of three statements – Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows. These financial statements and related notes provide information about the activities of the Medical Center including resources help by the Medical Center but restricted for specific purposes by contributors, grantors, or enabling legislation. The Medical Center is accounted for as a business-type activity and presents its financial statements using the economic resources measurement focus and the accrual basis of accounting.

The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position

One of the most important questions asked about the Medical Center's finances is, "Is the Medical Center as a whole better or worse off because of the year's activities?" The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position reports information about the Medical Center resources and its activities in a way the helps answer this question. These Statements include all restricted and unrestricted assets and all liabilities using the accrual basis of accounting. All the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Medical Center's net position and changes in them. You can think of the Medical Center's net position – the difference between assets and liabilities – as one way to measure the Medical Center's financial health, or financial position. Over time, increases in the Medical Center's net position are one indicator of whether its financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors, such as changes in the Medical Center's patient base and measures of the quality of services it provides the community, as well as local economic factors to assess the overall health of the Medical Center.

The Statement of Cash Flows

The final required statement is the statement of cash flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities. It provides answers to such questions as where did cash come from, what was cash used for and what was the change in cash balance during the reporting period.

The Medical Center's Net Position

The Center's net position is the difference between its assets, deferred outflows of resources, liabilities and deferred inflows of resources reported in the statement of net position. The Center's net position increased by $5,053,096 or 17% in 2024 and increased $1,079,181 or 4% in 2023 as shown below in Table 1.

Table 1: Assets, Liabilities and Net Position

	2024	2023	2022
Assets			
Current assets	$ 22,940,030	$ 19,049,610	$ 19,552,159
Noncurrent cash	2,026,814	4,631,654	1,524,126
Capital assets, net	32,910,555	29,619,884	30,155,301
Other noncurrent assets	115,215	116,645	7,204,907
Total assets	57,992,614	53,417,793	58,436,493
Deferred Outflows of Resources	2,775,438	4,876,307	904,712
Total assets and deferred outflows of resources	$ 60,768,052	$ 58,294,100	$ 59,341,205
Liabilities			
Current liabiltiies	$ 5,164,451	$ 3,970,782	$ 3,920,447
Long-term debt, less current maturities	20,588,425	24,149,684	22,747,196
Total liabilities	25,752,876	28,120,466	26,667,643
Deferred Inflows of Resources	527,998	739,552	4,318,661
Net Position			
Net investment in capital assets	11,352,823	6,844,039	6,254,591
Restricted	2,826,061	5,407,749	2,229,332
Unrestricted	20,308,294	17,182,294	19,870,978
Total net position	34,487,178	29,434,082	28,354,901
Total liabilities, deferred inflows of resources and net position	$ 60,768,052	$ 58,294,100	$ 59,341,205

A significant component of the change in the Center's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position is the change in cash, patient receivables, employee retention credit receivable, other receivables and accounts payable. Cash and cash equivalents decreased $4,775,508 or 50% in 2024 and decreased $4,297,833 or 31% in 2023 as a result of a decrease in receipts from and on behalf of patients and increase in payments for employees and benefits. Patient receivables decreased $1,042,415 or 38% in 2024 and decreased $320,368 or 11% in 2023. Employee retention credit receivable increased $4,481,154 or 100% in 2024 as a result of the Medical Center recognized the revenue in 2024. Other receivables increased $984,653 in 2024 and decreased $1,130,089 or 64% in 2023. The increase in 2024 is attributed to the Medical Center meeting the requirements of a grant. Accounts payable decreased $1,666,183 in 2024 and decreased $767,777 or 70% in 2023. The increase in 2024 is attributed to construction payables at year end.

Table 2: Operating Results and Changes in Net Position

	2024	2023	2022
Operating Revenues			
Net patient service revenue	$ 25,434,974	$ 24,287,823	$ 23,759,205
Other operating revenue	11,090,830	9,800,108	5,682,470
Total operating revenue	36,525,804	34,087,931	29,441,675
Operating Expenses			
Salaries, wages, and employee benefits	22,448,626	21,753,003	18,156,627
Supplies and other	14,300,438	11,474,648	8,139,238
Depreciation and amortization	2,652,161	2,588,255	2,416,911
Total operating expenses	39,401,225	35,815,906	28,712,776
Operating Income (Loss)	(2,875,421)	(1,727,975)	728,899
Nonoperating Revenues (Expenses)			
Gain on disposition of assets	-	-	11,653
Investment income	573,334	212,687	137,576
Sales tax revenue	1,944,292	1,935,525	1,577,375
Provider releif funds	-	568,017	1,423,751
Non-employer pension contribution revenue	204,816	173,605	146,087
Property tax revenue	474,083	457,997	425,280
Other nonoperating revenues/expenses	3,866	2,829	12,155
Interest expense	(674,977)	(693,159)	(771,525)
Employee retention credit	4,481,154	-	-
Nonoperating revenues, net	7,006,568	2,657,501	2,962,352
Revenues in Excess of Expenses Before Capital Contributions	4,131,147	929,526	3,691,251
Capital Contributions	921,949	149,655	167,752
Change in Net Position	5,053,096	1,079,181	3,859,003
Net Position, Beginning of Year	29,434,082	28,354,901	24,495,898
Net Position, End of Year	$ 34,487,178	$ 29,434,082	$ 28,354,901

Operating Results

The first component of the overall change in the Center's net position is its operating results. Generally, the operating income or loss is the difference between net patient service and other revenues and the expenses incurred to perform those services. The Center had an operating loss of $2,875,421 in 2024 and an operating loss of $1,727,975 in 2023.

The primary components of the operating loss are:

- Net patient service revenue decreased $1,147,151 or 5% in 2024 and increased $528,618 or 6% in 2023.
- Other revenue increased $1,290,722 or 13% in 2024 and increased $4,117,638 or 72% in 2023. The increase in in 2024 and 2023 is attributable to the increase Community RX.
- Salaries, wages, and employee benefits increased $695,623 or 3% in 2024 and increased $3,596,376 or 20% in 2023. The most notable increase in salaries and benefits expense is due to the actuarial adjustment to pension expense.
- Supplies and other increased $2,825,790 or 25% in 2024 and increased $3,335,410 or 41% in 2023. The increase in 2024 and 2023 is attributable to the increase in costs and contract labor.

Sources of Revenue

During fiscal year 2024, the Medical Center derived the majority of its total revenue from patient service revenue. Patient service revenue includes revenue from the Medicare and Medicaid programs as well as payments from patients and other third-party payers. Reimbursement from Medicare, Medicaid, and most private insurance payers are based on contracted rates that are less than the Medical Center's established rates. The difference between the established rates charged and the contracted rates collected are recorded as contractual discounts. The Medical Center's net patient revenue reported on the Statement of Revenues, Expenses and Changes in Net Position, is net of contractual discounts, bad debt and charity care charges.

Table 3 below presents the relative percentages of gross patient revenues by payer for the fiscal years ended June 30, 2024, 2023 and 2022.

Table 3: Payor Mix by Percentage

	2024	2023	2022
Medicare	21%	22%	19%
Medicaid	30%	33%	37%
Commercial and other third-party payors	46%	43%	40%
Patients	3%	2%	4%
	100%	100%	100%

The Louisiana Medicaid disproportionate share hospital program allowed for the reimbursement of uncompensated care costs to small rural hospitals serving a disproportionate number of low-income patients. The reimbursements were calculated based on cost reports filed by the small rural hospitals and were paid by the state from federal funding. Although federal appropriations had enabled the state to pay almost 100 percent of uncompensated costs to rural hospitals over the past several years, there was no assurance federal funding would continue and, therefore, no assurance that the Medical Center would receive any future payments. The Medical Center has entered into agreements with other entities and received grants providing access to care for low income and/or indigent patients in amounts of $-0-, $55,000, and $2,500,000 in 2024, 2023 and 2022.

For state fiscal year (SFY) 2023, the Louisiana Department of Health (LOH) obtained a Medicaid State Plan Amendment (SPA) approval from the Centers for Medicare and Medicaid Services (CMS) to make quarterly supplemental payments to hospitals based upon certain assumptions under a directed payment plan (OPP). The Medical Center has recognized $2,500,000and $2,700,000 under the directed payment plan during fiscal year 2024 and 2023.

Nonoperating Revenues and Expenses

Nonoperating revenues and expenses consist primarily of employee retention credit, sales and property tax revenue, interest income and interest expense. During 2024, the Medical Center recognized $4,481,154 as nonoperating revenue for the employee retention credit. Sales tax revenue increased $8,767 in 2024 and increased $358,150 in 2023. Property tax revenue increased $16,086 in 2024 and increased $32,717 in 2023. Interest income increased $360,647 in 2024 and increased $75,111 in 2023 due to the change in interest rates. Interest expense decreased $18,182 or 8% in 2024 and increased $78,366 or 3% in 2023.

Capital Grants and Contributions

The Medical Center receives both capital and operating grants from various state and local agencies for specific programs. Grants and contributions for operating purposes are included in total operating revenues. Capital grants and contributions are reported after nonoperating revenues and expenses. Capital grants and contributions include grants and other funds received by the Foundation which are restricted for future capital expenditures. Contributions and fundraising proceeds at the Foundation decreased by $103,567 or 69% in 2024, compared to a decreased by $18,18,097 or 11% in 2023, and an increase of $24,600 or 17% in 2022.

Operating and Financial Performance

The following summarizes some of the Medical Center's patient statistical data from 2024, 2023 and 2022.

Overall, activity at the Medical Center, as measured by admissions for routine acute care, decreased in 2024, 2023 and 2022. Acute inpatient admissions decreased by 21% in 2024 to 328 from 414 in 2023, compared to 529 admissions in 2022. Acute inpatient days decreased in 2024 to 1,365 from 1,512 in 2023, compared to 1,566 in 2022. The average length of stay for 2024 acute care patients (excluding newborns) increased to 4.16 days from 3.66 in 2023, compared to 2.96 days in 2022. In order to maintain critical access hospital status for Medicare patients, the Medical Center's average length of stay for acute patients must be below 96 hours or 4 days.

Swing bed admissions decreased 16% to 76 admissions in 2024 from 90 admissions in 2023. Swing bed admissions were 96 in 2022. Swing bed patient days increased 0.3% in 2024 to 1,154 from 1,150 in 2023. Swing bed patient days were 1,353 in 2022.

The Medical Center operates the district ambulance service that traditionally has had operating losses. The ambulance operation is supported by a 4.77 million property tax approved by the residents of Caddo parish. The amount of property tax revenue received was $474,083, $457,997 and $425,280 in 2024, 2023 and 2022, respectively. Ambulance trips for 2024 increased to 2,092 from 1,838 in 2023. Ambulance trips totaled 1,733 in 2022.

Emergency room patients decreased from 5,907 in 2023 to 5,490 in 2024. The emergency room had 6,204 patients in 2022.

Table 4: Patient Statistical Data

	2024	2023	2022
Admissions:			
Acute (excluding newborn)	328	414	529
Newborn	19	42	61
Swingbed	76	90	96
Discharges:			
Acute	328	413	529
Swingbed	76	90	96
Patient days:			
Acute	1,365	1,512	1,566
Newborn	-	2	138
Swingbed	1,154	1,150	1,353
Total patient days	2,519	2,664	3,057
Average length of stay:			
Acute	4.16	3.66	2.96
Swingbed	15.18	12.78	14.09
Medical and Surgical Clinic visits	20,504	20,907	23,149
Plain Dealing Medical Clinic visits	6,635	7,387	7,988
Benton Clinic visits	6,647	6,660	6,669
Blanchard Clinic visits	10,730	12,568	8,961
South Bossier Clinic visits	1,346	-	-
Vivian Dental	3,003	2,126	669
Total clinic visits	48,865	49,648	47,436
Ambulance trips	2,092	1,838	1,733
Emergency room patients	5,490	5,907	6,204

Capital Assets

At the end of 2024, the Medical Center had $30,981,033 invested in capital assets (excluding right to use assets), net of accumulated depreciation, as detailed in Note 6 to the financial statements. In 2024, the Center purchased new capital assets costing $5,929,842. At the end of 2023, the Center had $27,188,274 invested in capital assets (excluding right to use assets), net of accumulated depreciation. In 2023, the Center purchased new capital assets costing $2,024,062.

Table 5: Summary of Capital Assets

	2024	2023	2022
Land	$ 2,080,097	$ 2,080,097	$ 1,468,302
Buildings & Improvements	34,113,617	30,479,170	30,432,877
Equipment	9,146,291	8,831,700	8,251,404
Total	45,340,005	41,390,967	40,152,583
Accumulated depreciation	(18,148,560)	(16,011,477)	(13,964,487)
Construction in progress	3,789,588	1,808,784	1,023,106
	$ 30,981,033	$ 27,188,274	$ 27,211,202

Table 6: Major additions over $50,000

Benton Clinic	$ 2,268,320
South Bossier Clinic	1,366,128
	$ 3,634,448

Right to Use Lease Liabilities

At the end of 2024 and 2023, the Medical Center had $338,579 and $596,158 in right to use subscription IT Assets, net of accumulated amortization. The Medical Center had outstanding debt of $246,013 and $471,137 at June 30, 2024 and 2023. The Medical Center incurred no additional indebtedness the year ended June 30, 2024 and 2023. For additional information, see Note 7 to the financial statements.

Right to Use Subscription IT Liabilities

At the end of 2024 and 2023, the Medical Center had $1,590,943 and $1,835,452 in right to use subscription IT Assets, net of accumulated amortization. The Medical Center had outstanding debt of $1,733,026 and $1,952,523 at June 30, 2024 and 2023. The Center incurred no additional indebtedness the year ended June 30, 2024. The Center incurred additional indebtedness of $28,647 for the year ended June 30, 2023. For additional information, see Note 8 to the financial statements.

Long-Term Debt

The Center had outstanding debt of $19,578,693 and $20,352,185 at June 30, 2024 and 2023. The Center incurred no additional indebtedness during the years ended June 30, 2024 and 2023. For additional information, see Notes 9 to the financial statements.

Other Economic Factors

Government spending on medical care continues to be a topic of discussion on both the federal and state levels. As a critical access hospital, the Medical Center receives cost-based reimbursement for most services provided to Medicare beneficiaries who have traditional coverage. The Medical Center's five physician clinics continue to be reimbursed based on a cost-based reimbursement as rural health clinics. The Louisiana Medicaid program has transitioned to a managed care payment model. Its effect on future Medicaid patient volume and Medicaid payments cannot be determined. As more fully explained in note 2 in the financial statements, Medicare and Medicaid patient revenues comprise approximately 50% of the Medical Center's net patient revenue.

Contacting the Medical Center's Financial Management

This financial report is designed to provide our patients, suppliers and creditors with a general overview of the Medical Center's finances and to show the Medical Center's accountability for the funds it receives. Questions about this report and requests for additional financial information should be directed to, the Chief Executive Officer of the Medical Center.

	2024	2023
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and cash equivalents	$ 2,043,853	$ 4,237,673
Restricted Cash	799,247	776,095
Short-term investments	7,861,294	7,899,220
Receivables		
Patient, net of estimated uncollectibles of $631,000 in 2024 and $502,000 in 2023	3,759,329	2,716,914
Estimated third-party payor settlements	816,473	1,222,393
Employee retention credit	4,481,154	-
Other receivables	1,627,904	643,251
Prepaid expenses	399,748	485,768
Supplies	1,151,028	1,068,296
Total current assets	22,940,030	19,049,610
Noncurrent Cash		
Restricted by lender for debt reserve and capital improvements	2,026,814	4,631,654
Capital Assets		
Nondepreciable capital assets	5,869,685	3,888,881
Depreciable capital assets, net	25,111,348	23,299,393
Right to use leased assets, net	338,579	596,158
Right to use subscription IT assets, net	1,590,943	1,835,452
Total capital assets, net	32,910,555	29,619,884
Other Assets		
Lease receivables	103,433	103,956
Unamortized election cost	11,782	12,689
Total other assets	115,215	116,645
Total assets	57,992,614	53,417,793
Deferred Outflows of Resource		
Pension expense	2,775,438	4,876,307
Total assets and deferred outflows of resources	$ 60,768,052	$ 58,294,100

	2024	2023
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Current maturities of long-term debt	$ 799,247	$ 776,095
Current maturities of lease liabilities	71,527	223,997
Current maturities of subscription IT liabilities	215,199	219,569
Accounts payable		
Trade	1,990,488	324,305
Estimated third-party payor settlements	373,465	393,515
Accrued expenses		
Salaries and wages	1,416,541	1,746,842
Interest	81,265	83,250
Self-insurance	216,719	203,209
Total current liabilities	5,164,451	3,970,782
Long-Term Debt, Less Current Maturities	18,779,446	19,576,090
Long-Term Lease Liabilities, Less Current Maturities	174,486	247,140
Long-Term Subscription IT Liabilities, Less Current Maturities	1,517,827	1,732,954
Net Pension Liability	116,666	2,593,500
Total liabilties	25,752,876	28,120,466
Deferred Inflows of Resources		
Pension expense	431,643	640,947
Lease revenue	96,355	98,605
Total deferred inflows of resources	527,998	739,552
Net Position		
Net investment in capital assets	11,352,823	6,844,039
Restricted, expendable for debt service	2,826,061	5,407,749
Unrestricted	20,308,294	17,182,294
Total net position	34,487,178	29,434,082
Total liabilities, deferred inflows of resources, and net position	$ 60,768,052	$ 58,294,100

	2024	2023
Operating Revenues		
Net patient service revenue (net of provision for bad debts of $1,417,397 in 2024 and $1,211,269 in 2023)	$ 25,434,974	$ 24,287,823
Supplemental payments	3,014,345	3,438,753
Intergovernmental transfer grants	-	54,811
Noncapital grants and contributions	105,765	74,820
Other revenue	7,970,720	6,231,724
Total operating revenues	36,525,804	34,087,931
Operating Expenses		
Salaries	18,183,505	16,947,376
Benefits and payroll taxes	4,265,121	4,805,627
Medical supplies and drugs	6,109,012	4,191,312
Professional services	3,590,396	2,644,459
Insurance	592,233	523,297
Depreciation and amortization	2,652,161	2,588,255
Leases and rentals	-	43,755
Other expenses	4,008,797	4,071,825
Total operating expenses	39,401,225	35,815,906
Operating Loss	(2,875,421)	(1,727,975)
Nonoperating Revenues (Expenses)		
Investment income	573,334	212,687
Sales tax revenue	1,944,292	1,935,525
Provider relief funds	-	568,017
Non-employer pension contribution revenue	204,816	173,605
Property tax revenue	474,083	457,997
Rent income	3,866	2,829
Interest expense	(674,977)	(693,159)
Employee retention credit	4,481,154	-
Net nonoperating revenues (expenses)	7,006,568	2,657,501
Revenues in Excess of Expenses Before Capital Contributions and Grants	4,131,147	929,526
Capital Contributions and Grants	921,949	149,655
Change in Net Position	5,053,096	1,079,181
Net Position, Beginning of Year	29,434,082	28,354,901
Net Position, End of Year	$ 34,487,178	$ 29,434,082

	2024	2023 (Restated)
Operating Activities		
Cash receipts from patients and third-party payors	$ 24,778,429	$ 25,580,664
Other receipts and payments, net	10,977,244	10,929,674
Payments to suppliers and contractors	(13,173,902)	(11,867,065)
Payments for employees and benefits	(23,145,870)	(20,697,630)
Net Cash from (used for) Operating Activities	(564,099)	3,945,643
Noncapital Financing Activities		
Proceeds from property taxes	474,083	457,997
Proceeds from sales taxes	1,944,292	1,935,525
Net Cash from Noncapital Financing Activities	2,418,375	2,393,522
Capital and Capital Related Financing Activities		
Purchase of capital assets	(5,398,990)	(2,023,284)
Principal payments on long-term debt	(773,492)	(705,207)
Payments related to lease obligations	(225,124)	(241,451)
Payments related to subscriptions obligations	(219,497)	(206,854)
Interest paid on long-term debt	(676,962)	(701,539)
Proceeds from lease receivable	2,139	2,113
Capital grants and contributions	50,882	149,655
Net Cash used for Capital and Related Financing Activities	(7,241,044)	(3,726,567)
Investing activities		
Interest on investments	409,714	276,889
Proceeds from sale of investments	500,000	-
Purchase of investments	(298,454)	(7,187,320)
Net Cash from (used for) Investing Activities	611,260	(6,910,431)
Net Change in Cash and Cash Equivalents	(4,775,508)	(4,297,833)
Beginning cash and cash equivalents	9,645,422	13,943,255
Ending cash and cash equivalents	$ 4,869,914	$ 9,645,422

	2024	2023 (Restated)
Reconciliation of Cash and Cash Equivalents to the Statements of Net Position		
Cash and cash equivalents	$ 2,043,853	$ 4,237,673
Restricted cash	799,247	776,095
Noncurrent cash and investments		
Restricted for debt reserve and capital improvements	2,026,814	4,631,654
Total cash and cash equivalents	$ 4,869,914	$ 9,645,422
Reconciliation of Operating Loss to Net Cash from (used for) Operating Activities		
Operating loss	$ (2,875,421)	$ (1,727,975)
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities		
Depreciation and amortization	2,652,161	2,588,255
Provision for bad debts	1,417,397	1,211,269
Changes in assets and liabilities, (net of acquisition)		
Patient receivables	(2,459,812)	(795,375)
Other receivables	(113,586)	1,129,566
Supplies	(82,732)	(141,855)
Prepaid expenses	86,020	(143,128)
Accounts payable	1,123,248	(38,450)
Estimated third-party payor settlements	385,870	876,947
Salaries and wages	(330,301)	122,463
Self-insurance	13,510	83,057
Pension	(380,453)	780,869
Net Cash from (used for) Operating Activities	$ (564,099)	$ 3,945,643
Supplemental Disclosure of Noncash Capital and Capital Related Financing Activities		
Lease liability for the acquisition of a right to use leased asset	$ -	$ 28,647
Grant receivable	$ 871,067	
Accounts payable for capital assets	$ 542,935	$ -
Supplemental Disclosure of Noncash Noncapital Financing Activities		
Employee retention credit	$ 4,481,154	$ -
Supplemental Disclosure of Noncash Investing Activities		
Unrealized gain on investments	$ 163,620	$ -

Note 1 - Reporting Entity and Summary of Significant Accounting Policies

The financial statements of the North Caddo Hospital Service District dba North Caddo Medical Center (Medical Center) have been prepared in accordance with generally accepted accounting principles in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and reporting policies and practices used by the Medical Center are described below.

Reporting Entity

The Medical Center is a 25-bed Critical Access Hospital (CAH) located in Vivian, Louisiana that provides inpatient, outpatient, emergency, and skilled nursing (through swing beds) services primarily for residents of the Vivian area. The Medical Center also operates several physician clinics in the area. The Medical Center was created by the board of commissioners of Caddo Parish, Louisiana, to operate, control, and manage all matters concerning the area's health care functions. The parish board of commissioners appoints nine voting members to the Medical Center governing board, and they may not issue debt or levy taxes without the parish's approval.

For financial reporting purposes, the Medical Center has included all funds, organizations, agencies, boards, commissions, and authorities. The Medical Center has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Medical Center are such that the exclusion would cause the Medical Center’s financial situation to be misleading or incomplete. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization’s governing body and (1) the ability of the Medical Center to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Medical Center.

Blended Component Unit

North Caddo Medical Center Foundation (Foundation) was incorporated March 2, 2009, as a Louisiana non-profit organization to aid, strengthen, and further the work and services of the Medical Center. The Foundation is included as a blended component unit of the Medical Center. The financial statements include only the financial activity of the Medical Center and the Foundation, collectively referred to as the Medical Center. Financial statements of the Foundation can be obtained by contacting the Medical Center’s Chief Financial Officer.

Tax Exempt Status

The Medical Center is a political subdivision and exempt from taxation. The Foundation is a not-for-profit corporation and has been recognized as tax-exempt pursuant to Section 501 (c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded. The Foundation's federal income tax returns for the tax years 2020 and beyond remain subject to examination by the Internal Revenue Service.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenues are recognized when earned, and expenses are recorded when the liability is incurred.

Basis of Presentation

The statement of net position displays the Medical Center's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. Net position is reported in the following categories/components:

> *Net investment in capital assets* consists of net capital assets and right to use leased assets, subscription IT assets, reduced by the outstanding balances of any related debt obligations, lease liabilities, subscription IT liabilities, and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or the related debt obligations and increased by balances of deferred outflows of resources related to those assets or debt obligations.
>
> *Restricted net position*:
>
> > *Restricted - expendable net position* results when constraints placed on net position use are either externally imposed or imposed through enabling legislation.
> >
> > *Restricted – nonexpendable net position* is subject to externally imposed stipulations which require them to be maintained permanently by the Medical Center.
>
> *Unrestricted net position* consists of net position not meeting the definition of the preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Medical Center's policy is to first apply the expense toward the most restrictive resources and then toward unrestricted resources.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less, excluding internally designated or restricted cash and investments. For purposes of the statement of cash flows, the Medical considers all cash and investments with an original maturity of three months or less as cash and cash equivalents.

Short-Term Investments

Short-term investments include certificates of deposit and U.S. Treasury securities with an original maturity of three to twelve months, excluding internally designated or restricted cash and investments.

Patient Receivables

Patient receivables are uncollateralized patient and third-party payor obligations. Patient receivables, excluding amounts due from third-party payors, are turned over to a collection agency if the receivables remain unpaid after the Medical Center's collections procedures. The Medical Center does not charge interest on the unpaid patient receivables. Payments of patient receivables are allocated to the specific claims identified on the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

The carrying amount of patient receivables is reduced by a valuation allowance that reflects management's estimate of amounts that will not be collected from patients and third-party payors. Management reviews patient receivables by payor class and applies percentages to determine estimated amounts that will not be collected from third parties under contractual agreements and amounts that will not be collected from patients due to bad debts. Management considers historical write off and recovery information in determining the estimated bad debt provision.

Lease Receivables

Lease receivables are recorded by the Medical Center at the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Leases receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the Medical Center charges the lessee.

Unamortized Election Costs

Unamortized election costs represent the capitalized costs of elections to levy taxes for the Medical Center's benefit and are being amortized over the life of the related levy.

Supplies

Supplies are stated at lower of cost (first-in, first-out) or market and are expensed when used.

Noncurrent Cash and Investments

Noncurrent cash and investments are restricted for debt reserve and capital asset replacement. Certificates of deposit and other deposits are recorded at historical cost. Other investments are measured at fair value.

Investment Income

Interest, dividends, gains and losses, both realized and unrealized, on investments and deposits are included in nonoperating revenues when earned.

Capital Assets

Property and equipment acquisitions in excess of $5,000 are capitalized and recorded at cost. Depreciation is provided over the estimated useful life of each depreciable asset and is computed using the straight-line method. The estimated useful lives of capital assets are as follows:

The estimated useful lives of property and equipment are as follows:

Buildings and improvements	2-40 years
Furniture and equipment	3-20 years

Gifts of long-lived assets such as land, buildings, or equipment are reported as additions to unrestricted net position and are after nonoperating revenues (expenses). Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted net position.

Impairment of Long-Lived Assets

The Hospital considers whether indicators of impairment are present and performs the necessary analysis to determine if the carrying values of assets are appropriate. No impairment was identified for the years ended June 30, 2024 and 2023.

Right to Use Leased Assets

Right to use leased assets are recognized at the lease commencement date and represent Medical Center's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful live of the underlying asset using the straight-line method. The amortization period varies from 5 to 20 years.

Right to Use Subscription IT Assets

Right to use subscription IT assets are recognized at the subscription commencement date and represent the Medical Center's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 2 to 10 years.

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until that time. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period related to the pension plan. The Medical Center's deferred outflows of resources are recognized as a component of compensation expense in the following year related to employer contributions, compensation expense over five years for the difference in projected and actual earnings, or over the expected remaining service life of the plan.

Compensated Absences

The Medical Center's employees earn paid time-off days at varying rates depending on years of service. Employees may accumulate paid time-off up to a specified maximum. Employees are paid for accumulated paid time-off upon termination. The liability for compensated absences is included with accrued salaries and wages in the accompanying financial statements.

Estimated Health Claims Payable

The Medical Center provides for self-insurance reserves for estimated incurred but not reported claims for its employee health plan. These reserves, which are included in current liabilities on the statement of net position, are estimated based upon historical submission and payment data, cost trends, utilization history, and other relevant factors. Adjustments to reserves are reflected in the operating results in the period in which the change in estimate is identified.

Deferred Inflows of Resources

Deferred inflows of resources represent an increase in net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until then. The deferred inflows of resources consist of the unamortized portion of the net difference between projected and actual earnings on pension plan investments, changes in assumptions and other differences between expected and actual experience, all associated with the Medical Center's participation in the Pension plan. The Medical Center's deferred inflows of resources related to pensions are recognized as a component of compensation expense over five years for the difference in projected and actual earnings, or over the expected remaining service life of the plan.

In addition, deferred inflows of resources relates to leases where the Medical Center is the lessor. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) on the straight-line basis over the term of the lease.

Lease Liabilities

Lease liabilities represent the Medical Center's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the Medical Center.

Subscription IT Liabilities

Subscription IT liabilities represent the Medical Center's obligation to make subscription payments arising from the subscription contract. Subscription IT liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments are discounted based on a borrowing rate determined by the Medical Center.

Operating Revenues and Expenses

The Medical Center's statement of revenues, expenses, and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues and expenses of the Medical Center result from exchange transactions associated with providing health care services - the Medical Center's principal activity, and the costs of providing those services, including depreciation and excluding interest cost. All other revenues and expenses are reported as nonoperating.

Net Patient Service Revenue

The Medical Center has agreements with third-party payors that provide for payments at amounts different from its established rates. Payment arrangements include prospectively determined rates, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Charity Care

The Medical Center provides health care services to patients who meet certain criteria under its charity care policy without charge or at amounts less that established rates. Since the Medical Center does not pursue collection of these amounts, they are not reported as patient service revenue. The estimated cost of providing these services was approximately $283,000 and $287,000 for the years ended June 30, 2024 and 2023, calculated by multiplying the ratio of cost to gross charges for the Medical Center by the gross uncompensated charges associated with providing charity care to its patients.

Grants and Contributions

The Medical Center may receive grants 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 for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as non-operating revenues. Amounts restricted to capital acquisitions are reported after revenues in excess of (less than) expenses.

Reclassifications

Reclassifications have been made to the June 30, 2023 financial information to make it conform to the current year presentation. The reclassifications had no effect on previously reported operating results or changes in net position.

Note 2 - Net Patient Service Revenue

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

Medicare: The Medical Center is licensed as a Critical Access Hospital (CAH). The Medical Center is reimbursed for most acute care services under a cost reimbursement methodology with final settlement determined after submission of annual cost reports by the Medical Center and are subject to audits thereof by the Medicare Administrative Contractor (MAC). The Medical Center's Medicare cost reports have been audited by the MAC through the year ended June 30, 2020. Clinical services are paid on a cost basis or fixed fee schedule.

Medicaid: Inpatient acute services are reimbursed based on a prospectively determined per diem rate. Certain Medicaid outpatient services are reimbursed under a cost reimbursement methodology, while others are paid on a prospectively determined fee schedule. The Medical Center is reimbursed at a tentative rate for cost-based services with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicaid fiscal intermediary. The Medical Center's cost reports have been audited by the Medicaid fiscal intermediary through June 30, 2018.

The Medical Center has also entered into payment agreements with certain commercial insurance carriers and other organizations. The basis for payment to the Medical Center under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Concentration of gross revenues by major payor accounted for the following percentages of the Medical Center's patent service revenues for the years ended June 30, 2024 and 2023:

	2024	2023
Medicare	21%	22%
Medicare HMO	27%	26%
Medicaid	30%	33%
Commercial and other third-party payors	19%	17%
Patients	3%	2%
	100%	100%

Laws and regulations governing the Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The net patient service revenue for the years ended June 30, 2024 decreased approximately $238,000 for changes in estimates related to allowances of collectability on patient receivables due to actual collections activity different than previous estimates and impacts from a patient accounting system conversion.

Note 3 - Deposits and Investments

The carrying amounts of deposits and investments as of June 30, 2024 and 2023 are as follows:

	2024	2023
Carrying Amount		
Cash and Deposits	$ 5,758,476	$ 10,451,684
Investments	6,972,732	7,092,958
Totals	$ 12,731,208	$ 17,544,642

Deposits and investments are reported in the following statement of net position captions:

	2024	2023
Cash and cash equivalents	$ 2,043,853	$ 4,237,673
Restricted cash	799,247	776,095
Investments	7,861,294	7,899,220
Restricted for debt reserve and capital asset replacement	2,026,814	4,631,654
Totals	$ 12,731,208	$ 17,544,642

Deposits – Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank or investment company failure, the Medical Center's deposits may not be returned to it. Louisiana state statutes require that all of the deposits of the Medical Center be protected by insurance or collateral. The fair value of the collateral pledged must equal 100% of the deposits not covered by insurance. The Medical Center's deposit policy does not further restrict bank deposits or limit investment deposits.

As of June 30, 2024 and 2023, $29,775 and $476,932 of the Medical Center's bank balance of $6,955,798 and $10,866,294 were exposed to custodial credit risk as follows:

	2024	2023
Insured by FDIC	$ 1,062,064	$ 1,250,000
Insured and collateral held by pleding bank's trust department in the Medical Center's name	5,863,959	9,139,362
Uninsured and Uncollateralized	29,775	476,932
Total	$ 6,955,798	$ 10,866,294

Investments

The Medical Center's investments are reported at fair value. The Medical Center is authorized by statute to invest funds in obligations of the United States and certain U.S. government agency securities; commercial paper; local government investment pools; certain money market funds; written repurchase agreements collateralized by certain authorized securities.

The Medical Center has determined the fair value of certain investments in accordance with generally accepted accounting principles, which provides a framework for measuring fair value. A hierarchy of valuation classifications considers whether the inputs used in valuation techniques are observable or unobservable. Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy prioritizes the valuation inputs into the following three broad levels:

> Level 1 – Unadjusted quoted prices for identical instruments in active markets that the reporting entity has the ability to access at the measurement date.
>
> Level 2 –Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are directly or indirectly observable. Examples would be matrix pricing, market corroborated pricing and inputs such as yield curves and indices.
>
> Level 3 – Valuations derived from valuation techniques in which significant inputs or significant value drivers are unobservable and may rely on the Medical Center's own assumptions, but the market participant's assumptions may be used in pricing the asset.

Inputs used to measure fair value might fall in different levels of the fair value hierarchy, in which case the Medical Center defaults to the lowest level input that is significant to the fair value measurement in its entirety. These levels are not necessarily an indication of the risk or liquidity associated with the investments. In determining the appropriate levels, the Medical Center performed a detailed analysis of the assets that are subject to fair value measurement. The Medical Center establishes the fair value of certain investments that do not have a readily determinable fair value by using net asset value (NAV) per unit. Investments measured at NAV per unit are not categorized within the fair value hierarchy.

The fair value of U.S. treasury notes was determined based on quoted prices for identical securities in active markets, which is considered a Level 1 input. The fair value of municipal and government bonds and local government investment pool was determined based on quoted prices for similar securities in active markets and/or quoted prices in markets that are not active, which are considered Level 2 inputs.

The Medical Center had the following investments and maturities at June 30, 2024 and 2023:

June 30, 2024

Investment Type	Carrying Amount	Rating *	Investment Maturities (in Years) Less Than 1	1 - 5	6 - 10
U.S. Treasury Note (level 2)	$ 6,467,550	AAA	$ 6,467,550	$ -	$ -
Money Market Insured	505,182				
Total	$ 6,972,732				

June 30, 2023

Investment Type	Carrying Amount	Rating *	Investment Maturities (in Years) Less Than 1	1 - 5	6 - 10
U.S. Treasury Note (level 2)	$ 7,091,516	AAA	$ 7,091,516	$ -	$ -
Money Market Insured	1,442				
Total	$ 7,092,958				

* Rating provided is as follows: Moody's Investors Service/Standard & Poor's Financial Services LLC

Interest Rate Risk

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

Credit Risk

Credit risk is the risk that the issuer or counterparty to an investment will not fulfill its obligation, causing the Medical Center to experience a loss of principal. The Medical Center does not have a formally adopted investment policy for managing credit risk.

Concentration of Credit Risk

The Medical Center will limit credit risk, the risk of loss due to the failure of the security issuer or backer, by diversifying in the investment portfolio so that potential losses on individual securities will be minimized. The Medical Center does not have a formally adopted investment policy for managing concentration of credit risk.

Investment Income

Investment income and gains and losses on internally designated funds, cash equivalents, and other investments consisted of the following for the years ended June 30, 2024 and 2023:

	2024	2023
Other income		
Interest income	$ 225,808	$ 276,889
Dividend income	183,906	-
Realized gains (losses) on investments	163,620	(64,202)
	$ 573,334	$ 212,687

Note 4 - Provider Relief Funds

The Medical Center received Coronavirus Aid, Relief, and Economic Security (CARES) Act Provider Relief Funds administered by the Department of Health and Human Services (HHS). The funds are subject to terms and conditions imposed by HHS. Among the terms and conditions is a provision that payments will only be used to prevent, prepare for, and respond to coronavirus and shall reimburse the recipient only for healthcare-related expenses or lost revenues that are attributable to coronavirus. Recipients may not use the payments to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse. HHS currently has deadlines for incurring eligible expenses and lost revenues, varying based on the date the Medical Center received the funds. Unspent funds will be expected to be repaid. During the year ended June 30, 2024 and 2023, the Medical Center recognized $-0- and $568,017 as revenue, included as nonoperating other income on the statement of operations and changes in net assets.

Note 5 - Employee Retention Credit

The Coronavirus Aid, Relief, and Economic Security Act provided an employee retention credit (the credit) which is a refundable tax credit against certain employment taxes for eligible employers. The Consolidated Appropriations Act of 2021 and the American Rescue Plan Act of 2021 expanded the availability of the credit, extended the credit through September 30, 2021, and increased the credit to 70% of qualified wages, capped at $7,000 per quarter. During the year ended June 30, 2024, the Medical Center recognized a $4,481,154 benefit related to the credit which is presented in the statement of Revenues, Expenses, and Changes in Net Position as Employee Retention Credit.

Note 6 - Depreciable and Non-Depreciable Capital Assets

Capital assets additions, retirements, transfers and balances for the years ended June 30, 2024 are as follows:

	Balance June 30, 2023	Additions	Transfers and Retirements	Balance June 30, 2024
Nondepreciable capital assets				
Land	$ 2,080,097	$ -	$ -	$ 2,080,097
Construction in progress	1,808,784	5,627,334	(3,646,530)	3,789,588
Total nondepreciable capital assets	$ 3,888,881	$ 5,627,334	$ (3,646,530)	$ 5,869,685
Depreciable capital assets				
Buildings and improvements	$ 30,479,170	$ -	$ 3,634,447	$ 34,113,617
Furniture and equipment	8,831,700	314,591	-	9,146,291
Total depreciable capital assets	39,310,870	314,591	3,634,447	43,259,908
Accumulated depreciation	16,011,477	2,137,083	-	18,148,560
Total depreciable capital assets, net	$ 23,299,393	$ (1,822,492)	$ 3,634,447	$ 25,111,348

Construction in progress at June 30, 2024, represents the construction of a medical arts building, Blanchard clinic building and various other. The estimated cost to complete the medical arts building is $330,000, which will be financed with USDA Grant funds available. The medical arts building is expected to be completed in November 2024. The estimated cost to complete the Blanchard clinic building is $11,000, which will be financed with internal funds.

Capital assets additions, retirements, transfers and balances for the years ended June 30, 2023 are as follows:

	Balance June 30, 2022	Additions	Transfers and Retirements	Balance June 30, 2023
Nondepreciable capital assets				
Land	$ 1,468,302	$ 611,795	$ -	$ 2,080,097
Construction in progress	1,023,106	831,971	(46,293)	1,808,784
Total nondepreciable capital assets	$ 2,491,408	$ 1,443,766	$ (46,293)	$ 3,888,881
Depreciable capital assets				
Buildings and improvements	$ 30,432,877	$ -	$ 46,293	$ 30,479,170
Furniture and equipment	8,251,404	580,296	-	8,831,700
Total depreciable capital assets	38,684,281	580,296	46,293	39,310,870
Accumulated depreciation	13,964,487	2,046,990	-	16,011,477
Total depreciable capital assets, net	$ 24,719,794	$ (1,466,694)	$ 46,293	$ 23,299,393

Note 7 - Leases

Lessee Activities

The Medical Center entered into a lease agreements as lessee for building, office equipment and medical equipment. As of June 30, 2024 and 2023, the value of the lease liability was $246,013 and $471,137. The Medical Center is required to make annual principal and interest payments through October 2031. The leases have interest rates between 3.97% and 6.00% based on stated rates and the Medical Center’s incremental borrowing rate.

Right to use leased assets additions, deletions, and balances for the year ended June 30, 2024 and 2023, are as follows:

	Balance June 30, 2023	Additions	Transfers and Retirements	Balance June 30, 2024
Right to use capital assets				
Building	$ 70,139	$ -	$ -	$ 70,139
Office equipment	82,073	-	-	82,073
Medical equipment	1,489,233	-	-	1,489,233
Total right to use capital assets	1,641,445	-	-	1,641,445
Accumulated amortization	1,045,287	257,579	-	1,302,866
Total right to use capital assets, net	$ 596,158	$ (257,579)	$ -	$ 338,579

	Balance June 30, 2022	Additions	Transfers and Retirements	Balance June 30, 2023
Right to use capital assets				
Building	$ 70,139	$ -	$ -	$ 70,139
Office equipment	82,073	-	-	82,073
Medical equipment	1,489,233	-	-	1,489,233
Total right to use capital assets	1,641,445	-	-	1,641,445
Accumulated amortization	763,538	281,749	-	1,045,287
Total right to use capital assets, net	$ 877,907	$ (281,749)	$ -	$ 596,158

Changes in lease liabilities during the years ended June 30, 2024 and 2023 are as follows:

	Balance June 30, 2023	Additions	Payments	Balance June 30, 2024	Due Within One Year
Building	$ 38,356	$ -	$ 4,457	$ 33,899	$ 4,097
Office equipment	36,665	-	17,257	19,408	18,023
Medical equipment	396,116	-	203,410	192,706	49,407
Total lease liabilities	$ 471,137	$ -	$ 225,124	$ 246,013	$ 71,527

	Balance June 30, 2022	Additions	Payments	Balance June 30, 2023	Due Within One Year
Building	$ 41,647	$ -	$ 3,291	$ 38,356	$ 3,821
Office equipment	52,892	-	16,227	36,665	17,100
Medical equipment	618,050	-	221,934	396,116	203,076
Total lease liabilities	$ 712,589	$ -	$ 241,452	$ 471,137	$ 223,997

Remaining principal and interest payments on leases are as follows:

Years Ending June 30, 2024	Principal	Interest
2025	$ 71,527	$ 10,776
2026	24,714	8,778
2027	24,617	7,483
2028	25,977	6,123
2029	27,412	4,688
2030 - 2032	71,766	4,944
Totals	$ 246,013	$ 42,792

Lessor Activities

The Medical Center has accrued a receivable for land and building under a 15-year term lease with an option to extend for 35 years. The remaining receivable for these leases was $103,433 and $103,956 as of June 30, 2024 and 2023. Deferred inflows of resources related to these leases totaled $96,355 and $98,605 as of June 30, 2024 and 2023. Interest revenue recognized on these leases was approximately $6,000 for the years ended June 30, 2024 and 2023. Lease revenue from the amortization of deferred inflows of resources totaled approximately $2,000 for the years ended June 30, 2024 and 2023. The interest rate on the leases is 5.86% based on the incremental borrowing rate at the inception of the leases. The lessee is required to cover insurance for the property and responsible for all repairs and maintenance of the leased property. Final receipt is expected in fiscal year 2067.

Note 8 - Subscription-Based Information Technology Arrangements (SBITAs)

The Medical Center has entered into various SBITA contracts for software. The Medical Center is required to make principal and interest payments through April 2031. The SBITA contracts have interest rates between 5.25% and 9.50% based on the Medical Center's incremental borrowing rate.

Right to use subscription IT additions, deletions, and balances for the year ended June 30, 2024 and 2023, are as follows:

	Balance June 30, 2023	Additions	Transfers and Retirements	Balance June 30, 2024
Right to use subscription IT Assets being amortized	$ 2,343,697	$ -	$ 12,082	$ 2,355,779
Less accumulated amortization	508,245	$ 256,591	$ -	764,836
Net right to use subscription IT assets	$ 1,835,452			$ 1,590,943

	Balance June 30, 2022	Additions	Transfers and Retirements	Balance June 30, 2023
Right to use subscription IT Assets being amortized	$ 2,315,048	$ 28,649	$ -	$ 2,343,697
Less accumulated amortization	248,857	$ 259,388		508,245
Net right to use subscription IT assets	$ 2,066,191			$ 1,835,452

A summary of the changes in subscription IT liabilities during the years ended June 30, 2024 and 2023 is as follows:

	Balance June 30, 2023	Additions	Payments	Balance June 30, 2024	Due Within One Year
Subscription IT Liablities	$ 1,952,523	$ -	$ 219,497	$ 1,733,026	$ 215,199

	Balance June 30, 2022	Additions	Payments	Balance June 30, 2023	Due Within One Year
Subscription IT Liablities	$ 2,130,730	$ 28,647	$ 206,854	$ 1,952,523	$ 219,569

Remaining principal and interest payments on subscriptions are as follows:

Years Ending June 30, 2024	Principal	Interest
2025	$ 215,199	$ 107,838
2026	229,198	93,421
2027	240,183	78,029
2028	256,179	62,033
2029	273,241	44,971
2030 - 2032	519,026	34,154
Totals	$ 1,733,026	$ 420,446

Note 9 - Long-Term Debt

A schedule of changes in the Medical Center's long-term debt for 2024 and 2023 is as follows:

	Balance June 30, 2023	Additions	Payments	Balance June 30, 2024	Due Within One Year
Bonds Payable					
Revenue Bond, Series 2014 - #R1	$ 8,570,386	$ -	$ 169,637	$ 8,400,749	$ 176,457
Revenue Bond, Series 2014 - #R2	3,838,799	-	78,855	3,759,944	80,790
Sales Tax Refunding Bond, Series 2019	3,326,000	-	251,000	3,075,000	260,000
Sales Tax Refunding Bond, Series 2022	4,617,000	-	274,000	4,343,000	282,000
Total	$ 20,352,185	$ -	$ 773,492	$ 19,578,693	$ 799,247

	Balance June 30, 2022	Additions	Payments	Balance June 30, 2023	Due Within One Year
Bonds Payable					
Revenue Bond, Series 2014 - #R1	$ 8,738,588	$ -	$ 168,202	$ 8,570,386	$ 172,240
Revenue Bond, Series 2021 - #R2	3,915,804	-	77,005	3,838,799	78,855
Sales Tax Refunding Bond, Series 2019	3,569,000	-	243,000	3,326,000	251,000
Sales Tax Refunding Bond, Series 2022	4,834,000	-	217,000	4,617,000	274,000
Total	$ 21,057,392	$ -	$ 705,207	$ 20,352,185	$ 776,095

- Revenue Bonds Series 2014 - #R1 at 2.375% interest with interest and principal of $31,160 paid monthly beginning December 2017 with final maturity in December of 2056. Collateral is a pledge and dedication of Medical Center revenue secured by a mortgage on the Medical Center building.
- Revenue Bonds Series 2014 - #R1 at 2.375% interest with interest and principal of $14,104 paid monthly beginning December 2017 with final maturity in December of 2056. Collateral is a pledge and dedication of Medical Center revenue secured by a mortgage on the Medical Center building.
- Sales tax refunding bonds, series 2019, at 3.65% interest, maturing serially on September 1 of each year beginning in 2019, with interest payable March 1 and September 1 of each year beginning in 2019, with final maturity on September 1, 2033. Collateral is a pledge of 1 % sales and use tax proceeds.

- Sales tax refunding bonds, series 2022, at 2. 78% interest, maturing serially on September 1 of each year beginning in 2022, with interest payable March 1 and September 1 of each year beginning in 2022, with final maturity on September 1, 2036. Collateral is a pledge of 1 % sales and use tax proceeds.

Scheduled debt service requirements for the Medical Center's bonds (and notes/loans) payable are as follows:

Years Ending June 30,	Principal	Interest
2025	$ 799,247	$ 516,509
2026	823,424	492,773
2027	846,749	468,297
2028	872,226	443,115
2029	897,858	417,135
2030-2034	4,903,484	1,667,758
2035-2039	2,854,873	1,053,536
2040-2044	1,926,368	789,472
2045-2049	2,172,354	543,486
2050-2054	2,442,206	273,634
2055-2059	1,039,904	20,578
Total	$ 19,578,693	$ 6,686,293

Under the terms of the revenue bonds and sales tax refunding bonds agreements, the Medical Center is required to maintain certain deposits. Such deposits are included with restricted cash and noncurrent cash in the financial statements. The loan agreement also places limits on the incurrence of additional borrowings and requires that the Medical Center satisfy certain measures of financial performance.

Note 10 - Pension Plan

Plan Description

Substantially all Medical Center employees are eligible for participation in the Parochial Employees' Retirement System of Louisiana (the "Plan"), a cost-sharing multiple-employer defined benefit pension plan administered by a Board of Trustees and established by Act 205 of the 1952 Regular Session of the Louisiana Legislature. The Plan is governed by Louisiana Revised Statutes, Title 11, Sections 1901 through 2025, specifically, and other general laws of the State of Louisiana. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the Plan to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Medical Center participates in Plan B. The Plan provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the state which does not have their own retirement system, and which elects to become members of the Plan. All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the Plan.

The Plan issues a publicly available financial statement report that includes financial statements and required supplementary information. That report may be obtained at www.PERSLA.com or by writing to the board of trustees of the Parochial Employees' Retirement System of Louisiana, 7905 Wrenwood Boulevard, Baton Rouge, Louisiana, 70809, or by calling (225) 928-1361.

Benefits Provided

The Plan provides retirement, disability, and death benefits. Retirement benefits are determined as 2% of the employee's final compensation multiplied by the employee's years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. Employees with 30 years of service are eligible to retire at age 55. Employees with a minimum of 10 years of service are eligible to retire at age 60 or 62 depending on their hire date. Employees with a minimum of 7 years of service are eligible to retire at age 65 or 67 depending on their hire date. Employees are eligible for disability benefits if they are not eligible for normal retirement after 5 or 7 years of service depending on their hire date. Survivor's benefits are available upon the death of a member who has credit for ten or more years of service who is not eligible for normal retirement benefits. Under state law, cost of living increases to benefits are allowable only if sufficient funds are available from investment income in excess of normal requirements. Cost of living increases cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement.

Contributions

Employee contribution rates are established by state law and employer contribution rates are actuarially determined each year by the Plan's Board of Trustees. Covered employees are required to contribute 3% of their compensation. The Medical Center's contractually required contribution rate as of June 30, 2024, was 7.5% of covered employees' compensation. Employer expense for each of the years ended June 30, 2024 and 2023, equals the required contributions for each year. In addition to the aforementioned contributions, the tax collectors of various parishes contribute one fourth of one percent of ad valorem taxes collected. The plan also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the members' compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

The following is a schedule that summarizes information regarding the multiple employer defined benefit retirement plan in effect for the years ended June 30, 2024 and 2023:

	2024	2023
Total Medical Center payroll	$ 17,904,902	$ 16,947,376
Total covered payroll	14,568,245	13,874,731
Employee contributions	437,047	415,036
Employer contributions	1,092,618	1,040,824

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024 and 2023, the Medical Center reported a liability of $116,666 and $2,593,500, for its proportionate share of the net pension asset/liability. The net pension asset/liability as of June 30, 2024 and 2023, was measured as of December 31, 2024 and 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Medical Center’s proportion of the net pension liability was based on the Medical Center’s actual contributions to the pension plan during the measurement period relative to the actual contributions of all participating employers. At June 30, 2024 and 2023, the Medical Center’s proportion was 11.630641% and 10.892978%. At June 30, 2023, the Medical Center’s collective fund proportion was 10.892978%, which was a change of 0.937515% from its proportion measured as of June 30, 2022 of 9.955463%.

At June 30, 2024 and 2023, the Medical Center reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 377,352	$ (293,597)	$ 53,946	$ (520,281)
Changes of Assumptions	203,728	-	122,265	-
Net Difference Between Projected and Actual Earnings on Pension Investments	1,582,549	-	4,079,042	-
Changes in Proportion and Differences Between Hospital's Contributions and Proportionate Share of Contributions	34,173	(138,046)	58,602	(120,666)
Hospital Contributions Subsequent to the Measurement Date	577,636	-	562,452	-
Total	$ 2,775,438	$ (431,643)	$ 4,876,307	$ (640,947)

At June 30, 2024, the Medical Center reported $577,636, as deferred outflows of resources related to pension resulting from the Medical Center’s contributions subsequent to the measurement date that will be recognized as an addition to the net pension asset or a reduction of the net pension liability in the subsequent year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension at June 30, 2024, will be recognized in pension expense as follows:

Years Ended June 30,	
2025	$ 104,481
2026	910,132
2027	1,424,304
2028	(672,758)
	$ 1,766,159

Actuarial Assumptions

The total pension liability in the December 31, 2024 and 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	4.25%, average, including inflation
Investment rate of return	6.40%, net of pension plan investment expense, including inflation

The present value of future retirement benefits is based on benefits currently being paid by the Plan and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Plan's Board of Trustees.

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Table for General Employees for active employees, the Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees for healthy annuitants and beneficiaries, and the Pub-2010 Public Retirement Plan Mortality Table for General Disabled Retirees for disabled annuitants, as appropriate.

The mortality rate assumption used was set based on an experience study performed on plan data for the period January 1, 2018 through December 31, 2022. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. The mortality was then projected forward to a period equivalent to the estimated duration of the Plan's liabilities. Annuity values calculated based on this mortality were compared to those produced using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.50% for the year ended December 31, 2023.

The best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return	
		2024	2023
Fixed income	33%	1.12%	1.17%
Equity	51%	3.20%	3.58%
Alternatives	14%	0.67%	0.73%
Real assets	2%	0.11%	0.12%
	100%		

Discount Rate

The discount rate used to measure the total pension liability was 6.40%, net of investment expenses including inflation, for the year ended June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

The following presents the Medical Center's proportionate share of the net pension liability for the Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Medical Center's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (5.40%)	Discount Rate (6.40%)	1% Increase (7.40%)
Hospital's Proportionate Share of the Net Pension Liability at June 30, 2024	$ 6,676,155	$ 116,666	$ (5,373,187)

	1% Decrease (5.40%)	Discount Rate (6.40%)	1% Increase (7.40%)
Hospital's Proportionate Share of the Net Pension Liability at June 30, 2023	$ 8,392,137	$ 2,593,500	$ (2,260,492)

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan

At June 30, 2024 and 2023, the Medical Center reported a payable of approximately $379,000 and $388,000 for the outstanding amount of contributions to the pension plan required for the years ended June 30, 2024 and 2023, which was included in accounts payable on the accompanying statements of net position.

Note 11 - Sales Tax Revenue

Effective July 1, 2012, the North Caddo Hospital Service District began collecting a one percent (1%) sales tax dedicated for use by the Medical Center. The sales tax was approved for 25 years, and the Medical Center intends to use the sales tax proceeds to fund debt service associated with construction of a new hospital facility. Any remaining sales tax levy amounts received may be used for Medical Center operations.

Note 12 - Property Tax Revenue

The Caddo Parish Commission levies taxes on real and business personal property located within Caddo Parish's boundaries. Property taxes are levied by the Commission on property values assessed by the Caddo Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Caddo Parish Sheriff's Office bills and collects property taxes of 4.77 mills for the North Caddo Hospital Service District. Collections are remitted to the Medical Center monthly. The Medical Center property tax revenues are recognized when levied to the extent that they are collected within 30 days after year-end.

Property Tax Calendar

Assessment date	January 1
Levy date	No later than June 1
Tax bills mailed	On or about November 25
Due date	December 31
Lien Date	January 1

Assessed values are established by the Caddo Parish Tax Assessor each year on a uniform basis at 10%, 15%, or 25% ratio to fair value, depending on the type of property. A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2023. Total assessed value for the Hospital Service District was $104,345,594 in 2023. Louisiana state law exempts the first $7,500 of assessed value of a taxpayer's primary residence from Parish property taxes. This homestead exemption was $14,386,629 of the assessed value in 2023.

Note 13 - Intergovernmental Transfer Grants

The Medical Center (Grantee) entered into a cooperative endeavor agreement with a regional public hospital (Grantor) whereby the Grantor awards an intergovernmental transfer grant (IGTG) to be used solely to provide adequate and essential medically necessary and available healthcare services to the Medical Center's service population subject to the availability of such grant funds. The IGTG income is $- and $54,811 and for the years ended June 30, 2024 and 2023.

Note 14 - Supplemental Payments

The Medical Center participates in the state's Medicaid Managed Care Incentive Program (MCIP). The program is designed to provide incentive payments to Medicaid Managed Care Plans for achieving quality reforms that increase access to health care and improve the quality of care. The Medical Center reported income of $463,076 and $401,531 related to this program for the years ended June 30, 2024 and 2023.

For state fiscal year (SFY) 2023, the Louisiana Department of Health (LOH) obtained a Medicaid State Plan Amendment (SPA) approval from the Centers for Medicare and Medicaid Services (CMS) to make quarterly supplemental payments to hospitals based upon certain assumptions under a directed payment plan (OPP). Annually thereafter, LOH must submit the assumptions to CMS for approval in future years. The basis for interim supplemental payments is the Medical Center's historical paid claims and other factors. In future state fiscal amounts, LOH anticipates increasing or decreasing future OPP payments by the reconciliation amounts. The Medical Center has recognized $2,528,027 and $2,695,049 as supplemental income after consideration was given for future adjustments which the Medical Center determined necessary for the years ended June 30, 2024 and 2023. To the extent income recognized in the current period differs from actual results, Medicaid supplemental income will be adjusted.

The Medical Center entered into an Intergovernmental Transfer Agreement (IGT) with the Louisiana Department of Health (LOH) as part of Louisiana Physician IPA, Inc. which is a physician supplemental program. In fiscal year 2024, the Medical Center received $23,242 in Medicaid supplemental payments of which $-0- was submitted to LOH as an IGT. In fiscal year 2023, the Medical Center received $342,174 in Medicaid supplemental payments of which $135,622 was submitted to LOH as an IGT.

Note 15 - Concentrations of Credit Risk

The Medical Center grants credit without collateral to its patients, most of whom are insured under third-party payor agreements. The mix of receivables from third-party payors and patients at June 30, 2024 and 2023 was as follows:

	2024	2023
Medicare	20%	17%
Medicaid	19%	23%
Commercial insurance and other third-party payors	50%	48%
Patients	11%	12%
	100%	100%

Note 16 - Contingencies

Risk Management

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

Malpractice Insurance

Under current Louisiana law, the Medical Center's liability for medical malpractice is statutorily limited to $500,000 per claim. The Medical Center has malpractice insurance coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of $100,000 per claim and an annual aggregate limit of $2 million. In addition, the Medical Center has an additional policy for $400,000 per claim. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured.

The Medical Center is a participant of the Louisiana Hospital Association Malpractice and General Liability Trust (the Trust) and Workers' Compensation lnterlocal Risk Management Agency (the Agency). These trust funds retrospectively set premiums for members based on the loss history of each entire group. The Medical Center expenses premiums paid to these multi-provider captive insurance companies over the policy periods covered. According to the trust document for the Trust, participants are jointly and severally liable for the obligations of the Trust with the right of indemnity among the participants for each participant's pro rata share of the obligation as formulated in the trust document. Each participant has this contingent assessment liability for the payment of actual losses and expenses incurred while a participant in the Trust. This contingent liability is not to exceed the amount necessary to make up trust fund deficiencies in the trust fund year in which the obligations were incurred, and such liability is not to exceed an amount equal to the charges otherwise due by such participant during such plan year.

According to the trust documents for the Agency, participants are liable jointly and *in solido* for claims not paid pursuant to Subpart J of Part I of Chapter 10 of Title 23 of the Louisiana Revised Statutes of 1950, with the right of indemnity among the participants for each participant's pro rata share of the obligation as formulated in the trust document. Each participant has this contingent assessment liability for the payment of actual losses and expenses incurred while a participant in the Fund, but only to the extent that such losses and expenses are not paid by the excess coverage secured by the Fund. Management does not believe that any significant contingent liabilities exist under these insurance arrangements.

Litigations, Claims, and Disputes

The Medical Center is subject to the usual contingencies in the normal course of operations relating to the performance of its tasks under its various programs. In the opinion of management, the ultimate settlement of any litigation, claims, and disputes in process will not be material to the financial position, operations, or cash flows of the Medical Center.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Federal government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenues from patient and resident services.

Self-Funded Health Plan

The Medical Center is self-funded for health benefits for eligible employees and their dependents. The Medical Center, in connection with this plan, recognizes health benefit expenses on an accrual basis. An accrued liability is recorded at year-end which estimates the incurred by not reported claims that will be paid by the Medical Center. The Medical Center has stop loss insurance to cover catastrophic claims in excess of $70,000 per claim and an annual aggregate limit of $1,000,000 for the plan year ended September 30, 2024. The Medical Center has stop loss insurance to cover catastrophic claims in excess of $60,000 per claim and an annual aggregate limit of $1,000,000 for the plan year ended September 30, 2023.

The Medical Center expenses amounts representing the employer's portion of actual claims paid, adjusted for the estimates of liabilities relating to claims resulted from services provided prior to the fiscal year end not to exceed the annual aggregate expense. The estimated liability is included in accounts payable in the financial statements. These amounts have been estimated based on historical trends and actuarial analysis. Changes in the balance of claims liabilities during the past two years are as follows:

Year	Beginning Liability	Current Year Claims and Changes in Estimates	Claim Payments	Ending Liability
2024	$ 203,209	$ 2,023,920	$ (2,010,410)	$ 216,719
2023	120,152	1,583,928	(1,500,871)	203,209

Workers' Unemployment Liability Risk

The Medical Center became self-funded with respect to unemployment claims effective October 1, 1998. As a self-funded employer, the Medical Center must reimburse the Louisiana Department of Labor on a dollar-for-dollar basis for unemployment benefits paid to former employees. Management does not believe that any significant contingent liabilities exist under this arrangement.

Employee Retention Credit

The Medical Center's credit filings remain open for potential examination by the Internal Revenue Service through the statute of limitations, which has varying expiration dates extending through 2027. Any disallowed claims resulting from such examinations could be subject to repayment to the federal government.

Note 17 - Condensed Combining Information

The following summarizes combining information for the Medical Center and Foundation, which has been presented as a blended component unit, as of and for the year ended June 30, 2024.

Statement of net position as of June 30, 2024

	Hospital	Foundation	Total
Assets and Deferred Outflows of Resources			
Assets			
Current assets	$ 22,648,835	$ 291,195	$ 22,940,030
Noncurrent cash	2,026,814	-	2,026,814
Capital assets, net	32,910,555	-	32,910,555
Other assets	115,215	-	115,215
Total assets	57,701,419	291,195	57,992,614
Deferred outflows of resources	2,775,438	-	2,775,438
Total assets and deferred outflows of resources	$ 60,476,857	$ 291,195	$ 60,768,052
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current liabilities	$ 5,164,451	$ -	$ 5,164,451
Long-term debt, less current maturities	18,779,446	-	18,779,446
Long-term lease liabilities, less current maturities	174,486	-	174,486
Long-term subscription IT liabilities, less current ma	1,517,827	-	1,517,827
Net pension liability	116,666	-	116,666
Total liabilities	25,752,876	-	25,752,876
Deferred inflows of resources	527,998	-	527,998
Net position			
Net investment in capital assets	11,352,823	-	11,352,823
Restricted	2,826,061	-	2,826,061
Unrestricted	20,017,099	291,195	20,308,294
Total net position	34,195,983	291,195	34,487,178
Total liabilities, deferred inflows of resources, and net position	$ 60,476,857	$ 291,195	$ 60,768,052

Operating results and changes in net position for the year ended June 30, 2024:

	Hospital	Foundation	Total
Operating revenues			
Net patient service revenue	$ 25,434,974	$ -	$ 25,434,974
Other operating revenue	11,090,830	-	11,090,830
Total operating revenues	36,525,804	-	36,525,804
Operating expenses			
Depreciation and amortization	2,652,161	-	2,652,161
Other operating expenses	36,737,386	11,678	36,749,064
Total operating expenses	39,389,547	11,678	39,401,225
Operating loss	(2,863,743)	(11,678)	(2,875,421)
Nonoperating revenues (expenses)	7,005,701	867	7,006,568
Revenues in excess of expenses	4,141,958	(10,811)	4,131,147
Capital contributions	875,861	46,088	921,949
Change in net position	5,017,819	35,277	5,053,096
Net position, beginning of year	29,178,164	255,918	29,434,082
Net position, end of year	$ 34,195,983	$ 291,195	$ 34,487,178

Cash flows for the year ended June 30, 2024:

	Hospital	Foundation	Total
Net cash from (used for) operating activities	$ (552,421)	$ (11,678)	$ (564,099)
Net cash from noncapital financing activities	2,418,375	-	2,418,375
Net cash from (used for) capital and capital related financing activities	(7,287,132)	46,088	(7,241,044)
Net cash from investing activities	610,393	867	611,260
Net change in cash and cash equivalents	(4,810,785)	35,277	(4,775,508)
Cash and cash equivalents, beginning of year	9,389,504	255,918	9,645,422
Cash and cash equivalents, end of year	$ 4,578,719	$ 291,195	$ 4,869,914

The following summarizes combining information for the Medical Center and Foundation, which has been presented as a blended component unit, as of and for the year ended June 30, 2023.

Statement of net position as of June 30, 2023:

	Hospital	Foundation	Total
Assets and Deferred Outflows of Resources			
Assets			
Current assets	$ 18,793,692	$ 255,918	$ 19,049,610
Noncurrent cash	4,631,654	-	4,631,654
Capital assets, net	29,619,884	-	29,619,884
Other assets	116,645	-	116,645
Total assets	53,161,875	255,918	53,417,793
Deferred outflows of resources	4,876,307	-	4,876,307
Total assets and deferred outflows of resources	$ 58,038,182	$ 255,918	$ 58,294,100
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current liabilities	$ 3,970,782	$ -	$ 3,970,782
Long-term debt, less current maturities	19,576,090	-	19,576,090
Long-term lease liabilities, less current maturities	247,140		247,140
Long-term subscription IT liabilities, less current ma	1,732,954		1,732,954
Net pension liability	2,593,500		2,593,500
Total liabilities	28,120,466	-	28,120,466
Deferred inflows of resources	739,552	-	739,552
Net position			
Net investment in capital assets	6,844,039	-	6,844,039
Restricted	5,407,749	-	5,407,749
Unrestricted	16,926,376	255,918	17,182,294
Total net position	29,178,164	255,918	29,434,082
Total liabilities, deferred inflows of resources, and net position	$ 58,038,182	$ 255,918	$ 58,294,100

Operating results and changes in net position for the year ended June 30, 2023:

	Hospital	Foundation	Total
Operating revenues			
Net patient service revenue	$ 24,287,823	$ -	$ 24,287,823
Other operating revenue	9,800,108	-	9,800,108
Total operating revenues	34,087,931	-	34,087,931
Operating expenses			
Depreciation and amortization	2,588,255	-	2,588,255
Other operating expenses	33,182,193	45,458	33,227,651
Total operating expenses	35,770,448	45,458	35,815,906
Operating loss	(1,682,517)	(45,458)	(1,727,975)
Nonoperating revenues (expenses)	2,656,900	601	2,657,501
Revenues in excess of (less than) expenses	974,383	(44,857)	929,526
Capital contributions	-	149,655	149,655
Change in net position	974,383	104,798	1,079,181
Net position, beginning of year	28,203,781	151,120	28,354,901
Net position, end of year	$ 29,178,164	$ 255,918	$ 29,434,082

Cash flows for the year ended June 30, 2023:

	Hospital	Foundation	Total
Net cash from (used for) operating activities	$ 3,991,101	$ (45,458)	$ 3,945,643
Net cash from noncapital financing activities	2,393,522	-	2,393,522
Net cash from (used for) capital and capital related financing activities	(3,876,222)	149,655	(3,726,567)
Net cash from (used for) investing activities	(6,911,032)	601	(6,910,431)
Net change in cash and cash equivalents	(4,402,631)	104,798	(4,297,833)
Cash and cash equivalents, beginning of year	13,792,135	151,120	13,943,255
Cash and cash equivalents, end of year	$ 9,389,504	$ 255,918	$ 9,645,422

Note 18 - Restatement

The Medical Center's financial statements as of June 30, 2023, contained an error in the statement of cash flows. Beginning cash and cash equivalents increased $2,133,806 and the net change in cash and cash equivalents increased $3,223,447. Resulting in an increase in ending cash and cash equivalents of $5,357,253.

	Originally Presented June 30, 2023	Restatement	As restated June 30, 2023
Operating Activities			
Cash receipts from patients and third-party payors	$ 25,535,634	$ 45,030	$ 25,580,664
Payments to suppliers and contractors	(11,784,008)	(83,057)	(11,867,065)
Payments for employees and benefits	(20,780,687)	83,057	(20,697,630)
Capital and Capital Related Financing Activities			
Rent income	-	2,113	2,113
Investing activities			
Invested in limited use assets	(3,178,417)	3,178,417	-
Rent income	2,113	(2,113)	-
Net Change in Cash and Cash Equivalents	(7,521,280)	3,223,447	(4,297,833)
Beginning cash and cash equivalents	11,809,449	2,133,806	13,943,255
Ending cash and cash equivalents	$ 4,288,169	$ 5,357,253	$ 9,645,422
Reconciliation of Cash and Cash Equivalents to the Statements of Net Position			
Cash and cash equivalents	$ 4,288,169	$ (50,496)	$ 4,237,673
Restricted cash	-	776,095	776,095
Noncurrent cash and investments			
Restricted for debt reserve and capital improvements	-	4,631,654	4,631,654
Total cash and cash equivalents	$ 4,288,169	$ 5,357,253	$ 9,645,422

	Originally Presented June 30, 2023	Restatement	As restated June 30, 2023
Reconciliation of Operating Loss to Net Cash from Operating Activities			
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities			
Provision for bad debts	-	1,211,269	1,211,269
Changes in assets and liabilities, (net of acquisition)			
Patient receivables	370,864	(1,166,239)	(795,375)
Accounts payable	44,607	(83,057)	(38,450)
Self-insurance	-	83,057	83,057
Net Cash from Operating Activities	$ 3,900,613	$ 45,030	$ 3,945,643

Required Supplementary Information
June 30, 2024 and 2023

North Caddo Hospital Service District dba North Caddo Medical Center

Schedule of the Medical Center's Proportionate Share of the Net Pension Liability

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Hospital's Proportion of the Net Pension Liability	8.54%	8.94%	9.28%	9.36%	8.39%	9.39%	9.56%	9.96%	10.89%	11.63%
Hospital's Proportionate Share of the Net Pension Liability	$ 23,731	$ 1,590,973	$ 1,205,412	$ (1,177,691)	$ 2,265,513	$ (679,382)	$ (2,454,951)	$ (5,563,219)	$ 2,593,500	$ 116,666
Hospital's Covered Payroll	$ 7,510,099	$ 8,588,368	$ 9,237,639	$ 9,533,399	$ 9,401,037	$ 10,439,020	$ 10,925,324	$ 11,922,252	$ 13,317,309	$ 14,400,311
Hospital's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.32%	18.52%	13.05%	-12.35%	24.10%	-6.51%	-22.47%	-46.66%	19.47%	0.81%
PFERS' Net Position as a Percentage of the Total Pension Liability	99.89%	93.50%	95.50%	104.02%	91.93%	102.05%	106.76%	114.20%	94.26%	99.77%

Information in the schedule has been determined as of the measurement date (the June 30 twelve months immediately preceding the Medical Center's most recent fiscal year-end) of the collective net pension liability in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68.

Schedule of the Medical Center's Contributions

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statutorily Required Contribution	$ 724,228	$ 733,646	$ 799,814	$ 712,333	$ 751,864	$ 793,342	$ 850,043	$ 952,586	$ 1,040,824	$ 1,092,618
Contributions in Relation to the Statutorily Required Contribution	724,228	733,646	799,814	712,333	751,864	793,342	850,043	952,586	1,040,824	1,092,618
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hospital's Covered Payroll	$ 7,740,318	$ 8,816,641	$ 10,238,558	$ 9,225,807	$ 10,024,849	$ 10,577,937	$ 11,333,906	$ 12,704,145	$ 13,874,731	$ 14,568,245
Contributions as a Percentage of Covered Payroll	9.36%	8.32%	7.81%	7.72%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%

Information in this schedule has been determined as of the Medical Center's most recent fiscal year-end in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68.

Supplementary Information
June 30, 2024

North Caddo Hospital Service District dba North Caddo Medical Center

	2024	2023
Daily patient services		
Routine services	$ 2,225,639	$ 1,308,708
Swing bed	368,385	362,459
Obstetrics	61,846	124,462
Total daily patient services	2,655,870	1,795,629
Other professional services		
Operating room		
Inpatient	35,440	55,651
Outpatient	2,844,100	2,085,507
Total operating room	2,879,540	2,141,158
Anesthesia		
Inpatient	22,771	60,840
Outpatient	273,540	145,100
Total anesthesia	296,311	205,940
Radiology		
Inpatient	101,337	109,238
Outpatient	1,322,683	1,383,392
Total radiology	1,424,020	1,492,630
Ultrasound		
Inpatient	29,925	46,442
Outpatient	477,094	606,148
Total ultrasound	507,019	652,590
CT scans & nuclear medicine		
Inpatient	458,625	531,334
Outpatient	3,559,603	3,230,502
Total CT scans & nuclear medicine	4,018,228	3,761,836
MRI		
Inpatient	67,881	41,821
Outpatient	749,515	732,165
Total MRI	817,396	773,986

	2024	2023
Laboratory & blood		
Inpatient	1,320,583	1,337,059
Outpatient	3,985,537	4,238,119
Total laboratory & blood	5,306,120	5,575,178
Respiratory care		
Inpatient	978,866	722,844
Outpatient	3,077,366	2,355,680
Total respiratory care	4,056,232	3,078,524
Physical, occupational and speech therapy		
Inpatient	355,724	391,924
Outpatient	2,442,590	2,353,983
Total physical, occupational and speech therapy	2,798,314	2,745,907
EKG and EEG		
Inpatient	140,430	178,990
Outpatient	547,180	526,555
Total EKG and EEG	687,610	705,545
Central supply		
Inpatient	$ 644,225	$ 548,657
Outpatient	158,738	202,891
Total central supply	802,963	751,548
Pharmacy		
Inpatient	1,483,874	1,522,980
Outpatient	2,868,175	3,019,868
Total pharmacy	4,352,049	4,542,848
Emergency and treatment room		
Inpatient	289,505	303,173
Outpatient	4,349,421	4,752,786
Total emergency and treatment room	4,638,926	5,055,959

	2024	2023
Other outpatient services		
Ambulance	1,655,967	1,528,774
Physicians and surgeons clinic	6,136,563	5,950,370
Plain dealing clinic	1,846,025	2,042,091
Benton clinic	1,608,917	1,527,080
Blanchard clinic	2,773,995	3,027,095
Fitness center	62,911	53,583
HealthPlex & kidmed	66,342	52,993
Pumonary rehab	272,144	-
South bossier clinic	301,549	-
Vivian dental	747,739	448,358
Total other outpatient services	15,472,152	14,630,344
Total other professional services	48,056,880	46,113,993
Gross charges	$ 50,712,750	$ 47,909,622
Gross charges	$ 50,712,750	$ 47,909,622
Less charges associated with charity patients	(444,591)	(448,773)
Gross patient service revenue	50,268,159	47,460,849
Deductions from patient revenue		
Contractual adjustments	23,415,788	21,961,757
Provision for bad debts	1,417,397	1,211,269
Total deductions from patient charges	24,833,185	23,173,026
Net patient service revenue	$ 25,434,974	$ 24,287,823

Schedules of Other Operating Revenues
Years Ended June 30, 2024 and 2023

	2024	2023
Cafeteria	$ 59,717	$ 53,188
Medical records fees	13,611	10,036
340B pharmaceutical program	2,321,511	2,737,458
Vending	1,957	1,305
Gift shop sales	74,420	57,744
Education center	-	4,000
Miscellaneous	20,501	22,707
Access to care payments	920,615	898,213
Community RX	4,558,388	2,447,073
Total other operating revenue	$ 7,970,720	$ 6,231,724

	2024	2023
Salaries:		
Routine nursing	$ 1,813,639	$ 1,904,711
Obstetrics	49,795	63,273
Nursing administration	273,289	169,135
Operating room	408,742	352,346
Anesthesiology	400,777	435,044
Radiology	517,291	443,461
Ultrasound	86,916	88,558
MRI	30,757	34,809
CT scan	-	5,501
Laboratory	743,457	654,070
Respiratory therapy	464,023	432,495
Physical therapy	423,509	468,759
Cardiology	1,377	6,127
Central supply	118,394	131,966
Pharmacy	297,147	255,990
Physicians and surgeons clinic	2,166,244	2,124,048
Plain Dealing clinic	745,343	693,579
Benton clinic	582,216	562,398
Blanchard clinic	1,096,457	1,040,664
South bossier clinic	202,369	-
Emergency room	1,857,428	1,759,246
Treatment room	2,823	2,829
Community Rx	331,488	277,488
Vivian Dental	472,841	372,300
Ambulance	910,946	797,872
HealthPlex	79,550	73,593
Fitness center	44,946	44,154
Medical records	223,570	221,635
Maintenance	250,266	205,287
Housekeeping	612,369	555,556
Dietary	346,324	411,251
Education center	-	430
Administration	2,629,212	2,358,801
Total salaries	18,183,505	16,947,376
Benefits and payroll taxes:		
Retirement	718,531	1,820,710
Payroll taxes	1,172,530	1,112,921
Health, life and disability insurance	2,262,585	1,742,593
Workers compensation	105,089	118,319
Unemployment benefits	6,386	11,084
Total benefits and payroll taxes	4,265,121	4,805,627
Total salaries and benefits	$ 22,448,626	$ 21,753,003

	2024	2023
Routine nursing	$ 64,021	$ 88,201
Obstetrics	8,740	13,435
Cardiac care	331	390
Operating room	139,484	84,375
Anesthesiology	-	13,741
Radiology	20,853	25,449
Ultrasound	38,883	10,201
MRI	192	-
CT scan	22,558	18,917
Laboratory	294,074	289,151
Respiratory therapy	65,535	50,584
Physical therapy	6,735	18,729
Central supply	245,258	290,967
Pharmacy	384,478	477,651
Cardiology	-	259
Physicians and surgeons clinic	145,977	138,902
HealthPlex	19,321	5,267
Plain Dealing clinic	91,053	79,144
Benton clinic	50,847	84,805
Blanchard clinic	93,457	119,308
South bossier clinic	48,423	-
Ambulance	73,438	54,537
Emergency room	39,585	47,214
Treatment room	4,121	6,358
Fitness center	12,154	15,803
Community Rx	4,158,500	2,180,703
Vivian Dental	80,994	77,221
Total medical supplies and drugs	$ 6,109,012	$ 4,191,312

	2024	2023
Administrative and computer	$ 170,789	$ 171,460
Legal and professional fees	1,054,690	164,934
Laundry purchased services	68,533	56,218
Dietary	5,928	371
Routine nursing & obstetrics	1,091	67,091
Residents	77,232	70,300
Anesthesiology	67,450	20,300
Radiology	20,225	11,036
MRI	7,581	229
Ultrasound	2,250	-
Laboratory	86,509	100,253
Respiratory therapy	850,098	667,050
Physical therapy	108,333	108,333
Pharmacy	387,709	599,984
Pulmonary rehab	52,333	-
Emergency room	629,645	606,900
Total professional services	$ 3,590,396	$ 2,644,459
Miscellaneous purchased services	$ 460,128	$ 528,155
Marketing	64,330	84,478
Non-medical supplies	1,734,889	1,505,015
Dietary food expense	294,702	306,792
Maintenance and repairs	301,424	354,091
Utilities	526,338	555,135
Telephone	205,449	158,988
Travel and education	148,287	155,639
Dues and subscription	74,164	46,065
Postage	24,117	15,546
Sales and property taxes	4,247	50,490
Foundation fundraising and special events	12,115	21,056
Intergovernmental transfer	135,784	154,076
Miscellaneous expense	22,823	136,299
Total other expense	$ 4,008,797	$ 4,071,825

Agency Head Name: David Jones

Purpose	Amount
Salary	$ 440,692
Conference travel	5,465
Cell phone	639
Other	
Life-disability insurance	1,234
Sick time buyback	9,807
	$ 457,837

Schedule of Per Diem and Other Compensation Paid to Medical Center Board Members
Year Ended June 30, 2024

	Per Diem	Mileage Reimbursement	Total Compensation	Office Held	Expiration of Term
Kenneth Cochran	$ 800	$ -	$ -	Vice Chair	7/18/2024
Robbie Festavan	600	-	-	Memmber	7/18/2026
Jennifer Fant	1,000	-	-	Memmber	7/18/2024
Robert Green, Jr.	1,100	-	-	Memmber	7/1/2029
Mary Irvin	1,000	-	-	Memmber	7/1/2028
Michael Nation	900	-	-	Memmber	8/1/2027
David Norman	1,800	-	-	Board Chair	7/18/2026
Brtenda Smtih	1,200	-	-	Memmber	7/1/2026
Patricia White	300	-	-	Memmber	8/18/2028
	$ 8,700.00	$ -	$ -		

North Caddo Hospital Service District
dba North Caddo Medical Center
Schedule of Insurance Policies
June 30, 2024

Risk Covered	Coverage	Beginning	Ending
Ambulance Liability	$ 1,000,000	7/23/2023	7/23/2024
Business Auto Liability	1,000,000	7/23/2023	7/23/2024
Cyber Protection	100,000	11/1/2023	11/1/2024
Directors and Officers Liability	1,000,000	7/23/2023	7/23/2024
Employment practices liability	1,000,000	7/23/2023	7/23/2024
Antitrust claim	1,000,000	7/23/2023	7/23/2024
EMTALA coverage	250,000	7/23/2023	7/23/2024
Excess benefit transaction	50,000	7/23/2023	7/23/2024
HIPAA violation	50,000	7/23/2023	7/23/2024
Internal revenue code violation	100,000	7/23/2023	7/23/2024
Third party wrongful act	1,000,000	7/23/2023	7/23/2024
Malpractice and General Liability	4,500,000	11/1/2023	11/1/2024
Healthcare Claims Made Umbrella			
Commercial General Liability Occurrence,	4,500,000	11/1/2023	11/1/2024
Excess of Bodily Injury, Property Damage,			
Personal Injury and Employment Benefits Liability			
Excess Follow Form Liability Umbrella	4,500,000	11/1/2023	11/1/2024
Healthcare Professional Liability Per Occurrence	100,000	11/1/2023	11/1/2024
(Annual Aggregate - $2,000,000)			
Louisiana Patients Compensation Fund			
Excess Healthcare Professional Liability Coverage	400,000	11/1/2023	11/1/2024
Bodily injury, property damage, personal injury, employee benefits liability	500,000	11/1/2023	11/1/2024
Medical expenses	1,000	11/1/2023	11/1/2024
Pollution/wrongful termination	250,000	11/1/2023	11/1/2024
Fire legal liability	100,000	11/1/2023	11/1/2024
Damage to property	100,000	11/1/2023	11/1/2024
Damage to patient property	5,000	11/1/2023	11/1/2024
Employed Physicians			
Claims made liability per occurrence	100,000	7/1/2023	7/1/2024
Aggregate	$ 300,000	7/1/2023	7/1/2024

Risk Covered	Coverage	Beginning	Ending
Property Insurance			
Real Property	$ 76,313,031	7/23/2023	7/23/2024
Extra expense	10,000,000	7/23/2023	7/23/2024
Earthquake	50,000,000	7/23/2023	7/23/2024
Flood	50,000,000	7/23/2023	7/23/2024
Perishable stock	10,000,000	7/23/2023	7/23/2024
Service interruption	10,000,000	7/23/2023	7/23/2024
Hazardous Substance	250,000	7/23/2023	7/23/2024
Fungus remediation	100,000	7/23/2023	7/23/2024
Data Restoration	250,000	7/23/2023	7/23/2024
Employee Theft			
ERISA	1,000,000	7/23/2022	7/23/2025
Forgery or Alteration	1,000,000	7/23/2022	7/23/2025
On premises	1,000,000	7/23/2022	7/23/2025
In-transit	1,000,000	7/23/2022	7/23/2025
Money orders & counterfeit money	1,000,000	7/23/2022	7/23/2025
Computer crime	1,000,000	7/23/2022	7/23/2025
Funds transfer fraud	1,000,000	7/23/2022	7/23/2025
Persona accounts protection	250,000	7/23/2022	7/23/2025
Claim expense	5,000	7/23/2022	7/23/2025
Workers' Compensation	Statutory	1/1/2023	1/1/2024
Employer's liability	$ 1,000,000	1/1/2024	1/1/2025

CPAs & BUSINESS ADVISORS

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*

The Board of Commissioners
North Caddo Hospital Service District
dba North Caddo Medical Center
Vivian, Louisiana

We have audited, 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 (*Government Auditing Standards*), the financial statements of North Caddo Hospital Service District dba North Caddo Medical Center (Medical Center), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Medical Center's basic financial statements, and have issued our report thereon dated December 31, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Medical Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Medical Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Medical Center'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 Medical Center'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001 through 2024-003 that we consider to be material weaknesses.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Medical Center'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 instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Medical Center's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Medical Center's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Medical Center's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Medical Center'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 Medical Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Oklahoma City, Oklahoma
December 31, 2024

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Compliance Its Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

The Board of Commissioners
North Caddo Hospital Service District
dba North Caddo Medical Center
Vivian, Louisiana

Report on Compliance for Its Major Federal Program

Opinion on Its Major Federal Program

We have audited North Caddo Hospital Service District dba North Caddo Medical Center's (Medical Center) 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 the Medical Center's major federal program for the year ended June 30, 2024. The Medical Center's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Medical Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on Its Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards)*; 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 Medical Center 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 its major federal program. Our audit does not provide a legal determination of the Medical Center's compliance with the compliance requirements referred to above.

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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 Medical Center'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 Medical Center'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 GAAS, *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 Medical Center's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Medical Center'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 Medical Center'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 Medical Center'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 complian*ce 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Medical Center as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Medical Center's basic financial statements. We issued our report thereon dated December 31, 2024, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Eide Bailly LLP

Oklahoma City, Oklahoma
December 31, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture			
Rural Development Program			
Community Facilities Loans and Grants - Loans	10.766	N/A	$ 12,409,185
Community Facilities Loans and Grants - Grant	10.766	N/A	871,067
			$ 13,280,252

Note 1- Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the North Caddo Hospital Service District dba North Caddo Medical Center (Medical Center) under programs of the federal government for the year ended June 30, 2024. The information 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). Because the Schedule presents only a selected portion of the operations of the Center, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Center.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal assistance has been provided to a subrecipient.

Note 3 - Indirect Cost Rate

The Center does not draw for indirect administrative expenses and has not elected to use the 10% de minimis cost rate.

Note 4 - Loan Program

Expenditures reported on the Schedule consist of the beginning of the year outstanding loans balance plus advances made on the loans during the year. The outstanding balance of the direct loans at June 30, 2024, was $12,160,693.

Section I – Summary of Auditor's Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a):	No

Identification of major programs:

Name of Federal Program	Federal Financial Assistance Listing
Community Facilities Loans and Grants	10.766

Dollar threshold used to distinguish between Type A and Type B Programs	$750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

2024-001 Preparation of Financial Statements and Schedule of Expenditures of Federal Awards and Restatement
Material Weakness in Internal Control Over Financial Reporting

Criteria: A properly designed system of internal control over financial reporting includes the preparation of an entity's financial statements, including accompanying notes to the financial statements, as well as the schedule of expenditures of federal awards, by internal personnel of the entity that are materially correct. Management is responsible for establishing and maintaining internal control over financial reporting and procedures related to the fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles (GAAP) and Governmental Accounting Standards Board (GASB).

Condition: The Medical Center does not have an internal control system designed to provide for the preparation of the financial statements, including the accompanying notes to the financial statements, as well as the schedule of expenditures of federal awards, as required by GAAP and GASB. In addition, audit adjustments were proposed for capital assets, expenses, subscription IT liabilities and right to use liabilities, including a restatement of the prior year financial statements due to a correction of an error, were identified. As auditors, we were required to and did draft the financial statements and accompanying notes to the financial statements, as well as the schedule of expenditures of federal awards.

Cause: This weakness is due to the limited resources in the financial reporting process due to budgetary constraints.

Effect: The effect of this condition is that year-end financial reporting is prepared by a party outside of the Medical Center. The outside party does not have constant contact with the ongoing financial transactions that internal staff have. Furthermore, it is possible that new standards may not be adopted and applied timely to interim financial statements.

Recommendation: We recommend that management should consider the cost and benefits of financial statement and schedule of expenditures of federal awards preparation internally or from an outside party. In addition, management should consider the effects of other deficiencies on the financial reporting process.

Views of Responsible Officials: Management agrees with the finding.

2024-002 Subscription-Based Information Technology Arrangements
Material Weakness in Internal Control Over Financial Reporting

Criteria: A properly designed system of internal control over financial reporting includes controls to ensure accounting standards are properly implemented and followed in financial reporting.

Condition: The Medical Center did not have an internal control system designed to properly account for subscription-based Information Technology Arrangements (SBITA).

Cause: The Medical Center does not have properly designed reporting process to implement and follow accounting standards.

Effect: Adjustments were required during the audit to properly state the account balances impacted by SBITAs. In addition, the need for adjustments indicates the Medical Center's interim financial information may not have been correct, which may affect management decisions during the course of the year. Audit adjustments were required to fairly state right use liabilities and expenses.

Auditor's Recommendation: It is recommended that the Medical Center develop policies and procedures over the implementation of new accounting standards and to monitor SBITA transactions going forward. Management will need to analyze any new agreements entered into by the Medical Center and ensure leases meeting the criteria are correctly reported.

Views of Responsible Officials: Management agrees with the auditor's recommendation.

2024-003 Segregations of Duties
Material Weakness in Internal Control Over Financial Reporting

Criteria: A properly designed system of internal control segregates the initiation, record keeping, and authorization of transactions.

Condition: The Medical Center's Chief Financial Officer has incompatible duties in recording and reconciliation of transactions. In addition, monthly reconciliations are not formally reviewed.

Cause: A limited number of office personnel prevent a proper segregation of accounting functions necessary to assure optimal internal control. This is not an unusual condition in organizations of your size.

Effect: Limited segregation of duties could result in misstatements that may not be prevented or detected on a timely basis in the normal course of operations.

Auditor's Recommendation: We realize that with a limited number of office employees, segregation of duties is difficult. We also recognize that in some instances it may not be cost effective to employ additional personnel for the purpose of segregating duties. However, the Medical Center should continually review its internal control procedures, other compensating controls and monitoring procedures to obtain the maximum internal control possible under the circumstances. Management involvement through the review of reconciliation procedures can be an effective control to ensure these procedures are being accurately completed on a timely basis. Furthermore, the Medical Center should periodically evaluate its procedures to identify potential areas where the benefits of further segregation of duties or addition of other compensating controls and monitoring procedures exceed the related costs.

Views of Responsible Officials: Management agrees with the finding and has reviewed the operating procedures of the Hospital.

Section III - Federal Award Findings and Questioned Costs

None

Agreed Upon Procedures Report
June 30, 2024

North Caddo Hospital Service District dba North Caddo Medical Center

CPAs & BUSINESS ADVISORS

Independent Accountant's Report

North Caddo Hospital Service District
dba North Caddo Medical Center
815 S Pine St
Vivian, LA 71082

We have performed the procedures enumerated below, on the control and compliance areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures of North Caddo Hospital Service District dba North Caddo Medical Center (Medical Center) as of and for the year ended June 30, 2024. The Medical Center's management is responsible for the control and compliance areas as of and for the year ended June 30, 2024.

The Medical Center has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of reporting our findings regarding the results of the procedures performed as compared to the LLA's Statewide Agreed-Upon Procedures as of and for the year ended June 30, 2024 and we will report on findings based on the procedures performed. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate to meet their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1) Written Policies and Procedures

A. Obtain and inspect the entity'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:

i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

ii. ***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.

iii. ***Disbursements***, including processing, reviewing, and approving.

iv. ***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).

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v. ***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 rates of pay or approval and maintenance of pay rate schedules.

vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

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

viii. ***Credit Cards (and debit cards, fuel cards, purchase 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).

ix. ***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.

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

xi. ***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.

xii. ***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.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

2) Board or Finance Committee

A. 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

i. 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.

ii. For those entities reporting on the governmental accounting model, observe whether 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. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

iii. 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.

iv. 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 the findings are considered fully resolved.

Exceptions

The board did not receive written updates of the progress of resolving one of the three prior year audit findings.

Management Response

Management will provide written updates on the progress of resolving future audit findings to the board.

3) Bank Reconciliations

A. 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:

i. 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);

ii. 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 within 1 month of the date the reciliation was prepared (e.g., initialed and dated, electronically logged); and

iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

4) Collections (excluding electronic funds transfers)

A. 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).

B. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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

i. Employees responsible for cash collections do not share cash drawers/registers;
ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
iii. Each employee responsible for collecting cash is not also 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; and
iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

C. 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 in force during the fiscal period.

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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:
i. Observe that receipts are sequentially pre-numbered.
ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
iii. Trace the deposit slip total to the actual deposit per the bank statement.
iv. 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).
v. Trace the actual deposit per the bank statement to the general ledger.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

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

A. 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).

B. For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
ii. At least two employees are involved in processing and approving payments to vendors;

v. 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;

vi. 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; and

vii. 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.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

C. For each location selected under procedure #5A 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

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

ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, 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 (e.g., sign checks) per the entity's policy, and (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 include electronic disbursements.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.

B. 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

i. 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) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

ii. Observe that finance charges and late fees were not assessed on the selected statements.

C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection). 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 observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

A. 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 and 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

i. 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);

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

iii. 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 #1A(vii); and

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

Exceptions

No exceptions were identified in the performance of the procedures listed above.

8) Contracts

A. 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. *Alternatively, 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

i. 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;

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

iii. 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, the documented approval); and

iv. 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.

<u>Exceptions</u>

No exceptions were identified in the performance of the procedures listed above.

<u>9) Payroll and Personnel</u>

A. 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.

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

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

ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

C. 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 and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

D. 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.

<u>Exceptions</u>

No exceptions were identified in the performance of the procedures listed above.

<u>10) Ethics</u>

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

ii. 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.

B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

11) Debt Service

A. 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.

B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Exceptions

No exceptions were identified in the performance of the procedures listed above.

12) Fraud Notice

A. 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.

B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

13) Information Technology Disaster Recovery/Business Continuity

A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

iii. 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.

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

C. 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. 42:1267. The requirements are as follows:

i. Hired before June 9, 2020 - completed the training; and

ii. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Exceptions

We performed the procedure and discussed the results with management.

14) Sexual Harassment

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, 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.

B. 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).

C. 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 the report includes the applicable requirements of R.S. 42:344:

i. Number and percentage of public servants in the agency who have completed the training requirements;

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

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

iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

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

Exceptions

No exceptions were identified in the performance of the procedures listed above.

We were engaged by the Medical Center 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 the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. 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 the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures of the Medical Center as of and for the year ended June 30, 2024. 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 Medical Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Commissioners and management of the Medical Center and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Eide Bailly LLP

Oklahoma City, Oklahoma
December 16, 2024