

ACADIA-ST. LANDRY HOSPITAL
SERVICE DISTRICT

FINANCIAL REPORT

JUNE 30, 2022

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-3
BASIC FINANCIAL STATEMENTS	
Statements of net position	5
Statements of revenues, expenses and changes in net position	6
Statements of cash flows	7-8
Notes to financial statements	9-24
SUPPLEMENTARY INFORMATION	
Schedules of net patient service revenues	26
Schedules of other operating revenues	27
Schedules of operating revenues and expenses	28
Schedules of departmental direct operating revenues and expenses	29-30
Schedules of departmental direct and general operating expenses	31-34
Schedules of board fees	35
INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on a Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	37-38
Summary schedule of current and prior year audit findings and management's corrective action plan	39-50

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA
Deidre L. Stock, CPA

C. Burton Kolder, CPA*
Of Counsel

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

WWW.KCSRCPAS.COM

INDEPENDENT AUDITOR'S REPORT

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA - retired 2022

* A Professional Accounting Corporation

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

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of Acadia-St. Landry Hospital Service District (District), a component unit of the Acadia Parish Police Jury, as of June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District, as of June 30, 2022 and 2021, and the respective changes in financial position and cash flows thereof for the years 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The supplementary information is for purposes of additional analysis 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 supplementary information 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 July 31, 2023, on our consideration of the District'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
July 31, 2023

BASIC FINANCIAL STATEMENTS

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Statements of Net Position
June 30, 2022 and 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$20,292,608	\$ 5,290,740
Investments	4,561,916	5,474,312
Patient accounts receivable, net of allowance for bad debt \$610,112 and \$726,572 for 2022 and 2021, respectively	1,006,926	1,774,705
Inventories	388,134	349,032
Prepaid expenses	197,882	157,012
Estimated third-party payor settlements	4,139,202	1,393,356
Other receivables	59,427	16,797
Total current assets	30,646,095	14,455,954
CAPITAL ASSETS		
Property, plant and equipment, at cost, less accumulation depreciation of \$5,705,107 and \$5,483,556 for 2022 and 2021, respectively	2,669,476	2,592,085
Total assets	\$33,315,571	\$17,048,039
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 515,698	\$ 738,202
Accrued expenses	19,020,288	478,592
Other payables	-	7,978
Unearned revenue	1,355,781	3,268,836
Capital lease payable	-	17,082
Total current liabilities	20,891,767	4,510,690
NET POSITION		
Net investment in capital assets	2,669,476	2,575,003
Unrestricted	9,754,328	9,962,346
Total net position	12,423,804	12,537,349
Total liabilities and net position	\$33,315,571	\$17,048,039

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

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2022 and 2021

	2022	2021
Operating revenues:		
Net patient service revenues (net of provision for bad debts of \$844,469 in 2022 and \$935,419 in 2021)	\$14,902,283	\$14,409,891
Other operating revenues	40,231,739	18,804,800
Total operating revenues	55,134,022	33,214,691
Operating expenses:		
Salaries and wages	5,507,894	5,423,225
Professional services	1,167,794	1,218,879
Other departmental expenses	9,814,327	9,874,831
Depreciation and amortization	221,551	208,346
Intergovernmental transfers - access grants	39,072,275	17,669,948
Total operating expenses	55,783,841	34,395,229
Operating loss	(649,819)	(1,180,538)
Non-operating revenues (expenses):		
Ad valorem taxes	497,999	603,621
Grant revenue	719,450	5,273,699
Realized and unrealized gain (loss) on investments	(796,682)	525,915
Investment income	115,853	76,740
Interest expense	(346)	(1,940)
Total non-operating revenues (expenses)	536,274	6,478,035
Increase (decrease) in net position	(113,545)	5,297,497
Net position, beginning	12,537,349	7,239,852
Net position, ending	\$12,423,804	\$12,537,349

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

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from and on behalf of patients	\$ 9,663,358	\$ 14,475,842
Payments to suppliers and contractors	(11,204,625)	(11,029,101)
Payments to employees	(5,473,385)	(5,369,105)
Other receipts and payments, net	<u>19,528,093</u>	<u>1,099,387</u>
Net cash provided (used) in operating activities	<u>12,513,441</u>	<u>(822,977)</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Ad valorem taxes	<u>497,999</u>	<u>603,621</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Grants received	255,197	84,317
Provider Relief Funds	1,023,006	-
Payments for the purchase of property and equipment	(298,942)	(1,025,612)
Payments for capital related debt	<u>(17,082)</u>	<u>(16,629)</u>
Net cash provided (used) in financing activities	<u>962,179</u>	<u>(957,924)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	115,853	76,740
Sales of investments	3,699,895	6,479,967
Purchases of investments	<u>(2,787,499)</u>	<u>(11,228,478)</u>
Net cash provided (used) by investing activities	<u>1,028,249</u>	<u>(4,671,771)</u>
 Net increase (decrease) in cash and cash equivalents	15,001,868	(5,849,051)
 Cash and cash equivalents, beginning of year	<u>5,290,740</u>	<u>11,139,791</u>
 Cash and cash equivalents, end of year	<u>\$ 20,292,608</u>	<u>\$ 5,290,740</u>

(Continued)

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Statements of Cash Flows (Continued)
For the Years Ended June 30, 2022 and 2021

	2022	2021
RECONCILIATION OF OPERATING LOSS TO NET		
CASH PROVIDED (USED) IN OPERATING ACTIVITIES		
Operating loss	\$ (649,819)	\$ (1,180,538)
Adjustments to reconcile operating loss to net cash flows provided (used) by operating activities:		
Depreciation and amortization	221,551	208,346
Provision for bad debts	844,469	935,419
(Increase) decrease in assets-		
Patient accounts receivable	(76,690)	(1,021,265)
Inventories	(39,102)	(8,999)
Prepaid expenses	(40,870)	(19,655)
Estimated third-party payor settlements	(2,745,846)	146,541
Other receivables	(42,630)	(4,277)
Increase (decrease) in liabilities-		
Accounts payable	(222,504)	64,609
Accrued expenses	18,541,696	54,120
Other payables	(7,978)	2,722
Unearned revenues	(3,268,836)	-
Net cash provided (used) in operating activities	\$ 12,513,441	\$ (822,977)
Noncash investing activities:		
Increase (decrease) in fair value of investments	\$ (744,462)	\$ 465,052

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

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements

(1) Organization and Significant Accounting Policies

Acadia-St. Landry Hospital Service District (the "Hospital Service District") was established in 1967, by the Acadia and St. Landry Parish Police Juries, by virtue of the authority of Louisiana Revised Statutes (R. S.) 46:1051 et seq. The purpose of the Hospital Service District is to provide health services to Acadia and St. Landry parishes. The Board of Commissioners is appointed by the Acadia and St. Landry Parish Police Juries.

On November 1, 2004, the Hospital Service District converted from an Acute Inpatient Prospective Payment System (IPPS) Hospital to a Critical Access Hospital (CAH). This conversion significantly changed the way the Hospital Service District was being reimbursed for Medicare patients. Under the previous Medicare payment methodology, the Hospital Service District was being paid on a Prospective Payment System (PPS). Under the CAH Medicare payment methodology, the Hospital Service District is paid 101% of its reasonable costs for Medicare purposes, except for Inpatient Psychiatric services which were paid based on a blend of reasonable cost and PPS, subject to various limits and rules up to June 30, 2008. As of June 30, 2009, the Hospital Service District was fully PPS for Inpatient Psychiatric services.

A. Reporting Entity

As the governing authority of the Parish, for reporting purposes, the Acadia Parish Police Jury is the financial reporting entity for the Hospital Service District. Accordingly, the Hospital Service District was determined to be a component unit of the Acadia Parish Police Jury. The accompanying financial statements present only the Hospital Service District.

B. Basis of Accounting

The accompanying basic financial statements of the Hospital Service District have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") applicable to state and local governments. 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 Hospital Service District are described below.

The Hospital Service District utilizes the proprietary fund method of accounting whereby all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenses, gains, and losses are measured and reported using the economic resources measurement focus and the accrual basis of accounting. The Hospital Service District's accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:514 and to the guide set forth in the *Louisiana Governmental Audit Guide*, and the *AICPA Audits of Providers of Health Care Services* published by the American Institute of Certified Public Accountants.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

In some instances, the GASB requires an entity to delay recognition of decreases in net position as expenditures until a future period. In other instances, entities are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the *delayed recognition of expenditures or revenues, respectively*. There were no deferred outflows of resources and deferred inflows of resources as of June 30, 2022 and 2021.

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The Hospital Service District reports three components as follows:

- (1) Net investment in capital assets - This component consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- (2) Restricted net position - This component is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Hospital Service District's bonds. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.
- (3) Unrestricted net position - This component of net position consists of net position that does not meet the definition of the above two components and is available for general use.

C. 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

D. Cash and Cash Equivalents

Cash includes amounts in demand deposits and on hand. For purposes of the statement of cash flows, highly liquid investments with an original maturity of three months or less are considered to be cash equivalents.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

E. Trade Receivables and Allowance for Uncollectible Accounts

Trade receivables are carried at the original billed amount less an estimate made for uncollectible accounts based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for uncollectible accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Trade receivables are written-off when deemed uncollectible. Recoveries of trade receivables previously written-off are recorded when received.

F. Investments

In accordance with professional standards, investments meeting the criteria specified in the standards are stated at fair value, which is either quoted market prices or the best estimate available. Investments which do not meet the requirements are stated at cost. Interest, dividends, and gains and losses, both realized and unrealized, are included in non-operating revenue. The unrealized gain (loss) on investments held at June 30, 2022 and 2021 was \$(200,161) and \$560,193, respectively.

G. Inventories

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

H. Net Patient Service Revenues

The Hospital Service District has agreements with third-party payors, which includes government programs which the Hospital Service District is paid based upon established charges, the cost of providing services, predetermined diagnosis rates, fixed per diem rates or discounts from established charges. Revenues are recorded at established charges. Revenues are recorded at estimated amounts due from patients and third-party payors for the services provided.

Net patient service revenues are reported at the estimated amounts realizable from patients, the third-party payer, 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. The Hospital Service District provides care to patients even though they are covered by contractual payment arrangements that do not pay full charges or may lack adequate insurance. As a result, the Hospital Service District is exposed to credit risks. The Hospital Service District manages such risks by providing appropriate allowances. The allowances are evaluated on a regular basis and are based upon management's periodic review of the collectability of the accounts considering historical experience, the nature and volume of the accounts and the agreement with the prospective third-party payer.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

I. Property, Plant and Equipment

The Hospital Service District records all property, plant and equipment acquisitions at historical cost, except for assets donated to the Hospital Service District. Donated assets are recorded at fair market value at the date of donation.

The Hospital Service District provides for depreciation of its plant and equipment using the straight-line method over the estimated useful lives of each class of depreciable assets. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation expense in the financial statements. The following estimated useful lives are generally used:

Building and improvements	15-20 years
Equipment	3-20 years

J. Grants and Donations

Revenues from grants and donations (including capital contributions of assets) are recognized when all eligibility requirements, including time requirements, are met. Grants and donations 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 other operating revenues. Amounts restricted to capital acquisitions are reported after non-operating revenues and expense.

K. Operating Revenues and Expenses

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

L. Unearned Revenue

Unearned revenue on the statement of net position represents funding received as a result of CARES Act subsidies and Medicare Accelerated and Advance Payment Program amounts \$482,267 and \$873,514, respectively.

M. Advertising

The Hospital Service District expenses advertising cost as incurred. Advertising expense for the years ended June 30, 2022 and 2021 totaled \$62,185 and \$73,559, respectively.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

N. Risk Management

The Hospital Service District is exposed to various risks of loss from tort; theft of, damage to and destruction of assets; business interruption; errors or omissions; employee injuries and illnesses; natural disasters; medical malpractice and employee health. Commercial insurance coverage is purchased for claims arising from such matters.

O. Restricted Resources

When the Hospital Service District has both restricted and unrestricted resources available to finance a particular program, it is the Hospital Service District's policy to use restricted resources before unrestricted resources.

P. Environmental Matters

The Hospital Service District is subject to laws and regulations relating to the protection of the environment. The Hospital Service District's policy is to accrue environmental and cleanup related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty, the potential financial impact of the Hospital Service District's continuing compliance efforts, management believes any future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of the Hospital Service District. At June 30, 2022 and 2021, management is not aware of any liability resulting from environmental matters.

(2) Deposits and Investments

Under state law the Hospital Service District may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Hospital Service District may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2022, the Hospital Service District had demand deposits (book balances) totaling \$20,292,608.

Custodial credit risk is the risk that in the event of a bank failure of a depository financial institution, the Hospital Service District's deposits may not be recovered or the collateral securities that are in the possession of the outside party will not be recovered. These deposits are stated at cost, which approximates fair value. Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Hospital Service District or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

Deposit balances (bank balances) at June 30, 2022, are secured as follows:

Bank balances	\$ <u>20,490,524</u>
Federal deposit insurance	\$ 500,000
Pledged securities	18,918,459
Uninsured/uncollateralized	<u>1,072,065</u>
Total federal deposit insurance and pledged securities	<u>\$ 20,490,524</u>

Deposits in the amount of \$18,918,459 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Hospital Service District's name. The Hospital Service District does not have a policy for custodial credit risk.

The Hospital Service District's investing is performed in accordance with investment policies complying with state statutes. Funds may be invested in time deposits, money market investment accounts or certificates of deposit with financial institutions insured by FDIC; direct obligations of the United States Government and its agencies; investment grade (A-1/P-1) commercial paper of domestic United States corporations; one of the two highest short-term rating categories of either Standards & Poor's Corporation of Moody's Investors Service; government backed mutual trust funds; and mutual funds which invest in equities and fixed income securities.

Effective July 1, 2012, R.S. 33:2957 was enacted by the Legislature of Louisiana relative to the investments of hospital service districts, stating that any hospital service district may invest its funds as provided by R.S. 46:1073.1, except as provided therein. R.S. 46:1073.1 allows hospital service districts to invest funds as provided by law for investment of funds of the Louisiana State Employee Retirement System (LASERS), including but not limited to R.S. 11:263; however, any such investment may be made only in compliance with rules and regulations established by the hospital service district commission and in compliance with the provisions of R.S. 11:263 and any other law which provides for investments in which funds of LASERS may be invested.

The Hospital Service District's investments generally are reported at fair value, as discussed in Note 1. At June 30, 2022 and 2021, the Hospital Service District had the following investments, all of which were held in the Hospital Service District's name by a custodial bank that is an agent of the Hospital Service District.

Investment Type	June 30, 2022	
	% of Portfolio	Fair Value
Mutual funds:		
Equities	47%	\$ 2,135,613
Fixed income	<u>53%</u>	<u>2,426,303</u>
Total	<u>100%</u>	<u>\$ 4,561,916</u>

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

Investment Type	June 30, 2021	
	% of Portfolio	Fair Value
Mutual funds:		
Equities	49%	\$ 2,708,209
Fixed income	51%	2,766,103
Total	100%	\$ 5,474,312

Interest Rate Risk – The state law does not address specific policies for managing interest rate risk. The Hospital Service District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates.

Credit Risk – Statutes authorize the Hospital Service District to invest in obligations of the U.S. Treasury, agencies and instrumentalities, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, banker's acceptances, equities and fixed income mutual funds. At June 30, 2021 and 2020, the Hospital Service District did not have any rated investments.

Concentration of Credit Risk – In compliance with State statutes, the Hospital Service District “may invest more than 55% of the total portfolio in equities, so long as not more than 65% of the total portfolio is invested in equities and at least 10% of the total equity portfolio is invested in one or more index funds which seek to replicate the performance of the chosen index or indices.” The Hospital Service District may place no more than 5% of the market value of the fixed income portion of the portfolio in any one issuer at the time of purchase. However, there is no limit on the holdings of the direct obligations issued or guaranteed by the United States Government or its agencies.

(3) Patient Accounts Receivable

Patient accounts receivable at June 30, 2022 and 2021 consisted of the following:

	2022	2021
Medicare	\$ 503,304	\$ 890,740
Medicaid	261,135	464,178
Other third-party payors	83,270	221,907
Patients	764,329	924,452
Total patient accounts receivable	1,612,038	2,501,277
Less allowance for uncollectible amounts	(605,112)	(726,572)
Patient accounts receivable, net	\$ 1,006,926	\$ 1,774,705

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

(4) Estimated Third-Party Settlements

The estimated third-party payors settlements receivable consisted of the following:

June 30, 2022:				
Cost Report Year	Medicare	Medicaid	UCC	Total
2014	\$ -	\$ 6,115	\$ -	\$ 6,115
2015	-	20,312	-	20,312
2016	-	22,101	-	22,101
2017	-	66,775	-	66,775
2018	-	67,694	-	67,694
2019	-	208,206	-	208,206
2020	-	176,320	-	176,320
2021	-	273,944	-	273,944
2022	2,873,153	424,582	-	3,297,735
Totals	<u>\$2,873,153</u>	<u>\$1,266,049</u>	<u>\$ -</u>	<u>\$ 4,139,202</u>

June 30, 2021:				
Cost Report Year	Medicare	Medicaid	UCC	Total
2015	\$ -	\$ 50,884	\$ -	\$ 50,884
2016	-	(10,812)	-	(10,812)
2017	-	44,789	-	44,789
2018	-	76,304	-	76,304
2019	-	250,339	-	250,339
2020	-	83,065	-	83,065
2021	(62,291)	419,798	541,280	898,787
Totals	<u>\$ (62,291)</u>	<u>\$ 914,367</u>	<u>\$541,280</u>	<u>\$ 1,393,356</u>

(5) Capital Assets

Capital asset activity for the years ended June 30, 2022 and 2021 were as follows:

	7/1/2021	Additions	Retirements	6/30/2022
Capital assets not being depreciated:				
Land	\$ 296,351	\$ 235,547	\$ -	\$ 531,898
Construction in progress	596,734	3,290	-	600,024
Other capital assets:				
Land improvements	51,882	-	-	51,882
Buildings and improvements	3,647,661	28,434	-	3,676,095
Equipment	3,483,013	31,671	-	3,514,684
Total	<u>8,075,641</u>	<u>298,942</u>	<u>-</u>	<u>8,374,583</u>
Less accumulated depreciation:				
Land improvements	48,374	647	-	49,021
Buildings and improvements	2,743,165	102,497	-	2,845,662
Equipment	2,692,017	118,407	-	2,810,424
Total depreciation	<u>5,483,556</u>	<u>221,551</u>	<u>-</u>	<u>5,705,107</u>
Capital assets, net	<u>\$ 2,592,085</u>	<u>\$ 77,391</u>	<u>\$ -</u>	<u>\$ 2,669,476</u>

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

	<u>7/1/2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>6/30/2021</u>
Capital assets not being depreciated:				
Land	\$ 296,351	\$ -	\$ -	\$ 296,351
Construction in progress	12,324	584,410	-	596,734
Other capital assets:				
Land improvements	51,882	-	-	51,882
Buildings and improvements	3,661,796	6,754	20,889	3,647,661
Equipment	<u>3,048,566</u>	<u>434,447</u>	<u>-</u>	<u>3,483,013</u>
Total	<u>7,070,919</u>	<u>1,025,611</u>	<u>20,889</u>	<u>8,075,641</u>
Less accumulated depreciation:				
Land improvements	47,727	647	-	48,374
Buildings and improvements	2,639,119	104,046	-	2,743,165
Equipment	<u>2,609,253</u>	<u>103,653</u>	<u>20,889</u>	<u>2,692,017</u>
Total depreciation	<u>5,296,099</u>	<u>208,346</u>	<u>20,889</u>	<u>5,483,556</u>
Capital assets, net	<u>\$ 1,774,820</u>	<u>\$ 817,265</u>	<u>\$ -</u>	<u>\$ 2,592,085</u>

Depreciation expense for the years ended June 30, 2022 and 2021 amounted to \$221,551 and \$208,346, respectively.

(6) Compensated Absences

Effective February 2002, full-time employees accrued four (4) hours of paid time off (PTO) per pay period, while part-time employees accrued PTO at a rate of four (4) percent of total hours worked per pay period until April of 2006. On that date, full-time employees with years of service of one (1) to five (5) years began accruing 5.23 hours of PTO per pay period, while full-time employees with years of service of five (5) or more years began accruing 6.77 hours of PTO per pay period. Part-time employees accrue PTO at a rate of four (4) percent of total hours worked per pay period and may accumulate up to a maximum of 300 PTO hours. Full-time employees may accumulate PTO hours to a maximum of 350 hours. When the employee reaches the maximum, further accumulation is ceased until PTO time is used; there is no cash option associated with this maximum bank. It is impracticable to estimate the amount of compensation for future unvested sick pay and, accordingly, no liability has been recorded in the accompanying financial statements. The Hospital Service District's policy is to recognize the cost of unvested sick pay when actually paid to employees. At June 30, 2022 and 2021, accrued compensated absences, which are included in accrued expenses, totaled \$284,637 and \$259,842, respectively.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

(7) Changes in Noncurrent Liabilities

The following is a summary of noncurrent liabilities transactions for the year ended June 30, 2022:

	<u>Balance 6/30/2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/2022</u>	<u>Due Within One Year</u>
Capital lease	\$ 17,082	\$ -	\$ 17,082	\$ -	\$ -

(8) Net Patient Service Revenues

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

Medicare – On November 1, 2004, the Hospital Service District converted to a Critical Access Hospital (CAH) with a Distinct Part Psychiatric Unit. Inpatient acute care services and swing bed services rendered to Medicare program beneficiaries are reimbursed at cost plus 1%. Outpatient services are reimbursed at cost plus 1% (subject to limits and rules), while other outpatient laboratory services are reimbursed on a fee schedule. Inpatient Psychiatric services are reimbursed on a blended cost and PPS reimbursement methodology subject to certain limitations.

The Hospital Service District is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital Service District and audits thereof by the Medicare fiscal intermediary. The Hospital Service District's Medicare cost reports have been settled by the Medicare fiscal intermediary through June 30, 2020.

Medicaid – Inpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates per day. Certain outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology, subject to certain limits, while other outpatient services are reimbursed on a fee schedule. The Hospital Service District is reimbursed for outpatient services at an interim rate with final settlement determined after submission of annual cost reports by the Hospital Service District and audits thereof by the Medicaid fiscal intermediary. The Hospital Service District's Medicaid cost reports have been settled by the Medicaid fiscal intermediary through June 30, 2012.

During the years ended June 30, 2022 and 2021, approximately 86.7% and 90.1%, respectively, of the Hospital Service District's gross patient service revenues were furnished to Medicare and Medicaid beneficiaries. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates may change by a material amount in the near term. As a result of retroactive adjustments of certain prior year cost reports, the Hospital Service District recorded changes in estimates resulting in a decrease in net patient service revenues of approximately \$72,900 and \$271,869 for the years ending June 30, 2022 and 2021, respectively.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

Current regulations limit uncompensated care cost incurred by the Hospital Service District in each fiscal year. These amounts are subject to audit by Medicaid and any overpayments will be recouped. Management has not estimated a reserve liability for the possible recoupment of these uncompensated care cost payments for June 30, 2022 and 2021, respectively. To the extent management's estimate differs from actual results, the differences will be used to adjust income in the period when such differences arise.

Future uncompensated cost payments are dependent upon state appropriations, which require approval by the state legislature. If the state should not fund or substantially change this program, it could have a significant impact on the Hospital Service District's revenue.

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

(9) Ad Valorem Taxes

The Hospital Service District's property tax is levied by the parish on the taxable real property in the district in late October of each year. Bills are sent out in November of each year, at which time the Hospital Service District records the tax revenue and becomes a lien in the following March. The taxes are based on assessed values determined by the Tax Assessor and are collected by the Sheriff. The Hospital Service District levied 10 mills for the fiscal years ended 2022 and 2021. For the years ended June 30, 2022 and 2021, property tax revenues, net of pension deductions, totaled \$497,999 and \$603,621, respectively.

(10) Concentration of Credit Risks

The Hospital Service District grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at June 30, 2021 and 2020 was as follows:

	2022	2021
Medicare	31.2%	35.6%
Medicaid	16.2%	18.6%
Other third-party payors	5.2%	8.9%
Patients	<u>47.4%</u>	<u>37.0%</u>
	<u>100.0%</u>	<u>100.0%</u>

(11) Deferred Compensation

The Hospital Service District offers employees a deferred compensation plan (Plan), which all employees are eligible to participate. The Plan was adopted under the provisions of Internal Revenue Code Section 457, and is administered by Security Benefit. The Hospital Service District does not have managerial or financial responsibility for plan assets. The Hospital Service District will match half (50%) of the employees' contributions to the plan up to a maximum of 5% of the employees gross income per pay period. The Hospital Service District contributed \$70,685 and \$68,342 as of June 30, 2022 and 2021, respectively.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

(12) Professional and General Liability Risk

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

The Hospital Service District has acquired additional coverage for professional medical malpractice and general liability through the Louisiana Hospital Association Trust Fund by purchasing a claims-made policy. Losses on medical malpractice and general liability claims are estimated based on deductibles and claims in excess of per-claim or aggregate coverage and incurred but not reported during the claim year. These estimates reflect the Hospital Service District's best estimates of the ultimate costs of reported and unreported claims, using the Hospital Service District's past experience, industry experience and identified asserted claims and reported incidents. No provision for losses on medical malpractice and general liability claims are recorded based on management's estimates that these matters will be resolved without material adverse effect on the Hospital Service District's future financial position or results from operations. There have been no significant reductions in insurance coverage during the fiscal year, nor have settlements exceeded coverage in the past three years.

(13) Contingencies

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

The principle contingencies are described below:

Third-party Government Revenues (Note 8) – Cost reimbursements are subject to examination by agencies administering the programs. The Hospital Service District is contingently liable for retroactive adjustments made by the Medicare and Medicaid programs as the result of their examinations as well as retroactive changes in interpretations applying statutes, regulations and general instructions of those programs. The amount of such adjustments cannot be determined.

The healthcare industry is subject numerous laws and regulations of Federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government program participating requirements, reimbursement for patient services and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

Management believes that the Hospital Service District is in compliance with fraud and abuse statutes as well as other applicable governmental laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

The Patient Protection and Affordable Healthcare Act (PPACA) was signed into law on March 23, 2010. In addition, the Health Care and Education Affordability Reconciliation Act (Reconciliation Act), which contains a number of amendments to the PPACA, was signed into law on March 30, 2010. These healthcare bills (collectively, the "Reform Legislation") seek to increase the number of persons with access to health insurance coverage. The reform legislation makes a number of other changes to Medicare and Medicaid, such as reductions to the annual market basket update for federal fiscal years 2010 through 2020, a productivity offset to the market basket update beginning October 1, 2011, and a reduction to disproportionate share payments. The various provisions in the Reform Legislation that directly or indirectly affect reimbursement are scheduled to take effect over a number of years.

Also included in the Reform Legislation are provisions aimed at reducing fraud, waste and abuse in the healthcare industry. These provisions allocate significant additional resources to federal enforcement agencies and expand the use of private contractors to recover potentially inappropriate Medicare and Medicaid payments. The Reform Legislation amends several existing federal laws, including the Medicare Anti-Kickback Statute and the False Claims Act, making it easier for government agencies and private plaintiffs to prevail in lawsuits brought against healthcare providers. These amendments also make it easier for potentially severe fines and penalties to be imposed on healthcare providers accused of violating applicable laws and regulations.

Management cannot predict the impact that Reform Legislation may have on the Hospital's financial position, results of operations or changes in net position or cash flows.

(14) Grant Revenue

The Hospital Service District collaborated with the Rural Hospital Coalition, a nonprofit organization, to design and implement a grant program funded by various sources to ensure that adequate and essential medically necessary healthcare services are accessible and available to the service population subject to the availability of such grant funds. On February 3, 2015, the Hospital Service District entered into a cooperative endeavor agreement (CEA) with other public Louisiana hospital service districts whereby the Hospital Service District receives grant funding and awards intergovernmental transfer grants (IGT) to be used in accordance with the grant program. As of June 30, 2022 and 2021, the District received \$40,124,620 and \$18,730,988 of grant program funding and provided intergovernmental transfer grants to other hospital service districts in the amount of \$39,072,275 and \$17,669,948, respectively.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

(15) CARES Act Subsidies

In response to the economic fallout of the COVID-19 pandemic in the United States, the 116th U.S. Congress passed an economic stimulus bill that was signed into law by the President on March 27, 2020. The Coronavirus Aid, Relief, and Economic Security (CARES) Act authorized \$2.2 trillion to combat COVID-19 and its economic effects, including providing loan programs for small businesses, support for hospitals and other medical providers, and various types of economic relief for impacted businesses and industries. As a result of the CARES Act, the Hospital Service District received funding from the following programs:

Provider Relief Funds – The Hospital Service District received approximately \$4,161,233 in Provider Relief Funds during the fiscal year ending June 30, 2020. This payment was issued by the U.S. Department of Health & Human Services (HHS) in response to the Coronavirus pandemic to be utilized for healthcare related expenses and lost revenues attributable to coronavirus. During the fiscal year ending June 30, 2021, the Hospital submitted their report to HHS, recognizing grant revenue in the amount of \$4,025,182 for eligible healthcare related expenses related to the coronavirus. The Hospital received \$942,415 in Provider Relief Funding during the fiscal year ending June 30, 2022. During the fiscal year ending June 30, 2022, the Hospital submitted their report to HHS, recognizing grant revenue in the amount of \$461,032, including earned interest, for eligible healthcare related expenses with the remaining \$415,080 reported as unearned revenues.

Medicare Accelerated and Advance Payment Program – On March 28, 2020, the Centers for Medicare and Medicaid Services (CMS) expanded the existing Accelerated and Advance Payments Program (Program) to a broader group of Medicare Part A providers and Part B suppliers. An accelerated or advance payment is a payment intended to provide necessary funds when there is a disruption in claims submission and/or claims processing. Additionally, these payments can be offered in circumstances of national emergencies to accelerate cash flow to the impacted health care providers and suppliers. The accelerated payment is reported as unearned revenue in the accompanying statement of net position. In accordance with the terms of the Program, recoupment of the funds will begin in one year from the date the payment was issued. At June 30, 2021, the Hospital Service District reported unearned revenues of \$3,219,375, net of recoupments in the amount of \$537,369. For the year ended June 30, 2022, the Hospital Service District reported unearned revenues of \$873,514, net of recoupments in the amount of \$2,345,861.

Paycheck Protection Program – On May 7, 2020, the Hospital Service District entered into a promissory note in the amount of \$1,164,200 through the U.S. Small Business Administration's Paycheck Protection Program (Program). The purpose of the Program was to provide funding for employee salaries and certain limited nonpayroll expenses. In accordance with the Program, the loan can be partially or completely forgiven if certain criteria are met. Any amounts not forgiven will be repaid bearing an interest rate of 1 percent. The terms of the note are described in Note 7 to the financial statements. On April 7, 2021, the Hospital Service District received notice from the Small Business Administration that the loan was completely forgiven and the amount was recorded as grant income on the statement of activities.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

(16) Fair Value Measurements

Professional standards require the disclosure for fair value measurements of financial assets and liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. The standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of inputs used to measure fair value are as follows:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b. Level 2 inputs are observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- c. Level 3 inputs are unobservable inputs for the asset or liability.

The following methods and assumptions were used by the District in estimating fair values of financial instruments:

- a. The carrying amount reported in the statement of net position for the following approximates fair value due to the short maturities of these instruments: cash, accounts receivable, and accounts payable.
- b. The fair value for investment securities are based on quoted market prices at the reporting date multiplied by the quantity held. The carrying value equals fair value.

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2022 and 2021:

Description	June 30, 2022			
	Total	(Level 1)	(Level 2)	(Level 3)
Equities	\$2,135,613	\$ -	\$ 2,135,613	\$ -
Fixed income	<u>2,426,303</u>	<u>-</u>	<u>2,426,303</u>	<u>-</u>
	<u>\$4,561,916</u>	<u>\$ -</u>	<u>\$ 4,561,916</u>	<u>\$ -</u>

Description	June 30, 2021			
	Total	(Level 1)	(Level 2)	(Level 3)
Equities	\$2,708,209	\$ -	\$ 2,708,209	\$ -
Fixed income	<u>2,766,103</u>	<u>-</u>	<u>2,766,103</u>	<u>-</u>
	<u>\$5,474,312</u>	<u>\$ -</u>	<u>\$ 5,474,312</u>	<u>\$ -</u>

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

(17) Tax Abatement

Louisiana’s State Constitution Chapter VII Section 21 authorizes the State Board of Commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment related to manufacturing for the first ten years of its operation; after which the property will be added to the local tax roll and taxed at the value and millage in force at that time. The future value to this exempt property could be subject to significant fluctuations from today’s value; however, the District could receive a substantial increase in ad valorem tax revenues once the exemption on this property expires. Because these taxes are not assessed, no adjustments have been made to the Hospital Service District’s financial statements to record the exempt amounts. At June 30, 2022 and 2021, the District’s ad valorem revenues were reduced by \$110,092 and \$187,705, respectively, as a result of these abatements.

(18) Schedule of Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation, benefits, and other payments to Cindy Walters, Chief Executive Officer, for the period July 1, 2021 through April 11, 2022 and Tiffany Young, Interim Chief Executive Officer, for the period April 14, 2022 through June 30, 2022 follows:

<u>Purpose</u>	Cindy Walters	Tiffany Young
Salary	\$ 129,803	\$ 26,222
Benefits - insurance	17,829	-
Benefits - retirement	2,403	653
Benefits - other	6,381	360
Car Allowance	6,250	1,000
Travel	456	-
Conference travel	1,329	-
Special meals	-	30
Cellular phone	-	430

SUPPLEMENTARY INFORMATION

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Schedules of Net Patient Service Revenues
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Gross patient direct services	<u>\$ 16,552,281</u>	<u>\$ 18,848,799</u>
Less:		
Contractual allowances	(116,179)	(3,069,713)
Uncollectible accounts	(844,469)	(935,419)
Discounts	<u>(689,350)</u>	<u>(433,776)</u>
Total contractual allowances, discounts and uncollectible accounts	<u>(1,649,998)</u>	<u>(4,438,908)</u>
Net patient service revenues	<u>\$ 14,902,283</u>	<u>\$ 14,409,891</u>

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Schedules of Other Operating Revenues
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cafeteria	\$ 46,489	\$ 41,715
Rent income	26,516	26,752
Medical record income	5,355	5,345
Intergovernmental transfers - access grants	40,124,620	18,730,988
Miscellaneous	<u>28,759</u>	<u>-</u>
Total other operating revenues	<u>\$ 40,231,739</u>	<u>\$ 18,804,800</u>

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Schedules of Other Operating Revenues and Expenses
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Direct operating revenues	\$ 16,552,281	\$ 18,848,799
Direct operating expenses	<u>10,377,534</u>	<u>10,458,538</u>
Excess of direct operating revenues over direct operating expenses	6,174,747	8,390,261
Contractual allowances, discounts and uncollectible accounts	<u>1,649,998</u>	<u>4,438,908</u>
Net excess of direct operating revenues over direct operating expenses	<u>4,524,749</u>	<u>3,951,353</u>
General operating expenses:		
General services	1,744,535	1,488,921
Financial and administrative services	<u>4,367,946</u>	<u>4,569,476</u>
Total general operating expenses	<u>6,112,481</u>	<u>6,058,397</u>
Other operating revenues	<u>40,231,739</u>	<u>18,804,800</u>
Other operating expenses:		
Depreciation and amortization	221,551	208,346
Intergovernmental transfers - access grants	<u>39,072,275</u>	<u>17,669,948</u>
	<u>39,293,826</u>	<u>17,878,294</u>
Deficiency of operating revenues over operating expenses	<u>\$ (649,819)</u>	<u>\$ (1,180,538)</u>

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Schedules of Departmental Direct
Operating Revenues and Expenses
For the Years Ended June 30, 2022 and 2021

	Inpatient Revenues		Outpatient Revenues	
	2022	2021	2022	2021
Direct services:				
Central Supply	\$ 547,431	\$ 693,915	\$ 219,097	\$ 206,779
CT Scan	23,696	35,537	751,523	748,924
Daily patient services	936,225	1,428,800	-	-
Electrocardiology	6,660	8,310	59,510	61,730
Emergency room	29,800	26,248	1,028,360	602,800
Emergency room physician	-	-	377,370	355,370
Hyperbaric	-	-	-	-
Laboratory	321,294	381,346	1,844,656	1,784,558
MRI	-	3,251	13,857	29,463
Occupational therapy	147,885	189,782	64,706	60,067
Operating room and Gastro	-	-	-	-
Other	-	-	2,628	3,289
Pharmacy	757,603	982,454	223,060	284,070
Physical therapy	120,133	131,733	199,222	188,618
Psychiatric therapy group	1,479,820	1,648,990	4,276,195	4,996,400
Psychiatric unit	-	-	-	-
Radiology	19,969	27,399	474,633	399,238
Respiratory therapy	766,345	1,047,037	72,435	74,553
Rural health clinic	922,304	825,102	-	-
Speech therapy	30,708	50,174	23,088	24,836
Ultrasound	32,034	41,254	130,203	166,019
Wound care	2,172	24,176	647,659	1,316,577
Total direct services	<u>\$ 6,144,079</u>	<u>\$ 7,545,508</u>	<u>\$ 10,408,202</u>	<u>\$ 11,303,291</u>

Total Direct Revenues				Excess (Deficiency) of Direct Revenues Over Direct Operating Expenses	
2022	2021	2022	2021	2022	2021
\$ 766,528	\$ 900,694	\$ 232,973	\$ 257,142	\$ 533,555	\$ 643,552
775,219	784,461	158,590	154,800	616,629	629,661
936,225	1,428,800	3,045,585	2,894,937	(2,109,360)	(1,466,137)
66,170	70,040	172	-	65,998	70,040
1,058,160	629,048	113,733	103,629	944,427	525,419
377,370	355,370	1,032,702	1,022,288	(655,332)	(666,918)
-	-	-	-	-	-
2,165,950	2,165,904	870,354	817,049	1,295,596	1,348,855
13,857	32,714	18,230	42,000	(4,373)	(9,286)
212,591	249,849	104,946	118,406	107,645	131,443
-	-	2,540	463	(2,540)	(463)
2,628	3,289	-	-	2,628	3,289
980,663	1,266,524	592,608	671,236	388,055	595,288
319,355	320,351	166,862	170,388	152,493	149,963
5,756,015	6,645,390	1,580,449	1,671,942	4,175,566	4,973,448
-	-	690,120	768,121	(690,120)	(768,121)
494,602	426,637	432,194	419,763	62,408	6,874
838,780	1,121,590	424,846	410,702	413,934	710,888
922,304	825,102	498,809	350,191	423,495	474,911
53,796	75,010	51,682	65,195	2,114	9,815
162,237	207,273	53,273	66,954	108,964	140,319
649,831	1,340,753	306,866	453,332	342,965	887,421
<u>\$ 16,552,281</u>	<u>\$ 18,848,799</u>	<u>\$ 10,377,534</u>	<u>\$ 10,458,538</u>	<u>\$ 6,174,747</u>	<u>\$ 8,390,261</u>

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Schedules of Departmental Direct
and General Operating Expenses
For the Years Ended June 30, 2022 and 2021

	Salaries		Professional Fees	
	2022	2021	2022	2021
Direct services:				
Central Supply	\$ 77,870	\$ 44,703	\$ -	\$ -
CT Scan	-	-	-	-
Daily patient services	2,221,666	2,268,134	42,953	55,417
Electrocardiology	-	-	-	-
Emergency room	-	-	-	-
Emergency room physician	-	-	1,032,702	1,022,288
Hyperbaric	-	-	-	-
Laboratory	448,544	458,726	3,875	2,825
MRI	-	-	18,230	42,000
Nuclear medicine	-	-	-	-
Occupational therapy	-	-	-	-
Operating room and Gastro	-	-	-	-
Pharmacy	25,988	29,883	-	-
Physical therapy	-	-	-	-
Psychiatric therapy group	-	-	-	-
Psychiatric unit	-	-	-	-
Radiology	343,437	336,254	-	-
Respiratory therapy	345,023	343,024	1,575	6,300
Rural health clinic	357,474	229,460	14,076	19,003
Speech therapy	-	-	50,710	65,048
Ultrasound	-	-	-	-
Wound care	169,478	207,692	-	-
Total direct services	<u>3,989,480</u>	<u>3,917,876</u>	<u>1,164,121</u>	<u>1,212,881</u>
General services:				
Dietary	226,354	234,980	-	-
Housekeeping	148,962	142,041	-	-
Laundry and linen	-	-	-	-
Plant engineering	326,969	327,711	-	-
Total general services	<u>702,285</u>	<u>704,732</u>	<u>-</u>	<u>-</u>
Subtotals forward	<u>\$ 4,691,765</u>	<u>\$ 4,622,608</u>	<u>\$ 1,164,121</u>	<u>\$ 1,212,881</u>

Other Expenses		Total	
2022	2021	2022	2021
\$ 155,103	\$ 212,439	\$ 232,973	\$ 257,142
158,590	154,800	158,590	154,800
780,966	571,386	3,045,585	2,894,937
172	-	172	-
113,733	103,629	113,733	103,629
-	-	1,032,702	1,022,288
-	-	-	-
417,935	355,498	870,354	817,049
-	-	18,230	42,000
-	-	-	-
104,946	118,406	104,946	118,406
2,540	463	2,540	463
566,620	641,353	592,608	671,236
166,862	170,388	166,862	170,388
1,580,449	1,671,942	1,580,449	1,671,942
690,120	768,121	690,120	768,121
88,757	83,509	432,194	419,763
78,248	61,378	424,846	410,702
127,259	101,728	498,809	350,191
972	147	51,682	65,195
53,273	66,954	53,273	66,954
137,388	245,640	306,866	453,332
<u>5,223,933</u>	<u>5,327,781</u>	<u>10,377,534</u>	<u>10,458,538</u>
375,318	279,609	601,672	514,589
148,469	49,208	297,431	191,249
22,782	32,736	22,782	32,736
<u>495,681</u>	<u>422,636</u>	<u>822,650</u>	<u>750,347</u>
<u>1,042,250</u>	<u>784,189</u>	<u>1,744,535</u>	<u>1,488,921</u>
<u>\$ 6,266,183</u>	<u>\$ 6,111,970</u>	<u>\$ 12,122,069</u>	<u>\$ 11,947,459</u>

(continued)

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Schedules of Departmental Direct
and General Operating Expenses (Continued)
For the Years Ended June 30, 2022 and 2021

	Salaries		Professional Fees	
	2022	2021	2022	2021
Subtotals forwarded	<u>\$ 4,691,765</u>	<u>\$ 4,622,608</u>	<u>\$ 1,164,121</u>	<u>\$ 1,212,881</u>
Financial and administrative services				
Accounting	144,925	121,003	-	-
Administration	290,624	283,571	3,673	5,998
Business office	186,623	168,533	-	-
Medical records	156,921	143,330	-	-
Risk management	37,036	84,180	-	-
Payroll taxes	-	-	-	-
Employee benefits	-	-	-	-
Other general and administrative expenses	-	-	-	-
Total financial and administrative expenses	<u>816,129</u>	<u>800,617</u>	<u>3,673</u>	<u>5,998</u>
Total direct operating expenses	<u>\$ 5,507,894</u>	<u>\$ 5,423,225</u>	<u>\$ 1,167,794</u>	<u>\$ 1,218,879</u>

Other Expenses		Total	
2022	2021	2022	2021
<u>\$ 6,266,183</u>	<u>\$ 6,111,970</u>	<u>\$ 12,122,069</u>	<u>\$ 11,947,459</u>
4,749	7,450	149,674	128,453
228,436	209,386	522,733	498,955
767,920	967,744	954,543	1,136,277
66,762	61,903	223,683	205,233
748	3,000	37,784	87,180
440,768	384,269	440,768	384,269
1,080,289	1,102,616	1,080,289	1,102,616
<u>958,472</u>	<u>1,026,493</u>	<u>958,472</u>	<u>1,026,493</u>
<u>3,548,144</u>	<u>3,762,861</u>	<u>4,367,946</u>	<u>4,569,476</u>
<u>\$ 9,814,327</u>	<u>\$ 9,874,831</u>	<u>\$ 16,490,015</u>	<u>\$ 16,516,935</u>

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Schedules of Board Fees
For the Years Ended June 30, 2022 and 2021

<u>Board Members</u>	<u>2022</u>	<u>2021</u>
Benjamin Bellard	\$ 480	\$ 600
Lee Bellard	240	-
Rachel Broussard	240	-
George Cook	240	-
Claire Jackson	240	480
Myra Lewis	280	440
Jeff Richard	240	-
Roger Boudreaux	160	520
Michael Williams, M.D.	520	680
Candy Leger	240	680

The schedule of compensation paid to the Board of Commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature. In accordance with Louisiana Revised Statute 46:1053(C)(2)(a), the Hospital Service District's board members receive \$40 for each day of attendance at meetings of the commission, not to exceed 12 meetings per year.

**INTERNAL CONTROL,
COMPLIANCE
AND OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA
Deidre L. Stock, CPA

C. Burton Kolder, CPA*
Of Counsel

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

WWW.KSRCPCAS.COM

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA - retired 2022

* A Professional Accounting Corporation

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Acadia-St. Landry Hospital Service District, a component unit of the Acadia Parish Police Jury, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Acadia-St. Landry Hospital Service District's basic financial statements, and have issued our report thereon dated July 31, 2023.

Report of Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Acadia-St. Landry Hospital Service District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Acadia-St. Landry Hospital Service District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Acadia-St. Landry Hospital Service District'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 entity'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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 2022-001 through 2022-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Acadia-St. Landry Hospital Service District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2022-004 through 2022-010.

Acadia-St. Landry Hospital Service District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Acadia-St. Landry Hospital Service District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Acadia-St. Landry Hospital Service District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
July 31, 2023

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan

Part I. Current Year Findings and Management's Corrective Action Plan

Internal Control Findings -

2022-001 Inadequate Supporting Documentation over Credit Card Purchases

Fiscal year finding initially occurred: 2021

Criteria

The District should have a control policy to ensure adequate documentation is maintained for all purchases, including credit card purchases.

Condition

The District did not have a control policy to ensure that adequate documentation was maintained to support credit card purchases. Items purchased on District credit cards did not have detailed invoices itemizing all items purchased. Additionally, the business/public purpose of transactions and documentation of the individuals participating in meals was not maintained.

Cause

The District did not adhere to their policies and procedures which requires proper supporting documentation prior to the issuance of payment.

Effect

The District did not have the proper supporting documentation in order to determine whether the expenditures were appropriate.

Recommendation

The District should implement a policy requiring credit card users to submit detailed receipts for every purchase and documentation of the individuals participating in meals including the public purpose.

Management's Corrective Action Plan

Management has adopted a policy requiring credit card users to turn in all detailed receipts or obtain detailed receipts prior to payment of the monthly statement and repay any transaction if a detailed receipt is not produced.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan (Continued)

2022-002 Board Approval of Contracts

Fiscal year finding initially occurred: 2021

Criteria

The District should have a control policy to ensure that all contracts have documentation of Board approval.

Condition

The District did not have a control policy to ensure that documentation was maintained to support Board approval of contracts.

Cause

The District's procedures did not require maintenance of written documentation to support contract approval by the Board.

Effect

The District did not have the proper supporting documentation to verify Board approval of contracts.

Recommendation

The District should implement a policy requiring written documentation of approval be maintained for all contracts.

Management's Corrective Action Plan

Management has adopted a policy requiring written approval by the Board of Commissioners for contracts over the authorized limit of the CEO. The current CEO's contract allows him the authority to negotiate contracts under a certain cost limit.

2022-003 Rural Health Clinic Receivables/Revenues

Fiscal year finding initially occurred: 2022

Criteria

The District should have a control policy to ensure that the Rural Health Clinic receivables and revenues are properly recorded on the general ledger and reconciled to supporting document and/or subsidiary ledgers.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan (Continued)

Condition

The District did not have adequate controls over the recordation of receivable and revenue transactions and the monthly reconciliation of account balances for the Rural Health Clinic.

Cause

Due to inadequate policies and procedures, the District's general ledger transactions are not being properly recorded and monthly reconciliations are not being performed.

Effect

The District's general ledger accounts required material adjustments at the end of their fiscal year in order to properly state account balances.

Recommendation

The District should implement procedures to ensure the Rural Health Clinic's transactions are properly recorded and account balances are reconciled timely.

Management's Corrective Action Plan

Management has hired a billing specialist who will provide reports to ensure that all transactions for the Rural Health Clinic are recorded and which will provide supporting documentation to reconcile to the general ledger.

Compliance Findings -

2022-004 Purchase of Meals and Gifts

Fiscal year finding initially occurred: 2021

Criteria

Article VII section 14 of the Louisiana Constitution states that public funds should not be loaned, pledged, or donated to or for any person, association, or corporation, public or private. Funds should be used for a public purpose.

Condition

The District did not comply with Article VII section 14. The District used public funds to purchase food for meetings and celebratory functions. Additionally, gifts were also purchased with public funds.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan (Continued)

Cause

The District improperly used public funds for the purchase of meals and gifts.

Effect

The District did not comply with Article VII section 14 of the Louisiana Constitution.

Recommendation

The District should ensure that public funds are only spent on items with a public purpose. All expenditures of public funds should be supported with proper supporting documentation to support the business purpose of the expenditure.

Management's Corrective Action Plan

Management has implemented processes that will ensure that all public funds used will be for valid public purposes, and are supported with proper documentation.

2022-005 Payment of Cell Phone Bills for Employees

Fiscal year finding initially occurred: 2021

Criteria

Article VII section 14 of the Louisiana Constitution states that public funds should not be loaned, pledged, or donated to or for any person, association, or corporation, public or private. Funds should be used for a public purpose.

Condition

The District did not comply with Article VII section 14. The District used public funds to reimburse an employee for a cell phone bill. The District reimbursed the entire bill without adjusting for personal usage or documenting the employee's business purpose for the phone. Additionally, it was determined that four other employees have cell phone reimbursements that do not contain documentation of personal usage allowance or business purpose of the phone.

Cause

The District improperly used public funds for the payment of cell phone bills.

Effect

The District did not comply with Article VII section 14 of the Louisiana Constitution.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan (Continued)

Recommendation

The District should ensure that public funds are only spent on items with a public purpose. All expenditures of public funds should be supported with proper supporting documentation to support the business purpose of the expenditure.

Management's Corrective Action Plan

Management no longer reimburses employees for cell phone bills that are not properly documented as a business use.

2022-006 Compensation to the Board of Commissioners

Fiscal year finding initially occurred: 2021

Criteria

In accordance with Louisiana Revised Statute 46:1053(C)(2)(a) and 46:1053(C)(2)(h), the parish governing authority of the parish in which the district is located may permit a per diem to each board member of the commission in the amount of not less than twenty-five dollars nor more than forty dollars and not less than forty dollars nor more than one hundred dollars for St. Landry Parish for each day of their attendance at meetings of the commission, not to exceed 12 meeting per year.

Condition

The District is compensating the Board of Commissioners based on inaccurate attendance records.

Cause

The District's management did not maintain accurate attendance records to ensure board members were compensated in accordance with Louisiana Revised Statutes.

Effect

The District did not comply with Louisiana Revised Statute 46:1053(C)(2)(a) and 46:1053(C)(2)(h) by compensating board members in excess of twelve meetings per year and compensating board members that did not attend meetings.

Recommendation

The District should take necessary actions to ensure accurate attendance records are maintained and board members are compensated for actual meeting attendance, not to exceed twelve meetings per year.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan (Continued)

Management's Corrective Action Plan

Management has taken appropriate action to ensure that accurate attendance records are maintained and board members are compensated for actual meeting attendance, not to exceed 12 meetings per year.

2022-007 Uninsured and Uncollateralized Deposits

Fiscal year finding initially occurred: 2022

Criteria

Louisiana Revised Statute 39:1218-1229 requires that bank balances be secured by federal deposit insurance or collateralized by the financial institution with designated securities as defined by R.S. 39:1221.

Condition

The Organization had uninsured and uncollateralized bank balances as of the end of their fiscal year.

Cause

The Organization's financial institution did maintain adequate pledged securities for the increase in cash balances as of the end of their fiscal year.

Effect

The Organization had uninsured and uncollateralized bank balances in the amount of \$1,072,065 as of the end of their fiscal year.

Recommendation

The Organization should coordinate with the appropriate financial institution to ensure any deposits in excess of federal deposit insurance are properly collateralized.

Management's Corrective Action Plan

Management has established a process whereby the financial institution is contacted monthly to ensure that deposits in excess of the federal deposit insurance limit are fully collateralized.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan (Continued)

2022-008 Acquisition of Property

Fiscal year finding initially occurred: 2022

Criteria

In accordance with the District's By-laws, the signature of the Chairman and Secretary when authorized at any meeting of the Board of Commissioners shall constitute proper authority for the purchase of property.

Condition

The District may have violated their By-laws by acquiring approximately 33 acres of land without proper authority by the Board of Commissioners.

Cause

The District did not verify that proper approval by the Board of Commissioners was obtained prior to the purchase of property.

Effect

The District may not have complied with their By-laws.

Recommendation

The District should obtain the required approvals prior to the purchase of property and include such approvals with the sale documentation.

Management's Corrective Action Plan

Management will ensure all future property acquisitions are approved in accordance with the By-laws prior to the purchase.

2022-009 Appraisal of Purchased Property

Fiscal year finding initially occurred: 2022

Criteria

In accordance R.S. 334712.10, an appraisal by a qualified appraiser must be obtained for property in excess of \$3,000. The Attorney General has opined that the purchase of immovable property for a price that exceeds the appraised value would be considered a donation of public funds and, therefore, a violation of Article VII, §14 of the Louisiana Constitution.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan (Continued)

Condition

The District did not obtain an appraisal prior to purchasing property that exceeded \$3,000. Additionally, the District may have violated Article VII, §14 of the Louisiana Constitution by purchasing property for an amount that may exceed the market value.

Cause

The District did not verify that an appraisal was obtained prior to the acquisition of property.

Effect

The District did not follow the requirements of R.S. 334712.10.

Recommendation

The District should obtain an appraisal from a qualified appraiser prior to the purchase when the amount is in excess of \$3,000.

Management's Corrective Action Plan

Management will ensure all future property acquisitions are properly appraised in accordance with R.S. 334712.10.

2022-010 Failure to File Audited Financial Statements Timely

Fiscal year finding initially occurred: 2022

Criteria

In accordance with Louisiana Revised Statute 24:513, the District must complete and submit an audit of their financial statements within six months of the close of their fiscal year to the Legislative Auditor's office.

Condition

The annual audited financial statements were not filed timely for fiscal year ended June 30, 2022.

Cause

The District's management did not take appropriate actions to ensure its annual financial statement audit was completed within six months of the close of their fiscal year.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan (Continued)

Effect

The District did not comply with Louisiana Revised Statute 24:513.

Recommendation

The District should take necessary actions to ensure their annual financial statement audit is submitted within six months of the close of their fiscal year.

Management's Corrective Action Plan

Management will take appropriate actions to ensure their annual financial statement audits are submitted timely.

Part II. Prior Year Audit Findings

Internal Control Findings -

2021-001 Inadequate Supporting Documentation over Credit Card Purchases

Fiscal year finding initially occurred: 2021

Condition

The District did not have a control policy to ensure that adequate documentation was maintained to support credit card purchases. Items purchased on District credit cards did not have detailed invoices itemizing all items purchased. Additionally, the business/public purpose of transactions and documentation of the individuals participating in meals was not maintained.

Recommendation

The District should implement a policy requiring credit card users to submit detailed receipts for every purchase and documentation of the individuals participating in meals including the public purpose.

Current Status

Unresolved. See internal control finding 2022-001.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan (Continued)

2021-002 Board Approval of Contracts

Fiscal year finding initially occurred: 2021

Condition

The District did not have a control policy to ensure that documentation was maintained to support Board approval of contracts.

Recommendation

The District should implement a policy requiring written documentation of approval be maintained for all contracts.

Current Status

Unresolved. See internal control finding 2022-002.

Compliance Findings -

2021-003 Purchase of Meals and Gifts

Fiscal year finding initially occurred: 2021

Condition

The District did not comply with Article VII section 14. The District used public funds to purchase food for meetings and celebratory functions. Additionally, alcohol and gifts were also purchased with public funds.

Recommendation

The District should ensure that public funds are only spent on items with a public purpose. All expenditures of public funds should be supported with proper supporting documentation to support the business purpose of the expenditure.

Current Status

Unresolved. See internal control finding 2022-004.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan (Continued)

2021-004 Payment of Cell Phone Bills for Employees

Fiscal year finding initially occurred: 2021

Condition

The District did not comply with Article VII section 14. The District used public funds to reimburse an employee for a cell phone bill. The District reimbursed the entire bill without adjusting for personal usage or documenting the employee's business purpose for the phone. Additionally, it was determined that four other employees have cell phone reimbursements that do not contain documentation of personal usage allowance or business purpose of the phone.

Recommendation

The District should ensure that public funds are only spent on items with a public purpose. All expenditures of public funds should be supported with proper supporting documentation to support the business purpose of the expenditure.

Current Status

Unresolved. See internal control finding 2022-005.

2021-005 Compensation to the Board of Commissioners

Fiscal year finding initially occurred: 2021

Condition

The District is compensating the Board of Commissioners based on inaccurate attendance records.

Recommendation

The District should take necessary actions to ensure accurate attendance records are maintained and board members are compensated for actual meeting attendance, not to exceed twelve meetings per year.

Current Status

Unresolved. See internal control finding 2022-006.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan (Continued)

2021-006 Failure to File Single Audit Reporting Package Timely

Fiscal year finding initially occurred: 2021

Provider Relief Fund (93.498):

Condition

The single audit reporting package and data collection form was not submitted timely for fiscal year ended June 30, 2021.

Recommendation

The District should ensure their annual financial statement audit is completed timely in order to submit the single audit reporting package and data collection form within the prescribed deadline.

Current Status

Resolved.

ACADIA-ST. LANDRY HOSPITAL
SERVICE DISTRICT

Agreed-Upon Procedures Report

Year Ended June 30, 2022

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA
Deidre L. Stock, CPA

C. Burton Kolder, CPA*
Of Counsel

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA – retired 2022

* A Professional Accounting Corporation

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 363-2792 Phone (337) 639-4737

WWW.KCSRCPAS.COM

INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Acadia-St. Landry Hospital Service District
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA’s) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. Acadia-St. Landry Hospital Service District (Hospital)’s management is responsible for those C/C areas identified in the SAUPs.

The Hospital has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA’s SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
 - c) 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 unrestricted fund balance in the General Fund.

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding electronic fund transfers)

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

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

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

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

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

Payroll and Personnel

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

Ethics

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

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

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

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe 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.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discussed the results with management, and reported "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #15 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Exceptions:

No exceptions were found as a result of applying the procedures listed above except:

Bank Reconciliations

- 1. One of the five bank accounts and reconciliations did not have documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

Collections

- 2. Employees who handle cash are not covered by a bond or insurance policy for theft.
- 3. Four of the ten deposits selected for testing did not reflect evidence of the receipt date; therefore, timely deposits were unable to be determined.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

- 4. One of the five credit card statements was not approved by someone other than the cardholder.
- 5. One of the five credit card statements incurred late fees.
- 6. Two of the credit card transactions selected for testing did not have evidence of the business/public purpose.

Travel

- 7. One of the travel charges in the amount of \$156.68 was not supported by an original itemized receipt.

Contracts

- 8. All of the five contracts selected for testing did not reflect evidence of approval by the governing body.

Payroll and Personnel

9. The employees selected for testing did not reflect evidence of their supervisor approving the attendance.

Sexual Harassment

10. The employees selected for testing did not reflect evidence of the Hospital's determination of whether the employee was required to complete at least one hour of ethics in accordance with L.S. 42:1170 or evidence of the completed training.
11. Documentation could not be provided to demonstrate that the District's sexual harassment report was completed on or before February 1st.

Management's Response:

Management concurs with the exceptions noted and are working to address the deficiencies identified.

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

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
July 31, 2023