

NATCHITOCHEs REGIONAL MEDICAL CENTER

COMBINED FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT

FOR THE YEARS ENDED  
JUNE 30, 2021, 2020 AND 2019



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



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Natchitoches Parish Hospital Service District  
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis

Our discussion and analysis of Natchitoches Parish Hospital Service District's (Hospital's) financial performance provides an overview of the Hospital's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the Hospital's financial statements, which begin on page 4.

**Financial Highlights**

- The Hospital's total assets decreased by approximately \$666,000 or roughly 0.7%. The Hospital's total liabilities decreased by approximately \$3,245,000, or roughly 10.8%. The decrease in total assets can be attributed to increases in operating expense. The majority of the decrease in liabilities results from a reduction in unearned revenue from the HHS Provider Relief Funds and partial repayment of Medicare Advanced Payments.
- During the year, the Hospital's net patient service revenue rose 19.1% due to the expansion of services, such as private physician offices, and increases in inpatient volume. Expenses increased by approximately \$8,156,000, or 10.8%. The Hospital had a net loss from operations of \$388,000 but an overall income of \$3,601,000, which is approximately 4.3% of total operating revenue.
- The voters renewed a 10-year Ambulance property tax in 2013, and the hospital received \$1,965,000 in taxes for this year. These taxes have been able to provide funds for modernization of Ambulance equipment and expansion of service to rural areas of the Parish that do not have the optimum of services.

**Using This Annual Report**

The Hospital's financial statements consist of three statements – a statement of net position; a statement of revenues, expenses and changes in net position; and a statement of cash flows. These financial statements and related notes provide information about the activities of the Hospital, including resources held by the Hospital but restricted for specific purposes by contributors, grantors, or enabling legislation.

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

Our analysis of the Hospital finances begins on page iv. One of the most important questions asked about the Hospital's finances is, "Is the Hospital as a whole better or worse off as a result of the year's activities?" The statement of net position and the statement of revenues, expenses and changes in net position report information about the Hospital's resources and its activities in a way that helps answer this question. These statements include all restricted and unrestricted assets and all liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received and paid.

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



Natchitoches Parish Hospital Service District  
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis (continued)

**The Statement of Cash Flows**

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

**The Hospital's Net Position**

The Hospital's net position is the difference between its assets and liabilities reported in the statement of net position on page 4. The Hospital's net position increased in each of the past four years, by \$2,579,081 (3.8 percent) in 2021, \$1,390,975 (2.1 percent) in 2020, \$213,473 (0.3 percent) in 2019 and \$1,692,213 (2.6 percent) in 2018, as you can see from Table 1.

**Table 1: Assets, Liabilities and Net Position**

	June 30			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Current Assets	\$ 29,842,997	\$ 30,646,968	\$ 23,358,319	\$ 23,857,267
Land & Depreciable Assets – Net	49,072,617	49,144,125	40,117,436	40,108,285
Other Assets, Including Board - Designated Investments	<u>19,071,603</u>	<u>18,862,055</u>	<u>24,753,861</u>	<u>17,074,034</u>
<b>Total Assets</b>	<b><u>\$ 97,987,217</u></b>	<b><u>\$ 98,653,148</u></b>	<b><u>\$ 88,229,616</u></b>	<b><u>\$ 81,039,586</u></b>
Current Liabilities	\$ 15,511,996	\$ 13,118,008	\$ 8,702,024	\$ 8,985,467
Long-term Debt/Liabilities	<u>11,167,573</u>	<u>16,806,573</u>	<u>12,190,000</u>	<u>4,930,000</u>
<b>Total Liabilities</b>	<b><u>26,679,569</u></b>	<b><u>29,924,581</u></b>	<b><u>20,892,024</u></b>	<b><u>13,915,467</u></b>
<b>Net Position</b>				
Net Investment in Capital Assets	38,702,617	36,954,125	26,187,436	33,873,285
Restricted	890,722	2,828,532	8,055,202	1,376,558
Unrestricted	<u>29,679,256</u>	<u>27,174,458</u>	<u>31,503,869</u>	<u>30,345,829</u>
Total Controlling Net Position	<u>69,272,595</u>	<u>66,957,115</u>	<u>65,746,507</u>	<u>65,595,672</u>
Noncontrolling Interest in Subsidiary	<u>2,035,053</u>	<u>1,771,452</u>	<u>1,591,085</u>	<u>1,528,447</u>
<b>Total Net Position</b>	<b><u>71,307,648</u></b>	<b><u>68,728,567</u></b>	<b><u>67,337,592</u></b>	<b><u>67,124,119</u></b>
<b>Total Liabilities and Net Position</b>	<b><u>\$ 97,987,217</u></b>	<b><u>\$ 98,653,148</u></b>	<b><u>\$ 88,229,616</u></b>	<b><u>\$ 81,039,586</u></b>

Natchitoches Parish Hospital Service District  
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis (continued)

**Operating Results and Changes in the Hospital's Net Position**

The following table presents a summary of the Hospital's historical revenues and expenses for the fiscal years ended June 30, 2021, 2020, 2019 and 2018.

**Table 2: Operating Results and Changes in Net Position**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenue:				
Net Patient Service Revenue	\$ 76,597,147	\$ 64,328,957	\$ 62,948,903	\$ 56,961,394
Other Revenue	<u>6,640,170</u>	<u>6,322,783</u>	<u>5,998,166</u>	<u>9,874,963</u>
Net Revenue	<u>83,237,317</u>	<u>70,651,740</u>	<u>68,947,069</u>	<u>66,836,357</u>
Expenses:				
Salaries & Benefits	41,385,455	38,592,481	36,421,768	33,024,661
Medical Supplies	12,001,138	7,793,566	7,346,630	6,773,250
Purchased Services	4,713,810	4,787,488	3,701,368	3,995,158
Other Operating Expense	21,467,182	20,234,612	18,618,351	18,050,319
Depreciation & Amortization	<u>4,057,277</u>	<u>4,060,249</u>	<u>3,903,494</u>	<u>3,854,734</u>
Total Operating Expense	<u>83,624,862</u>	<u>75,468,396</u>	<u>69,991,611</u>	<u>65,698,122</u>
Net Operating Income	<u>(387,545)</u>	<u>(4,816,656)</u>	<u>(1,044,542)</u>	<u>1,138,235</u>
Investment Income	282,690	343,102	392,407	278,769
Interest Expense	(371,822)	(126,792)	(150,895)	(211,258)
Other Nonoperating Revenue	<u>4,077,637</u>	<u>6,746,653</u>	<u>1,792,917</u>	<u>1,730,881</u>
Excess of Revenues over Expense	3,600,960	2,146,307	989,887	2,936,627
Unrealized Holding Gains (Losses)	(129,743)	242,777	283,599	(188,032)
Consolidated Net Income - Non Controlling Interest	<u>(1,155,737)</u>	<u>(1,178,476)</u>	<u>(1,122,651)</u>	<u>(843,731)</u>
Changes in Net Position	2,315,480	1,210,608	150,835	1,904,864
Net Position – Beginning of Year	<u>66,957,115</u>	<u>65,746,507</u>	<u>65,595,672</u>	<u>63,690,808</u>
Net Position – End of Year	<u>\$ 69,272,595</u>	<u>\$ 66,957,115</u>	<u>\$ 65,746,507</u>	<u>\$ 65,595,672</u>

Natchitoches Parish Hospital Service District  
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis (continued)

**Operating Income**

The first component of the overall change in the Hospital's net position is its operating income (loss) – generally, the difference between net patient service revenue and other revenue, and the expenses incurred to perform those services. In 2021, 2020 and 2019, the Hospital has reported a net operating loss while in 2018 the Hospital reported a net operating profit. In 2021, there was an increase of \$4,429,111 (92%) in operating income. In 2020 there was a decrease of \$3,772,114 (361%) in operating income. In 2019 there was a decrease of \$2,182,777 (192%) in operating income. In 2018, there was a decrease of \$462,344 (29%) in operating income.

Total salary and benefits expenses increased in 2021 by \$2,792,974 or 7.2%, 2020 by \$2,170,713 or 6.0%, 2019 by \$3,397,107 or 10.3%, and 2018 by \$3,658,148 or 12.5%. As a percentage of net patient service revenue, salary and benefit expenses were approximately 54.0% 60.0%, 57.9%, and 58.0% for the fiscal years ended June 2021, 2020, 2019 and 2018, respectively.

Medical supplies increased by approximately \$4,208,000 and professional fees decreased by approximately \$74,000 in 2021. The increase in medical supplies is mostly attributable to lab supplies and drugs costs relating to COVID-19. Other expenses increased by approximately \$1,233,000. The increase in other expenses were mainly related to software subscriptions and maintenance contracts.

The rate of health care inflation has a direct effect on the cost of services provided by the Hospital. A component of the Hospital's costs is expenses for medical and professional services. In 2021, medical and professional services cost totaled \$4.7 million (5.6% of total expenses) and a decrease of 1.5% over 2020 costs of \$4.8 million (6.3% of total expenses).

**Sources of Revenue**

During fiscal year 2021, the Hospital derived the majority of its total revenue from patient service revenue. Patient service revenue includes revenue from the Medicare and Medicaid programs and patients, or their third-party payors, who receive care in the Hospital's facilities. Reimbursement for the Medicare and Medicaid programs and the third-party payors is based upon established contracts. The difference between the covered charges and the established contract is recognized as a contractual allowance. Other revenue includes grant revenue, cafeteria sales, contract meals, rental income and other miscellaneous services.

Natchitoches Parish Hospital Service District  
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis (continued)

**Sources of Revenue (continued)**

Table 3 presents the relative percentages of gross charges billed for patient services by payor for the fiscal years ended June 30, 2021, 2020, 2019 and 2018.

**Table 3: Payor Mix by Percentage**

	Year-end June 30			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Medicare	27.7%	30.7%	32.9%	33.6%
Medicaid	30.8%	31.2%	30.5%	30.4%
Commercial Insurance	24.9%	21.0%	20.1%	18.9%
Blue Cross	14.4%	14.5%	13.9%	14.3%
Self-Pay and Other	<u>2.2%</u>	<u>2.6%</u>	<u>2.6%</u>	<u>2.8%</u>
 Total Patient Revenues	 <u>100.0%</u>	 <u>100.0%</u>	 <u>100.0%</u>	 <u>100.0%</u>

**Other Revenue**

Other revenue includes intergovernmental transfer grant revenue, cafeteria sales, rental income, and other miscellaneous services. Other revenue increased by \$317,387 or 5.0% for 2021.

**Table 4: Other Revenue**

	Year-end June 30			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Other Revenue:				
Rental Income	\$ 1,396,765	\$ 1,547,772	\$ 1,565,673	\$ 1,444,333
Dietary Sales	199,844	280,814	262,457	313,998
Drugs Sold to Employees	897,721	686,797	632,094	532,121
Vending Revenue	20,707	27,046	37,296	35,829
Grants	3,141,614	2,698,269	2,395,723	5,469,740
340B Pharmaceutical Program	796,011	727,968	655,195	1,246,642
Other	<u>187,508</u>	<u>354,117</u>	<u>449,728</u>	<u>832,300</u>
 Total Other Revenue	 <u>\$ 6,640,170</u>	 <u>\$ 6,322,783</u>	 <u>\$ 5,998,166</u>	 <u>\$ 9,874,963</u>

Natchitoches Parish Hospital Service District  
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis (continued)

**Nonoperating Revenues and Expenses**

Nonoperating revenues and expenses consist of property tax revenue, interest income, interest expense, and other nonoperating revenue. Other nonoperating revenue decreased by \$2,669,016 or 39.6% in 2021. This decrease is due to timing differences of when provider relief funds received by the hospital to prepare for and respond to the Coronavirus pandemic were recognized as revenue. Provider relief funds of \$2,144,982 and \$4,920,967 were recognized as revenue in 2021 and 2020, respectively.

	Year-end June 30			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Other Nonoperating Revenue				
Ambulance Tax and Subsidy	\$ 1,964,585	\$ 1,825,686	\$ 1,792,917	\$ 1,730,881
Loss on Sale of Assets	(31,930)	-0-	-0-	-0-
Provider Relief Funds	<u>2,144,982</u>	<u>4,920,967</u>	<u>-0-</u>	<u>-0-</u>
 Total Other Nonoperating Revenue	 <u>\$ 4,077,637</u>	 <u>\$ 6,746,653</u>	 <u>\$ 1,792,917</u>	 <u>\$ 1,730,881</u>

**Operating and Financial Performance**

The following summarizes the Hospital's statements of revenues, expenses, and changes in net position between 2021, 2020, 2019 and 2018.

Overall, activity at the Hospital, as measured by admissions of adults, pediatrics, and geriatric psych patients, has decreased over the past few years. Inpatient admissions decreased by 0.6% in 2021 to 2,083 from 2,095 in 2020. Inpatient admissions were 2,307 in 2019 and 2,420 in 2018. Patient days increased 3.7% in 2021 to 10,099 from 9,737 in 2020. Previous years had patient days of 10,042 in 2019 and 10,566 in 2018. The average length of stay for acute care patients (excluding newborns) increased to 4.15 days in 2021 from 3.63 in 2020. The average length of stay was 3.52 and 3.46 in 2019 and 2018, respectively.

Outpatient registrations increased by 30.7% in 2021 to 95,511 from 73,099 in 2020. Previous years had outpatient registrations of 73,641 in 2019 and 70,505 in 2018.

Our Long-Term Care Unit's activity decreased by 11.7% in 2021 to 32,516 from 36,814 in 2020 (an average of 89 patients per day), 36,852 in 2019, and 35,202 days in 2018, which represents 80% occupancy on the unit.

The Hospital operates the district ambulance service that traditionally has had operating losses. The ambulance operation was supported by a 5.53 mill property tax approved by the residents of Natchitoches Parish which was renewed in 2013 at 5.31 mill for 10 years. The amount of tax revenue received during 2021 was \$1,964,585, which is an increase of 7.6% over 2020 revenues of \$1,825,686.

Natchitoches Parish Hospital Service District  
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis (continued)

Operating and Financial Performance (continued)

**Table 5: Patient and Hospital Statistical Data**

	Year-end June 30			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Admissions:</b>				
Adult and Pediatric	1,929	1,881	2,084	2,195
Newborn	495	493	495	510
Long-Term Care Unit	223	255	255	289
Geriatric Psych Unit	154	214	223	225
<b>Patient Days:</b>				
Adult and Pediatric	7,996	6,826	7,344	7,596
Medicare (Included in Adult & Pediatric)	2,553	2,693	2,858	3,186
Medicaid (Included in Adult & Pediatric)	2,917	2,582	2,722	2,643
Newborn	954	956	991	1,037
Long-Term Care Unit	32,516	36,814	36,852	35,202
Geriatric Psych Unit	2,103	2,911	2,698	2,970
Operating Room Patients	2,385	2,011	2,178	1,908
Outpatient Registrations	95,511	73,099	73,641	70,505
Emergency Room Visits	16,903	18,761	20,845	22,079
Ambulance Runs	3,995	4,396	4,400	4,457
<b>Average Daily Census (Excluding Newborn):</b>				
Adult and Pediatric	21.91	18.70	20.12	20.81
Long-Term Care Unit	89.08	100.86	100.96	96.44
Geriatric Psych Unit	5.76	7.98	7.39	8.14
<b>Average Length of Stay (Excluding Newborn):</b>				
All Acute Care Patients	4.15	3.63	3.52	3.46
Medicare Patients	4.23	4.09	3.88	3.75
Medicaid Patients	2.78	2.67	2.75	2.66
Long-Term Care Unit Patients	145.81	144.37	144.52	121.81
Geriatric Psych Unit Patients	13.66	13.60	12.10	13.20
<b>Percentage of Acute-Care Patient Days:</b>				
Medicare	31.93%	39.45%	38.92%	41.94%
Medicaid	36.48%	37.83%	37.06%	34.79%
Full-Time Equivalents (FTE's)	593	570	568	528

Natchitoches Parish Hospital Service District  
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis (continued)

**Operating and Financial Performance (continued)**

Allowances increased over prior year as described in the table below:

**Table 6: Allowance Summary**

	Year-end June 30			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Allowances:				
Medicare Contractual Allowances	\$ 51,428,433	\$ 49,194,798	\$ 52,205,899	\$ 47,910,404
Medicaid Contractual Allowances	52,667,573	46,283,152	43,650,363	38,237,686
Blue Cross, Louisiana State Employees, and other Contractual Allowances	59,296,999	45,318,483	44,018,321	37,207,686
Provision for Bad Debt	7,371,444	7,032,303	5,705,368	6,664,348
Other Adjustments	575,933	452,008	536,780	330,941
Nursing Home IGT	(739,084)	(936,480)	(963,952)	(1,103,768)
Physician Fee Revenue	<u>(4,093,891)</u>	<u>(2,981,004)</u>	<u>(2,245,686)</u>	<u>(2,031,326)</u>
<b>Total Allowances</b>	<b><u>\$ 166,507,407</u></b>	<b><u>\$ 144,363,260</u></b>	<b><u>\$ 142,907,093</u></b>	<b><u>\$ 127,215,971</u></b>

Days revenue in accounts receivable increased from 60.3 days in 2018 to 62.1 days in 2019, and then decreased to 54.1 days in 2020 and increased to 55.1 days in 2021. Excluded from net patient service revenue are charges forgone for patient services falling under the Hospital's charity care policy. Based on established rates, gross charges of \$436,040 were foregone in 2021, compared to \$410,911 in 2020, \$456,783 in 2019, \$285,389 in 2018. The Hospital has instituted an automated charity care system to assure consistent application of Board policies. Hospital assumes compliance with our charity policy results in only patients meeting specific criteria being classified as a charity care.



Natchitoches Parish Hospital Service District  
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis (continued)

**Land & Depreciable Assets**

At the end of 2021, the Hospital had \$49.1 million invested in land and depreciable assets, net of accumulated depreciation, as detailed in note 5 to the financial statements. In 2021, the Hospital spent \$4,433,064 in depreciable assets and construction cost compared to \$13,154,928 in 2020. Of this, \$3,092,128 (69.8%) was the acquisition of new equipment and construction as can be seen in Table 8 below. Depreciation expense for 2021 was \$3,970,127.

**Table 7: Land & Depreciable Assets**

	Year-end June 30			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Land	\$ 967,125	\$ 1,227,125	\$ 1,118,948	\$ 1,118,948
Construction in Progress	<u>9,163,260</u>	<u>10,505,585</u>	<u>1,970,241</u>	<u>3,958,062</u>
Nondepreciable Capital Assets	<u>\$ 10,130,385</u>	<u>\$ 11,732,710</u>	<u>\$ 3,089,189</u>	<u>\$ 5,077,010</u>
Building & Equipment	\$ 119,525,807	\$ 114,370,249	\$ 110,018,842	\$ 104,216,064
Less Accumulated Depr.	<u>80,583,575</u>	<u>76,958,834</u>	<u>72,990,595</u>	<u>69,184,789</u>
Depreciable Capital Assets, Net	<u>\$ 38,942,232</u>	<u>\$ 37,411,415</u>	<u>\$ 37,028,247</u>	<u>\$ 35,031,275</u>

**Table 8: Major Additions over \$100,000**

<u>Capital Investment</u>	<u>Department</u>	<u>2021 Cost</u>
CT Machine Upgrades	Multi-specialty	\$ 250,000
COVID-19 Testing Equipment	Laboratory	\$ 126,000
New Ambulance	Ambulance	\$ 165,225
Defibrillator	Emergency Room	\$ 149,336
Computer Software Optimization	IT	\$ 120,000
Chiller replacement	Building	\$ 114,068
Construction projects	Negative Pressure	\$ 189,566
Construction projects	Dialysis	\$ 138,095
Construction projects	Infusion Center	\$ 254,504
Construction projects	Multi-specialty	\$ 532,702
Construction projects	Wound Care	\$ 302,174
Construction projects	Women's Clinic	\$ 750,458



Natchitoches Parish Hospital Service District  
Natchitoches Parish, Natchitoches, Louisiana

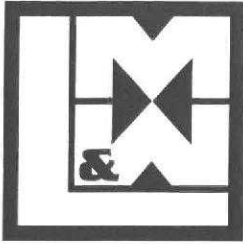
Management's Discussion and Analysis (continued)

**Debt Administration**

At year-end, the Hospital had \$10,370,000 in short-term and long-term debt. Long-term debt decreased by \$1,145,000 in fiscal year 2021. More detailed information about the Hospital's long-term liabilities is presented in Note 8 to the basic financial statements. Total debt outstanding represents approximately 10.6% of the Hospital's total assets at June 30, 2021 versus prior years of 12.4%, 15.8% and 7.7% for 2020, 2019 and 2018, respectively.

**Contacting the Hospital's Financial Management**

This financial report is designed to provide our patients, suppliers, taxpayers, and creditors with a general overview of the Hospital's finances and to show the Hospital's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Hospital administration.



## **LESTER, MILLER & WELLS**

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### Independent Auditors' Report

To the Board of Commissioners  
Natchitoches Parish Hospital Service District No. 1  
Natchitoches, Louisiana

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

We have audited the accompanying consolidated financial statements of Natchitoches Parish Hospital Service District No. 1 and its affiliates (the "Hospital"), a component unit of the Natchitoches Parish Government, Natchitoches, Louisiana, as of and for the years ended June 30, 2021, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly,

we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Hospital, as of June 30, 2021, 2020 and 2019, and the respective changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the financial information of Natchitoches Parish Hospital Service District No. 1 and its affiliates and do not purport to, and do not, present fairly the financial position of the Natchitoches Parish Government as of June 30, 2021, 2020 and 2019, the changes in its financial position, or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages "i" through "x" be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal*



Board of Commissioners  
Natchitoches Parish Hospital Service District No. 1  
Natchitoches, Louisiana  
Page Three

*Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such 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 and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2022, on our consideration of the Hospital's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hospital's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hospital's internal control over financial reporting and compliance.



Certified Public Accountants  
Alexandria, Louisiana

January 19, 2022



NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
CONSOLIDATED STATEMENTS OF NET POSITION  
JUNE 30,

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Current			
Cash and cash equivalents	\$ 8,024,095	\$ 11,596,608	\$ 6,746,060
Limited use assets (Note 4)	88,527	2,094,580	637,555
Patient accounts receivable, net (Note 3)	11,571,863	9,526,363	10,712,124
Estimated third-party payor settlements	2,417,648	1,277,199	420,125
Other receivables	4,048,195	2,153,535	1,746,711
Inventory	2,277,214	2,687,905	1,927,414
Prepaid expenses	1,291,014	1,218,478	1,081,132
Notes receivable - current (Note 15)	124,441	92,300	87,198
Total Current Assets	<u>29,842,997</u>	<u>30,646,968</u>	<u>23,358,319</u>
Other			
Limited use assets (Note 4)	16,607,047	16,410,366	22,563,663
Nondepreciable capital assets (Note 5)	10,130,385	11,732,710	3,089,189
Depreciable capital assets, net (Note 5)	38,942,232	37,411,415	37,028,247
Bond issue cost, net (Note 6)	10,871	17,160	23,450
Capitalized construction interest, net (Note 6)	1,877,005	1,944,575	1,684,655
Notes receivable (Note 15)	66,759	139,831	109,028
Other	509,921	350,123	373,065
Total Assets	<u>\$ 97,987,217</u>	<u>\$ 98,653,148</u>	<u>\$ 88,229,616</u>
<u>LIABILITIES AND NET POSITION</u>			
Current			
Accounts payable	\$ 6,682,842	\$ 5,955,706	\$ 3,884,367
Accrued expenses	1,912,002	1,653,742	1,420,232
Estimated third-party payor settlements	1,270,660	1,540,679	1,609,825
Unearned revenue	7,492	1,422,560	47,600
Medicare advance payments (Note 16)	4,494,000	725,321	-0-
Current portion of long-term debt (Note 8)	1,145,000	1,820,000	1,740,000
Total Current Liabilities	<u>15,511,996</u>	<u>13,118,008</u>	<u>8,702,024</u>
Long-term Liabilities			
Medicare advance payments (Note 16)	1,942,573	6,436,573	-0-
Long-term debt (Note 8)	9,225,000	10,370,000	12,190,000
Total Liabilities	<u>26,679,569</u>	<u>29,924,581</u>	<u>20,892,024</u>
Net Position			
Invested in capital assets, net of related debt	38,702,617	36,954,125	26,187,436
Restricted	890,722	2,828,532	8,055,202
Unrestricted	29,679,256	27,174,458	31,503,869
Total Controlling Net Position	<u>69,272,595</u>	<u>66,957,115</u>	<u>65,746,507</u>
Noncontrolling interest in subsidiary	2,035,053	1,771,452	1,591,085
Total Net Position	<u>71,307,648</u>	<u>68,728,567</u>	<u>67,337,592</u>
Total Liabilities and Net Position	<u>\$ 97,987,217</u>	<u>\$ 98,653,148</u>	<u>\$ 88,229,616</u>

See accompanying notes to financial statements.

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEARS ENDED JUNE 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Revenues			
Net patient service revenue	\$ 76,597,147	\$ 64,328,957	\$ 62,948,903
Other revenue	<u>6,640,170</u>	<u>6,322,783</u>	<u>5,998,166</u>
Total Operating Revenues	<u>83,237,317</u>	<u>70,651,740</u>	<u>68,947,069</u>
Operating Expenses			
Salaries and benefits	41,385,455	38,592,481	36,421,768
Medical supplies and drugs	12,001,138	7,793,566	7,346,630
Medical, professional and consulting	4,713,810	4,787,488	3,701,368
Other expenses	19,853,590	18,755,775	17,355,104
Insurance	1,613,592	1,478,837	1,263,247
Depreciation and amortization	<u>4,057,277</u>	<u>4,060,249</u>	<u>3,903,494</u>
Total Operating Expenses	<u>83,624,862</u>	<u>75,468,396</u>	<u>69,991,611</u>
Operating Income (Loss)	<u>(387,545)</u>	<u>(4,816,656)</u>	<u>(1,044,542)</u>
Nonoperating Revenues (Expenses)			
Property taxes	1,964,585	1,825,686	1,792,917
COVID-19 grants	2,144,982	4,920,967	-0-
Loss on sale of assets	(31,930)	-0-	-0-
Interest income	282,690	343,102	392,407
Interest expense	<u>(371,822)</u>	<u>(126,792)</u>	<u>(150,895)</u>
Total Nonoperating Revenues (Expenses)	<u>3,988,505</u>	<u>6,962,963</u>	<u>2,034,429</u>
Excess of Revenues Over Expenses	3,600,960	2,146,307	989,887
Less: Consolidated net income attributable to noncontrolling interest	(1,155,737)	(1,178,476)	(1,122,651)
Other Comprehensive Income			
Unrealized holding gains (losses)	<u>(129,743)</u>	<u>242,777</u>	<u>283,599</u>
Changes in net position	2,315,480	1,210,608	150,835
Beginning net position	<u>66,957,115</u>	<u>65,746,507</u>	<u>65,595,672</u>
Ending net position	\$ <u>69,272,595</u>	\$ <u>66,957,115</u>	\$ <u>65,746,507</u>

See accompanying notes to financial statements.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:			
Cash received from patients and third-party payors	\$ 72,415,858	\$ 70,837,456	\$ 60,379,180
Other receipts from operations	4,705,019	6,804,839	7,792,806
Cash payments to employees and for employee-related cost	(41,127,195)	(38,358,971)	(36,918,005)
Cash payments for other operating expenses	<u>(36,999,750)</u>	<u>(31,474,913)</u>	<u>(29,421,776)</u>
Net cash provided (used) by operating activities	<u>(1,006,068)</u>	<u>7,808,411</u>	<u>1,832,205</u>
Cash flows from investing activities:			
Cash invested in assets limited as to use - investment	1,679,629	4,939,049	(6,954,625)
Loans to physicians	(97,414)	(203,156)	(230,000)
Collection on physician loans	21,256	-0-	3,025
Cash invested in joint venture	(164,486)	-0-	-0-
Dividends paid to joint venture owners	(892,136)	(998,109)	(1,060,013)
Investment earnings	<u>282,690</u>	<u>343,102</u>	<u>392,407</u>
Net cash provided (used) by investing activities	<u>829,539</u>	<u>4,080,886</u>	<u>(7,849,206)</u>
Cash flows from non-capital financing activities:			
Proceeds from property taxes	1,964,585	1,825,686	1,792,917
Proceeds from COVID-19 grants	<u>738,475</u>	<u>6,319,983</u>	<u>-0-</u>
Net cash provided (used) by non-capital financing activities	<u>2,703,060</u>	<u>8,145,669</u>	<u>1,792,917</u>
Cash flows from capital and related financing activities:			
Interest expense	(371,822)	(126,792)	(150,895)
Capitalized construction interest	-0-	(317,363)	(124,542)
Principal payments on long-term debt	(1,820,000)	(1,740,000)	(1,305,000)
Cash received from long-term borrowings	-0-	-0-	9,000,000
Cash received from sales of assets	228,069	-0-	-0-
Acquisition of capital assets	<u>(4,135,291)</u>	<u>(13,000,263)</u>	<u>(3,818,014)</u>
Net cash provided (used) by capital and related financing activities	\$ <u>(6,099,044)</u>	\$ <u>(15,184,418)</u>	\$ <u>3,601,549</u>

See accompanying notes to financial statements.



NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)  
YEARS ENDED JUNE 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net increase (decrease) in cash and cash equivalents	\$ (3,572,513)	\$ 4,850,548	\$ (622,535)
Beginning cash and cash equivalents	<u>11,596,608</u>	<u>6,746,060</u>	<u>7,368,595</u>
Ending cash and cash equivalents	\$ <u>8,024,095</u>	\$ <u>11,596,608</u>	\$ <u>6,746,060</u>
Supplemental disclosures of cash flow information:			
Cash paid during the period for interest	\$ <u>386,660</u>	\$ <u>446,615</u>	\$ <u>217,140</u>
Reconciliation of income from operations to net cash provided by operating activities:			
Operating income (loss)	\$ (387,545)	\$ (4,816,656)	\$ (1,044,542)
Adjustments to reconcile revenue in excess of expenses to net cash provided by operating activities:			
Depreciation and amortization	4,057,277	4,060,249	3,903,494
Physician loan amortization	117,089	167,251	56,483
Loss on sale of assets	(31,930)	-0-	-0-
Changes in current assets (increase) decrease:			
Patient accounts receivable, net	(2,045,500)	1,185,761	(1,298,603)
Estimated third-party payor settlements	(1,140,449)	(857,074)	418,189
Other receivables	(1,894,660)	(406,824)	830,688
Inventory	410,691	(760,491)	4,251
Prepaid expenses	(72,536)	(137,346)	(319,312)
Changes in current liabilities (increase) decrease:			
Accounts payable	727,136	2,071,339	503,151
Accrued expenses	258,260	233,510	(496,237)
Estimated third-party payor settlements	(270,019)	(69,146)	(725,357)
Unearned revenue	(8,561)	1,374,960	-0-
Medicare advance payments	<u>(725,321)</u>	<u>5,762,878</u>	<u>-0-</u>
Net cash provided by operating activities	\$ <u>(1,006,068)</u>	\$ <u>7,808,411</u>	\$ <u>1,832,205</u>

See accompanying notes to financial statements.



NATCHITOCHES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021, 2020 AND 2019

NOTE 1 - THE ORGANIZATION AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Legal Organizations

The Natchitoches Parish Hospital Service District (referred to as "the District" or "the Hospital") was created by an ordinance of the Natchitoches Parish Government (the "Parish Government"), formerly the Natchitoches Parish Police Jury on October 19, 1955. The governing board of the District consists of seven members appointed by the Parish Government. Because the Parish Government appoints all commissioners of the Natchitoches Parish Hospital Service District, the District is a component unit of the Natchitoches Parish Government, which is the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Parish Government or the other governmental units that comprise the financial reporting entity.

An affiliate, Natchitoches Outpatient Services, LLC (referred to as "NOP, LLC"), was organized January 22, 2004, as a Louisiana limited liability company. NOP, LLC is a perpetual limited liability company. The District has 50.9% ownership in NOP, LLC.

An affiliate, Natchitoches Assisted Living, LLC (referred to as "NAL, LLC"), was organized July 16, 2007, as a Louisiana limited liability company. NAL, LLC is a perpetual limited liability company. The District has 100% ownership in NAL, LLC.

An affiliate, Regional Cardiology Clinic, LLC (referred to as "RCC, LLC"), was organized March 2, 2009, as a Louisiana limited liability company. RCC, LLC is a perpetual limited liability company. The District has 50.1% ownership in RCC, LLC.

An affiliate, Natchitoches Regional Medical Center Foundation (referred to as "NRMC Foundation"), was incorporated November 3, 2005, as a Louisiana nonprofit corporation. NRMC Foundation has one class of members, consisting of two members, the District and Christus Health Central Louisiana. The District appoints six of the ten-member Board for NRMC Foundation, however two-thirds (2/3) vote is needed for certain major decisions. Therefore, the financials of NRMC Foundation are not consolidated in the District's financials.

An affiliate, NRMC Comprehensive Wound Care, LLC (referred to as "Wound Care, LLC"), was organized November 11, 2013, as a Louisiana limited liability company. Wound Care, LLC is a perpetual limited liability company. The District has 56.0% ownership in Wound Care, LLC.

An affiliate, NRMC Walk-In Clinic Ventures, LLC (referred to as "Walk-In Clinic, LLC"), was organized March 19, 2015, as a Louisiana limited liability company. Walk-In Clinic, LLC is a perpetual limited liability company. The District has 100% ownership in Walk-In Clinic, LLC.

An affiliate, NRMC Pain Institute Ventures, LLC (referred to as "Pain Institute, LLC"), was organized February 12, 2016, as a Louisiana limited liability company. Pain Institute, LLC is a perpetual limited liability company. The District has 55.0% ownership in Pain Institute, LLC.

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021, 2020 AND 2019

NOTE 1 - THE ORGANIZATION AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

Nature of Business

The District provides outpatient, ambulance, emergency and inpatient acute services through its hospital unit. The District also provides inpatient intermediate and skilled nursing services through its long-term care unit and hospital "swing-beds". In June 1995, the District opened a unit to provide geriatric psychiatric services which was recognized as a "distinct part" unit effective July 1, 1995.

NOP, LLC provides outpatient therapy and MRI services.

NAL, LLC provides housing and limited care for elderly residents as an assisted living center.

RCC, LLC provides outpatient cardiology diagnostic and testing services.

Wound Care, LLC provides wound care and hyperbaric services.

Walk-In Clinic, LLC provides urgent care services.

Pain Institute, LLC provides pain management services.

Enterprise Fund

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

Basis of Accounting

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

Cash and Cash Equivalents

Cash represents coin, currency, bank demand deposits and other negotiable instruments that are readily acceptable in lieu of currency. Cash equivalents are time deposits, certificates of deposit, treasury bills and mortgage backed securities purchased with a maturity of three months or less. The caption "cash and cash equivalents" does not include amounts whose use is limited or temporary cash investments.

Inventory

Inventories are stated at the lower of cost determined by the first-in, first-out method, or market basis.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021, 2020 AND 2019

NOTE 1 - THE ORGANIZATION AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

Investments

The Hospital classifies their investments as available-for-sale in response to changes in interest rates, liquidity needs and for other purposes. Available-for-sale securities are reported at fair value. Unrealized holding gains and losses are reported as other comprehensive income.

Capital Assets

Purchased fixed assets are recorded at cost and donated fixed assets, if received, at fair market value on the date of any donation. Depreciation is calculated over estimated useful lives, using the straight-line method. Land was initially donated for hospital use, and it is recorded at the fair market value at the time of donation. Additional land was purchased, and it is recorded at cost.

Net Position

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

Revenue and Expenses

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

Income Taxes

The District is a political subdivision of the State of Louisiana and exempt from taxation.

NOP, LLC; NAL, LLC; RCC, LLC; Wound Care, LLC; Walk-In Clinic, LLC; and Pain Institute, LLC do not pay federal corporate income taxes on their taxable income or are not allowed a net operating loss carryover or carryback as a deduction. Instead, the members are liable for individual federal income taxes on their respective shares of these companies' taxable income or include their respective shares of these companies' net operating loss in their individual income tax returns.

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021, 2020 AND 2019

NOTE 1 - THE ORGANIZATION AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Credit Risk

The Hospital provides medical care primarily to Natchitoches Parish residents and grants credit to patients, substantially all of whom are local residents. The Hospital's estimate of collectibility is based on evaluation of historical collections compared to gross charges and an analysis of aged accounts receivable to establish an allowance for uncollectible accounts.

Grants and Contributions

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

Significant Concentration of Economic Dependence

The District has an economic dependence on Medicare and Medicaid as sources of payments as shown in the table in Note 9. Changes in federal or state legislation or interpretations of rules have a significant impact on the Hospital.

Net Patient Service Revenue

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

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

Patient Accounts Receivable

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

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021, 2020 AND 2019

NOTE 1 - THE ORGANIZATION AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

Restricted Revenues

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

Advertising

The Hospital expenses advertising cost as incurred. Advertising expense for the years ended June 30, 2021, 2020, and 2019 totaled \$531,590, \$446,485, and \$466,963, respectively.

Environmental Matters

The Hospital is subject to laws and regulations relating to the protection of the environment. The Hospital'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'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. At June 30, 2021, 2020, and 2019, management is not aware of any liability resulting from environmental matters.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year classifications. In the previous years, income from property taxes was reported as operating income. The financial statements have been restated to show this as non-operating income.

Charity Care

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

Risk Management

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



NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021, 2020 AND 2019

NOTE 1 - THE ORGANIZATION AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

Use of Estimates

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

Principles of Consolidation

The consolidated financial statements include the accounts of the District and its affiliates, after elimination of all significant intercompany balances and transactions. The District has recorded a minority interest for the portion of equity and income attributable to other investors in NOP, LLC; RCC, LLC; Wound Care, LLC; Walk-In Clinic, LLC; and Pain Institute, LLC.

Recently Issued Accounting Principles

In June 2017, the GASB issued Statement No. 87 (GASB 87). The objective of GASB Statement No. 87, Leases, is to better meet the information needs of the financial statement users by improving accounting and financial reporting for leases by governments. This Statement increased the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Management is still evaluating the potential impact of adoption on the Hospital's financial statements. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2021.

NOTE 2 - DEPOSITS AND INVESTMENTS

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

Custodial Credit Risks - Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned to it. Louisiana state statutes require that all of the deposits of the District be protected by insurance or collateral. The fair value of the collateral pledged must equal 100% of the deposits not covered by insurance. The District had deposits of \$6,737,350 which were unsecured as of June 30, 2019. The District's deposits were entirely insured or entirely collateralized by securities held by the pledging bank's trust department in the District's name at June 30, 2021 and 2020.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risks - The District has 5.6% in Federal Farm Credit Banks, 15.9% in Federal Home Loan Bank, 26.4% in Municipal Bonds, 21.5% in Federal National Mortgage Association, and 26.0% in Money Market accounts.

Interest Rate Risks - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The 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.

The District's investments are reported at fair value. At June 30, 2021, 2020 and 2019, the District had the following investments and maturities, all of which were held in the District's name by a custodial bank that is an agent of the District. The table below is with the assumption that the bonds are held until maturity.

<u>June 30, 2021</u>	<u>Carrying</u>	<u>Less</u>	<u>Investment Maturities (In Years)</u>		
			<u>Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>
<u>Investment Type</u>	<u>Amount</u>	<u>Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More</u>
					<u>Than 10</u>
Money Markets	\$ 4,101,679	\$ 4,101,679	\$ -0-	\$ -0-	\$ -0-
Fed National Mortgage Assoc.	3,391,764	1,200,676	1,576,390	614,698	-0-
Federal Home Loan Bank	2,519,676	302,229	2,217,447	-0-	-0-
Federal Farm Credit Banks	889,794	-0-	889,794	-0-	-0-
Exchange Traded Funds	729,734	729,734	-0-	-0-	-0-
Municipal Bonds	<u>4,172,706</u>	<u>-0-</u>	<u>2,954,739</u>	<u>1,217,967</u>	<u>-0-</u>
<b>Total</b>	<b>\$ <u>15,805,353</u></b>	<b>\$ <u>6,334,318</u></b>	<b>\$ <u>7,638,370</u></b>	<b>\$ <u>1,832,665</u></b>	<b>\$ <u>-0-</u></b>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
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NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

<u>June 30, 2020</u>		<u>Investment Maturities (In Years)</u>			
<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>
Money Markets	\$ 2,516,121	\$ 2,516,121	\$ -0-	\$ -0-	\$ -0-
Fed National Mortgage Assoc.	4,890,747	2,063,238	2,456,770	370,739	-0-
Federal Home Loan Bank	3,121,890	557,342	2,564,548	-0-	-0-
Federal Home Loan Mortgage	286,015	286,015	-0-	-0-	-0-
Federal Farm Credit Banks	1,157,172	-0-	1,157,172	-0-	-0-
US Treasury Notes	130,066	130,066	-0-	-0-	-0-
Municipal Bonds	3,323,846	-0-	1,547,885	1,775,961	-0-
Certificates of Deposit	<u>250,587</u>	<u>-0-</u>	<u>250,587</u>	<u>-0-</u>	<u>-0-</u>
 Total	 \$ <u>15,676,444</u>	 \$ <u>5,552,782</u>	 \$ <u>7,976,962</u>	 \$ <u>2,146,700</u>	 \$ <u>-0-</u>
 <u>June 30, 2019</u>		 <u>Investment Maturities (In Years)</u>			
<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>
Money Markets	\$ 238,552	\$ 238,552	\$ -0-	\$ -0-	\$ -0-
Fed National Mortgage Assoc.	6,341,053	498,740	4,721,491	1,120,822	-0-
Federal Home Loan Bank	2,294,838	1,493,975	800,863	-0-	-0-
Federal Home Loan Mortgage	2,794,782	1,144,116	1,650,666	-0-	-0-
Federal Farm Credit Banks	2,325,026	498,610	1,826,416	-0-	-0-
US Treasury Notes	901,947	901,947	-0-	-0-	-0-
Municipal Bonds	<u>255,040</u>	<u>-0-</u>	<u>255,040</u>	<u>-0-</u>	<u>-0-</u>
 Total	 \$ <u>15,151,238</u>	 \$ <u>4,775,940</u>	 \$ <u>9,254,476</u>	 \$ <u>1,120,822</u>	 \$ <u>-0-</u>



NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
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NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Credit Risks - Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

As of June 30, 2021, the District's investments were rated as follows:

<u>Investment Type</u>	<u>Moody's Investor's Service</u>	<u>Standard &amp; Poor's</u>	<u>Fair Value</u>
Federal National Mortgage Association	AAA	AA+	\$ 3,391,764
Federal Home Loan Bank	AAA	AA+	2,519,676
Federal Farm Credit Banks	AAA	AA+	889,794
Municipal Bonds	AA1	AA+	522,612
Municipal Bonds	AA1	Not Rated	538,223
Municipal Bonds	AA2	AA-	110,597
Municipal Bonds	AA2	Not Rated	268,185
Municipal Bonds	A1	Not Rated	144,631
Municipal Bonds	A2	AA	648,031
Municipal Bonds	A2	A-	254,878
Municipal Bonds	A3	Not Rated	221,514
Municipal Bonds	Not Rated	AA	989,755
Municipal Bonds	Not Rated	AA-	209,305
Municipal Bonds	Not Rated	A-	264,975
Exchange Traded Funds	Not Rated	Not Rated	729,734
Money Markets	Not Rated	Not Rated	<u>4,101,679</u>
Total			\$ <u>15,805,353</u>

The District's Investments are recorded at fair value as of June 30, 2021, 2020 and 2019 in accordance with GASB Statement No. 72 which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement establishes a three-level hierarchy of inputs to valuation techniques used to measure fair value. Level 1 inputs are accessible quoted prices in active markets for identical assets at the measurement date; Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset, either directly or indirectly; Level 3 inputs are unobservable inputs. The District's investments for the years ended June 30, 2021, 2020 and 2019 were measured using Level 2 inputs.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
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NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Account balances according to banks' records at June 30, 2021, for the District are as follows:

	City Bank & Trust	Hancock Whitney Bank
Cash in banks	\$ <u>5,184</u>	\$ <u>7,329,047</u>
Insured by FDIC	\$ <u>5,184</u>	\$ <u>250,000</u>
Collateralization by fair market value	\$ <u>-0-</u>	\$ <u>7,079,047</u>
Uncollateralized	\$ <u>-0-</u>	\$ <u>-0-</u>

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Carrying amount			
Deposits	\$ 8,112,622	\$ 13,691,188	\$ 7,383,615
Investments	<u>15,805,353</u>	<u>15,676,444</u>	<u>15,151,238</u>
	\$ <u>23,917,975</u>	\$ <u>29,367,632</u>	\$ <u>22,534,853</u>
Included in the following balance sheet captions			
Cash and cash equivalents	\$ 8,024,095	\$ 11,596,608	\$ 6,746,060
Current limited use assets	88,527	2,094,580	637,555
Other limited use assets	<u>15,805,353</u>	<u>15,676,444</u>	<u>15,151,238</u>
	\$ <u>23,917,975</u>	\$ <u>29,367,632</u>	\$ <u>22,534,853</u>

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
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NOTE 3 - ACCOUNTS RECEIVABLE

A summary of accounts receivable is presented below:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Patient accounts receivable	\$ 19,467,278	\$ 14,878,152	\$ 17,493,087
Less provision for uncollectibles	<u>(7,895,415)</u>	<u>(5,351,789)</u>	<u>(6,780,963)</u>
Net accounts receivable	\$ <u>11,571,863</u>	\$ <u>9,526,363</u>	\$ <u>10,712,124</u>

The following is a summary of the mix of receivables from patient and third-party payors at June 30:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Medicare	12%	17%	20%
Medicaid and Medicaid managed care plans	19%	21%	24%
Blue Cross Blue Shield	15%	15%	11%
Commercial and other third-party payors	47%	28%	20%
Patients	<u>7%</u>	<u>19%</u>	<u>25%</u>
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

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

NOTE 4 - LIMITED USE ASSETS

A summary of limited use assets is presented below:

<u>By Third Parties</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Cash with paying agent - interest and principal, due 10/01 (Series 2000 Bonds)	\$ 822	\$ 622,689	\$ 597,739
Series 2018 proceeds to be disbursed	-0-	-0-	6,987,350
Patient trust funds	87,705	72,928	39,816
Bond sinking fund	371,898	303,655	-0-
LHA trust deposits	430,297	430,297	430,297
Provider relief funds	-0-	1,398,963	-0-

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
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NOTE 4 - LIMITED USE ASSETS (Continued)

<u>By Board</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Repair and replacement - investments	\$ 15,804,852	\$ 15,676,414	\$ 15,146,016
Less limited use assets required for current liabilities	<u>(88,527)</u>	<u>(2,094,580)</u>	<u>(637,555)</u>
Non-current limited use assets	\$ <u>16,607,047</u>	\$ <u>16,410,366</u>	\$ <u>22,563,663</u>

NOTE 5 - DEPRECIABLE CAPITAL ASSETS, NET

The following is a summary of capital assets and related accumulated depreciation for the year ended:

	<u>2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>2021</u>
Nondepreciable capital assets					
Land	\$ 1,227,125	\$ -0-	\$ 260,000	\$ -0-	\$ 967,125
Construction in progress	<u>10,505,585</u>	<u>2,576,043</u>	<u>-0-</u>	<u>(3,918,368)</u>	<u>9,163,260</u>
Total nondepreciable capital assets	\$ <u>11,732,710</u>	\$ <u>2,576,043</u>	\$ <u>260,000</u>	\$ <u>(3,918,368)</u>	\$ <u>10,130,385</u>
Depreciable capital assets					
Land improvements	\$ 766,886	\$ -0-	\$ -0-	\$ -0-	\$ 766,886
Buildings	68,819,008	10,300	457,994	3,732,243	72,103,557
Fixed equipment	<u>44,784,355</u>	<u>1,846,721</u>	<u>161,837</u>	<u>186,125</u>	<u>46,655,364</u>
Total depreciable capital assets	114,370,249	1,857,021	619,831	3,918,368	119,525,807
Accumulated depreciation and amortization	<u>76,958,834</u>	<u>3,970,127</u>	<u>345,386</u>	<u>-0-</u>	<u>80,583,575</u>
Total depreciable capital assets, net	\$ <u>37,411,415</u>	\$ <u>(2,113,106)</u>	\$ <u>274,445</u>	\$ <u>3,918,368</u>	\$ <u>38,942,232</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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NOTE 5 - DEPRECIABLE CAPITAL ASSETS, NET (Continued)

	<u>2019</u>		<u>Additions</u>		<u>Disposals</u>		<u>Transfers</u>		<u>2020</u>
Nondepreciable capital assets									
Land	\$ 1,118,948	\$	108,177	\$	-0-	\$	-0-	\$	1,227,125
Construction in progress	<u>1,970,241</u>		<u>9,553,842</u>		<u>-0-</u>		<u>(1,018,498)</u>		<u>10,505,585</u>
Total nondepreciable capital assets	\$ <u>3,089,189</u>	\$	<u>9,662,019</u>	\$	<u>-0-</u>	\$	<u>(1,018,498)</u>	\$	<u>11,732,710</u>
Depreciable capital assets									
Land improvements	\$ 766,886	\$	-0-	\$	-0-	\$	-0-	\$	766,886
Buildings	68,676,223		142,785		-0-		-0-		68,819,008
Fixed equipment	<u>40,575,733</u>		<u>3,350,124</u>		<u>160,000</u>		<u>1,018,498</u>		<u>44,784,355</u>
Total depreciable capital assets	110,018,842		3,492,909		160,000		1,018,498		114,370,249
Accumulated depreciation and amortization	<u>72,990,595</u>		<u>3,968,239</u>		<u>-0-</u>		<u>-0-</u>		<u>76,958,834</u>
Total depreciable capital assets, net	\$ <u>37,028,247</u>	\$	<u>(475,330)</u>	\$	<u>160,000</u>	\$	<u>1,018,498</u>	\$	<u>37,411,415</u>
	<u>2018</u>		<u>Additions</u>		<u>Disposals</u>		<u>Transfers</u>		<u>2019</u>
Nondepreciable capital assets									
Land	\$ 1,118,948	\$	-0-	\$	-0-	\$	-0-	\$	1,118,948
Construction in progress	<u>3,958,062</u>		<u>2,434,789</u>		<u>-0-</u>		<u>(4,422,610)</u>		<u>1,970,241</u>
Total nondepreciable capital assets	\$ <u>5,077,010</u>	\$	<u>2,434,789</u>	\$	<u>-0-</u>	\$	<u>(4,422,610)</u>	\$	<u>3,089,189</u>
Depreciable capital assets									
Land improvements	\$ 766,886	\$	-0-	\$	-0-	\$	-0-	\$	766,886
Buildings	64,350,917		-0-		-0-		4,325,306		68,676,223
Fixed equipment	<u>39,098,261</u>		<u>1,380,168</u>		<u>-0-</u>		<u>97,304</u>		<u>40,575,733</u>
Total depreciable capital assets	104,216,064		1,380,168		-0-		4,422,610		110,018,842
Accumulated depreciation and amortization	<u>69,184,789</u>		<u>3,805,806</u>		<u>-0-</u>		<u>-0-</u>		<u>72,990,595</u>
Total depreciable capital assets, net	\$ <u>35,031,275</u>	\$	<u>(2,425,638)</u>	\$	<u>-0-</u>	\$	<u>4,422,610</u>	\$	<u>37,028,247</u>

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
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NOTE 5 - DEPRECIABLE CAPITAL ASSETS, NET (Continued)

Depreciation was calculated using the straight-line method. Useful lives for the purpose of calculating depreciation by class are:

Buildings	10 - 40 years
Furniture, fixtures and equipment	3 - 15 years

NOTE 6 - OTHER ASSETS

Bond issue costs of \$46,609 were incurred for the 2000 Revenue Bonds and is being amortized using the straight-line method over the remaining life of the bonds (20 years) beginning in the fiscal year 2006.

Capitalized interest of \$1,814,579 was accumulated as of June 30, 2006 for the 2000 Revenue Bonds and is being amortized using the straight-line method over the life of the building beginning in the fiscal year 2006.

Bond issue costs of \$47,730 were incurred for the 2008 Revenue Bonds and is being amortized over the remaining life of the bonds (20 years) beginning in 2010.

Capitalized interest of \$428,142 was accumulated as of June 30, 2010 for the 2008 Revenue Bonds and is being amortized using the straight-line method over the life of the building beginning in the fiscal year 2010.

Capitalized interest of \$441,907 was accumulated as of June 30, 2020 for the 2018 Revenue Bonds and will be amortized using the straight-line method over the life of the underlying capital assets beginning in the fiscal year 2021.

NOTE 7 - PAID TIME OFF

Employees of the District are entitled to paid days off depending on length of service. The District accrued \$569,828, \$624,461, and \$535,092 of paid time off at June 30, 2021, 2020, and 2019.

NATCHITOCHEES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
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YEARS ENDED JUNE 30, 2021, 2020 AND 2019

**NOTE 8 - LONG-TERM DEBT**

A summary of long-term debt, including capital lease obligations follows:

	June 30, <u>2020</u>	<u>Additions</u>	<u>Payments</u>	June 30, <u>2021</u>	Due Within <u>One Year</u>
Series 2000 Bonds Payable	\$ 815,000	\$ -0-	\$ 815,000	\$ -0-	\$ -0-
Series 2008 Bonds Payable	2,740,000	-0-	635,000	2,105,000	670,000
Series 2018 Bonds Payable	<u>8,635,000</u>	<u>-0-</u>	<u>370,000</u>	<u>8,265,000</u>	<u>475,000</u>
<b>Total</b>	<b>\$ <u>12,190,000</u></b>	<b>\$ <u>-0-</u></b>	<b>\$ <u>1,820,000</u></b>	<b>\$ <u>10,370,000</u></b>	<b>\$ <u>1,145,000</u></b>

	June 30, <u>2019</u>	<u>Additions</u>	<u>Payments</u>	June 30, <u>2020</u>	Due Within <u>One Year</u>
Series 2000 Bonds Payable	\$ 1,585,000	\$ -0-	\$ 770,000	\$ 815,000	\$ 815,000
Series 2008 Bonds Payable	3,345,000	-0-	605,000	2,740,000	635,000
Series 2018 Bonds Payable	<u>9,000,000</u>	<u>-0-</u>	<u>365,000</u>	<u>8,635,000</u>	<u>370,000</u>
<b>Total</b>	<b>\$ <u>13,930,000</u></b>	<b>\$ <u>-0-</u></b>	<b>\$ <u>1,740,000</u></b>	<b>\$ <u>12,190,000</u></b>	<b>\$ <u>1,820,000</u></b>

	June 30, <u>2018</u>	<u>Additions</u>	<u>Payments</u>	June 30, <u>2019</u>	Due Within <u>One Year</u>
Series 2000 Bonds Payable	\$ 2,315,000	\$ -0-	\$ 730,000	\$ 1,585,000	\$ 770,000
Series 2008 Bonds Payable	3,920,000	-0-	575,000	3,345,000	605,000
Series 2018 Bonds Payable	<u>-0-</u>	<u>9,000,000</u>	<u>-0-</u>	<u>9,000,000</u>	<u>365,000</u>
<b>Total</b>	<b>\$ <u>6,235,000</u></b>	<b>\$ <u>9,000,000</u></b>	<b>\$ <u>1,305,000</u></b>	<b>\$ <u>13,930,000</u></b>	<b>\$ <u>1,740,000</u></b>

The following are the terms and due dates of the Hospital's long-term debt at June 30:

- Series 2000 Hospital Revenue Bonds at 6% collateralized by a pledge and dedication of hospital revenue, with principal payable annually and interest semi-annually, starting October 1, 2000 through October 1, 2020. Effective April 27, 2010, the rate has been changed to 4.35%.
- Series 2008 Hospital Revenue Bonds at 4.26% collateralized by a pledge and dedication of hospital revenue, with principal payable annually and interest semi-annually, starting October 1, 2008 through October 1, 2023. Effective October 1, 2016, the rate has been changed to 2.45%.
- Series 2018 Hospital Revenue Bonds at a fluctuating interest rate increasing from 2.75% to 4.20% over the life of the bonds, collateralized by a pledge and dedication of hospital revenue, with principal payable annually and interest semi-annually, starting April 1, 2019 through October 1, 2033.

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NOTE 8 - LONG-TERM DEBT (Continued)

The Hospital has covenanted to set rates so that revenues are sufficient to pay all reasonable and necessary expenses of operating and maintaining the Hospital, certain multiples of the largest amount of principal and interest maturing on the Bonds in any future fiscal year and on any pari passu additional bonds hereafter issued. Those multiples range from 120% to 200%.

Other requirements under the terms of indebtedness are as follows:

- \* Sale or disposition of Hospital property, plant and equipment is limited. Future debt agreements may not take priority over this series of debt.
- \* Make monthly deposits equal to the pro-rata portion of the next principal and/or interest payment, which are to be maintained in fully backed or government securities investments, with market values greater than invested dollars.
- \* Collect payment on all services rendered, except for an undisclosed, reasonable amount of charity care.
- \* Maintain all assets in good working order.
- \* Carry full insurance coverage with a responsible licensed Louisiana company.
- \* Maintain complete and accurate records and have an annual audit.
- \* Maintain cash on hand of not less than 60 days of operating expenses net of depreciation and amortization.
- \* Provide quarterly statements to the purchaser.
- \* Protect tax exempt status and refrain from activities that would require payment of arbitrage to the IRS.

Scheduled principal and interest repayments on the long-term debt follows:

Year Ending June 30	Principal	Interest	Totals
2022	\$ 1,145,000	\$ 340,622	\$ 1,485,622
2023	1,195,000	309,237	1,504,237
2024	1,255,000	275,790	1,530,790
2025	545,000	249,391	794,391
2026	570,000	230,485	800,485
2027 - 2031	3,285,000	814,774	4,099,774
2032 - 2035	<u>2,375,000</u>	<u>151,617</u>	<u>2,526,617</u>
Totals	\$ <u>10,370,000</u>	\$ <u>2,371,916</u>	\$ <u>12,741,916</u>



NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021, 2020 AND 2019

NOTE 9 - NET PATIENT SERVICE REVENUE

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

Medicare - Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. The Hospital qualified for a Medicare low volume add-on for inpatient payments. These payments are effective for discharges occurring October 1, 2010 until September 30, 2022, if not extended by Congress. The additional payment received under the Medicare low volume add-on was \$858,807, \$633,281 and \$648,178 for the years ended June 30, 2021, 2020 and 2019, respectively. Outpatient services related to Medicare beneficiaries are paid based on a set fee per diagnosis. Swing bed and skilled nursing facility routine services are reimbursed based on a prospectively determined rate per patient day. Geriatric psychiatry services are reimbursed based on a prospective method based on length of stay, diagnosis, and other factors. The District is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicare fiscal intermediary. The District's Medicare cost reports have been examined by the Medicare fiscal intermediary through June 30, 2016.

Medicaid - Inpatient services are reimbursed based on a prospectively determined per diem rate. Some outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology, while others are paid prospectively based on a fee schedule. Geriatric psychiatry services are reimbursed on a prospectively determined per diem rate. In fiscal years 2021, 2020 and 2019, Medicaid supplemental physician payments of \$4,093,891, \$2,981,004 and \$2,245,686 were received, respectively. The District is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicaid fiscal intermediary. The District's Medicaid cost reports have been examined by the Medicaid fiscal intermediary through June 30, 2014.

Effective March 2016, the Hospital entered into a Participation Agreement in order to receive Medicaid supplemental payments for qualifying nursing facilities owned or operated by non-state governmental organizations that have entered into an agreement with the Louisiana Department of Health and Hospitals (LDH). The Hospital made payments to LDH in conjunction with the agreement totaling \$296,239, \$385,511 and \$417,163 which were reported as other expenses in 2021, 2020 and 2019, respectively. The Hospital received \$739,084, \$936,480 and \$963,952 which were reported as other revenue in 2021, 2020 and 2019, respectively.

Commercial - The Hospital also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. Payment methods under these agreements include prospectively determined rates per discharge, discounts from established charges and prospectively determined per diem rates. Blue Cross Blue Shield "BCBS" is the largest commercial provider. BCBS charges were 14%, 14% and 14% of the total gross charges for the years ended June 30, 2021, 2020 and 2019, respectively.

The Hospital experienced differences between the amounts initially recorded on its cost settlements with Medicare and Medicaid and the finalized amounts. The adjustments resulted in a decrease of \$86,996 in FY 2019.

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021, 2020 AND 2019

NOTE 9 - NET PATIENT SERVICE REVENUE (Continued)

The following is a summary of the Hospital's net patient service revenue for the years ended June 30:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Gross charges	\$ 243,104,554	\$ 208,692,217	\$ 205,855,996
Less charges associated with charity care	<u>436,040</u>	<u>410,911</u>	<u>456,783</u>
Gross patient service revenues	242,668,514	208,281,306	205,399,213
Less deductions from revenue:			
Medicare and Medicaid contractual adjustments	104,096,006	95,477,950	95,856,262
Commercial insurance contractual adjustments	59,296,999	45,318,483	44,018,321
Policy and other discounts	139,893	41,097	79,997
Nursing home intergovernmental transfer	(739,084)	(936,480)	(963,952)
Physician supplemental revenue	<u>(4,093,891)</u>	<u>(2,981,004)</u>	<u>(2,245,686)</u>
Patient service revenue (net of contractual adjustments and discounts)	83,968,591	71,361,260	68,654,271
Less provision for bad debts	<u>7,371,444</u>	<u>7,032,303</u>	<u>5,705,368</u>
 Net patient service revenue	 \$ <u>76,597,147</u>	 \$ <u>64,328,957</u>	 \$ <u>62,948,903</u>

The Hospital receives a substantial portion of its revenues from the Medicare and Medicaid programs at discounted rates. The following is a summary of Medicare and Medicaid patient revenues for the years ended June 30:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Medicare and Medicaid gross patient charges	\$ 142,432,818	\$ 129,010,743	\$ 130,535,149
Contractual adjustments	<u>(104,096,006)</u>	<u>(95,477,950)</u>	<u>(95,856,262)</u>
 Program patient service revenue	 \$ <u>38,336,812</u>	 \$ <u>33,532,793</u>	 \$ <u>34,678,887</u>
 Percent of gross patient charges	 59%	 62%	 63%
Percent of total net patient revenue	50%	52%	55%

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 YEARS ENDED JUNE 30, 2021, 2020 AND 2019

NOTE 10 - RETIREMENT PROGRAM

Employees may participate in a qualified defined contribution retirement plan, which is exempt under Section 401(a) of the Internal Revenue Code. The plan is administered by OneAmerica Financial Partners, Inc. who holds all plan assets. Each employee who is at least 18 years old, other than those classified as PRN, is eligible to join the plan. Employees become vested in the employer's contribution 25% per year until 100% vested at 4 years of employment. The District can elect to contribute up to 100% of the employee's contribution.

Total payroll	\$	35,606,814
Total covered payroll		16,006,933
Employee contributions		640,277
Employer contributions	\$	262,795
Less forfeitures		<u>-0-</u>
Net employer contributions	\$	<u>262,795</u>

NOTE 11 - PROFESSIONAL LIABILITY RISK

The District participates in the Louisiana Patient's Compensation Fund established by the State of Louisiana to provide medical professional liability coverage to health care providers. The fund provides for \$400,000 in coverage per occurrence above the first \$100,000 per occurrence for which the District is at risk. The fund places no limitation on the number of occurrences covered. In connection with the establishment of the Patient's Compensation Fund, the State of Louisiana enacted legislation limiting the amount of settlement for professional liability to \$500,000 per occurrence. Legal action in an attempt to overturn this legislation on constitutional grounds is in process.

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

NOTE 12 - WORKMEN'S COMPENSATION RISK

The District participates in the Louisiana Hospital Association Self Insurance Workmen's Compensation Trust Fund. Should the fund's assets not be adequate to cover claims made against it, the District may be assessed its pro rata share of the resulting deficit. It is not possible to estimate the amount of additional assessments, if any. The trust fund presumes to be a "Grantor Trust" and, accordingly, income and expenses are prorated to member hospitals. The District has included these allocations and equity amounts assigned to the District by the Trust Fund in its financial statements.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 YEARS ENDED JUNE 30, 2021, 2020 AND 2019

NOTE 13 - CHARITY CARE

The Hospital provides charity care to patients who are financially unable to pay for part or all of the healthcare services they receive. The patient will either qualify for 100% of the charity care or owe a reduced “sliding scale” amount based on the patient’s level of income in comparison to the Federal Poverty Guidelines based on a 150% scale. Accordingly, the Hospital does not report the amount it expects not to collect in net operating revenues or in the allowance for doubtful accounts. The Hospital determines the costs associated with providing charity care by aggregating the applicable direct and indirect costs, including wages and related benefits, supplies and other operating expenses. Amounts identified as charity care charges are \$436,040, \$410,911 and \$456,783 for the years ended June 30, 2021, 2020 and 2019, respectively. The related cost of care was approximately \$159,000, \$156,000 and \$163,000, for the fiscal years ended in 2021, 2020 and 2019, respectively. Funds received through grants, which pay part of the cost of charity and uninsured care, were approximately \$138,000, \$130,000 and \$87,000 for the years ended June 30, 2021, 2020 and 2019, respectively.

NOTE 14 - EMPLOYEE MEDICAL BENEFIT PLAN

The District is self-insured to provide group medical/dental coverage for its employees. A third-party, IMA of Louisiana, administers the group medical coverage for the District. The District funds its losses based on actual claims. A stop-loss insurance contract was executed with an insurance carrier that provides for payment of 100% of claims in excess of \$130,000 per year up to specific individual maximums of \$1,000,000. A liability is accrued for self-insured employee health claims, including both claims reported and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims’ experience, recently settled claims, and frequency of claims. It is reasonably possible that the Hospital’s estimate will change by a material amount in the near term. The following is a summary of changes in the Hospital’s claims liability for the year ended June 30:

	<u>2021</u>		<u>2020</u>		<u>2019</u>
Beginning of the year	\$ 276,347	\$	176,351	\$	91,855
Plus: Claims incurred and changes in estimate	2,714,062		2,786,863		2,845,910
Less: Claims paid	<u>2,990,409</u>		<u>2,686,867</u>		<u>2,761,414</u>
End of the year	\$ <u>-0-</u>	\$	<u>276,347</u>	\$	<u>176,351</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 YEARS ENDED JUNE 30, 2021, 2020 AND 2019

NOTE 15 - NOTES RECEIVABLE AND PHYSICIAN CONTRACT GUARANTEES

The following is a summary of notes receivable and physician contract guarantees at June 30. Management asserts no allowances for uncollectible accounts are needed.

	<u>2021</u>		<u>2020</u>		<u>2019</u>
Physician notes	\$ 69,445	\$	157,367	\$	121,528
Physician contract guarantees	<u>121,755</u>		<u>74,764</u>		<u>74,698</u>
	191,200		232,131		196,226
Less current maturities	<u>(124,441)</u>		<u>(92,300)</u>		<u>(87,198)</u>
Long-term notes receivable	\$ <u>66,759</u>	\$	<u>139,831</u>	\$	<u>109,028</u>

NOTE 16 - MEDICARE ADVANCE PAYMENTS

The Hospital applied for and received \$7,161,894 in Medicare Advance Payments during April 2020. The advance payments are to assist the Hospital due to the reduction in volume experienced by the restrictions placed by the Louisiana Department of Health in response to the coronavirus pandemic. These restrictions included postponement of elective procedures. Recoupment of the advance payments through Medicare claims began in April of 2021. As of June 30, 2021, a total of \$725,321 has been recouped with an estimated \$4,494,000 expected to be recouped within one year.

NOTE 17 - CONTINGENCIES

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

The principal contingencies are described below:

Third-Party Government-Based Revenues (Note 1) - Cost reimbursements are subject to examination by agencies administering the programs. Effective October 1, 1983, the Medicare program discontinued its cost-based reimbursement system for inpatient services. Under the program, the District receives a fixed fee for each patient, which is determined by the government. The District is contingently liable for retroactive adjustments made by the Medicare and Medicaid programs as the result of their examinations as well as retroactive changes in interpretations applying statutes, regulations, and general instructions of those programs. The amount of such adjustments cannot be determined.



NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021, 2020 AND 2019

NOTE 17 - CONTINGENCIES (Continued)

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

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a global pandemic. As a result, uncertainties have arisen that may have a significant impact on the operating activities and results of the Hospital. The occurrence and extent of such an impact will depend on future developments, including the duration and spread of the virus, government quarantine measures, voluntary and precautionary restriction on travel or meetings, the effects on the financial markets, and the effects on the economy overall, all of which are uncertain. The Hospital received \$6,767,027 in Provider Relief Funds to prevent, prepare for and respond to the coronavirus and as reimbursement to the Hospital for eligible expenses and lost revenues. Additionally, the Hospital applied for and received \$7,161,894 in Medicare advance payments as described in Note 16 to aide in the reduction of cash flow due to restrictions placed on elective procedures.

Professional Liability Risk (Note 11) - The District is contingently liable for losses from professional liability not underwritten by the Louisiana Patient's Compensation Fund or the Louisiana Hospital Association Trust Fund as well as for assessments by the Louisiana Hospital Association Trust Fund.

Workmen's Compensation Risk (Note 12) - The District is contingently liable for assessments by the Louisiana Hospital Association Trust Fund.

Hill-Burton Uncompensated Service and Community Service Obligations - As a result of the District receiving a Federal Hill-Burton program grant, the District is required to provide a reasonable volume of uncompensated services to patients who are unable to pay for their medical care. The District's obligation for uncompensated services was fulfilled on July 17, 1998. Additionally, the District is obligated to provide community service.

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021, 2020 AND 2019

NOTE 18 - AD VALOREM TAXES

The District levies a property tax on all property subject to taxation in the service district. A 5.53 mill tax was approved for a period of ten years, beginning with the year 2003 and ending with the year 2012, to be dedicated and used for operating, maintaining, renovating, and improving emergency medical services. Beginning in year 2013, a 5.31 mill tax was approved for a period of ten years for the same purposes. Property taxes are collected through the local sheriff's office and remitted, net of collection fees, to the District. Property tax notices are mailed by November 15 each year, are due by December 31, and become delinquent on January 31.

NOTE 19 - COMMITMENTS

The District entered into various construction contracts, which totaled \$3,689,083, including change orders as of June 30, 2021. The Hospital paid \$3,088,645 towards these commitments as of June 30, 2021.

NOTE 20 - GRANTS

In 2021, 2020 and 2019, the Hospital (Grantee) entered into a cooperative endeavor agreement (CEA) with a regional public rural hospital (Grantor) whereby the Grantor awards an intergovernmental transfer grant (IGT) to be used solely to provide adequate and essential medically necessary and available healthcare services to Grantee's service population subject to the availability of such grant funds. The aggregate IGT grant income is \$2,988,780, \$2,542,000 and \$2,341,324 for fiscal year 2021, 2020 and 2019, respectively.

Various other grants were received during the year for other uses.

NOTE 21 - COVID-19 GRANTS

The Hospital received approximately \$6.8 million in Provider Relief Funds (the funds) via the Coronavirus Aid, Relief, and Economic Security (CARES) Act during the fiscal years ending June 30, 2020 and 2021. The funds were issued by the U.S. Department of Health & Human Services (HHS) in response to the Coronavirus pandemic to be utilized for healthcare related expenses and lost revenues attributable to coronavirus. The Hospital recognized approximately \$4.9 million and \$1.9 million as nonoperating revenue in the fiscal years ending June 30, 2020 and 2021, respectively. The unrecognized amount is reported as deferred revenue in the accompanying statement of net position. The Hospital will submit an initial report of healthcare related expenses and lost revenues attributable to coronavirus from inception through June 30, 2021 by September 30, 2021. Funds received in excess of the reported expenses and lost revenues, if any, will be owed to HHS. As a result, the amount recorded in the financial statements compared to the Hospital's Provider Relief Fund reporting could differ. This difference could be materially different from the current estimates.



NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 YEARS ENDED JUNE 30, 2021, 2020 AND 2019

NOTE 22 - OPERATING LEASES

The Hospital is committed under various noncancelable operating leases, all of which are for equipment or buildings. These expire in various years through 2026. Future minimum operating lease payments are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2022	\$ 824,279
2023	733,272
2024	682,517
2025	366,261
2026	<u>120,483</u>
Total minimum lease payments	\$ <u>2,726,812</u>

Total lease expense under noncancelable operating leases for the years ended June 30, 2021 was \$528,176.

NOTE 23 - SUBSEQUENT EVENTS

In August of 2021, the Hospital purchased 100% member interest in Northwestern Louisiana Cancer Center for approximately \$1.2 million.

In November of 2021, the Hospital received funding of approximately \$3.3 million through the American Rescue Plan Act of 2021.

Events have been evaluated through January 19, 2022, for subsequent event disclosure. This date is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**NATCHITOCHES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES**  
**CONSOLIDATING STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	Natchitoches		Natchitoches		Natchitoches		NRMC		NRMC		NRMC		Eliminating	Consolidated
ASSETS	Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	NRMC Comprehensive Wound Care, LLC	NRMC Walk-In Clinic Ventures, LLC	NRMC Pain Institute Ventures, LLC						Entries	
<b>Current</b>														
Cash and cash equivalents	\$ 5,886,710	\$ 670,196	\$ 63,408	\$ 512,117	\$ 513,414	\$ -0-	\$ 378,250	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 8,024,095
Limited use assets	88,527	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	88,527
Patient accounts receivable, net	11,695,366	(123,378)	(125)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	11,571,863
Estimated third-party payor settlements	2,417,648	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,417,648
Other receivables	4,510,850	(6,686)	210	282,052	520,063	-0-	133,435	(1,391,729)	-0-	-0-	-0-	-0-	4,048,195	
Inventory	2,277,214	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,277,214
Prepaid expenses	1,258,812	26,821	-0-	5,381	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,291,014
Notes receivable - current	124,441	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	124,441
<b>Total Current Assets</b>	<b>28,259,568</b>	<b>566,953</b>	<b>63,493</b>	<b>799,550</b>	<b>1,033,477</b>	<b>-0-</b>	<b>511,685</b>	<b>(1,391,729)</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>29,842,997</b>
<b>Other</b>														
Limited use assets	16,607,047	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	16,607,047
Nondepreciable capital assets	10,084,486	-0-	45,899	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	10,130,385
Depreciable capital assets, net	36,407,109	5,795	1,245,095	46,639	1,203,960	-0-	33,634	-0-	-0-	-0-	-0-	-0-	-0-	38,942,232
Bond issue cost, net	10,871	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	10,871
Capitalized construction interest	1,877,005	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,877,005
Notes receivable	66,759	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	66,759
Other	3,899,028	233,200	-0-	-0-	-0-	-0-	-0-	(3,622,307)	-0-	-0-	-0-	-0-	-0-	509,921
<b>Total Assets</b>	<b>\$ 97,211,873</b>	<b>\$ 805,948</b>	<b>\$ 1,354,487</b>	<b>\$ 846,189</b>	<b>\$ 2,237,437</b>	<b>\$ -0-</b>	<b>\$ 545,319</b>	<b>\$ (5,014,036)</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 97,987,217</b>

NATCHITOCHES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
CONSOLIDATING STATEMENT OF NET POSITION (Continued)  
JUNE 30, 2021

<u>LIABILITIES AND NET POSITION</u>	Natchitoches Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	NRMC Comprehensive Wound Care, LLC	NRMC Walk-In Clinic Ventures, LLC	NRMC Pain Institute Ventures, LLC	Eliminating Entries	<u>Consolidated</u>
<b>Current</b>									
Accounts payable	\$ 7,571,097	\$ (204,348)	\$ 77,628	\$ 57,783	\$ 187,578	\$ -0-	\$ 19,220	\$ (1,026,116)	\$ 6,682,842
Accrued expenses	1,912,002	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,912,002
Unearned revenue	365,613	7,492	-0-	-0-	-0-	-0-	-0-	(365,613)	7,492
Estimated third-party payor settlements	1,270,660	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,270,660
Medicare advance payments	4,494,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,494,000
Current portion of long-term debt	1,145,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,145,000
<b>Total Current Liabilities</b>	<u>16,758,372</u>	<u>(196,856)</u>	<u>77,628</u>	<u>57,783</u>	<u>187,578</u>	<u>-0-</u>	<u>19,220</u>	<u>(1,391,729)</u>	<u>15,511,996</u>
<b>Long-term Liabilities</b>									
Medicare advance payments	1,942,573	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,942,573
Long-term debt	9,225,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	9,225,000
<b>Total Liabilities</b>	<u>27,925,945</u>	<u>(196,856)</u>	<u>77,628</u>	<u>57,783</u>	<u>187,578</u>	<u>-0-</u>	<u>19,220</u>	<u>(1,391,729)</u>	<u>26,679,569</u>
<b>Net Position</b>									
Invested in capital assets, net of related debt	36,121,595	-0-	-0-	-0-	-0-	-0-	-0-	2,581,022	38,702,617
Restricted	890,722	-0-	-0-	-0-	-0-	-0-	-0-	-0-	890,722
Unrestricted	32,273,611	-0-	-0-	-0-	-0-	-0-	-0-	(2,594,355)	29,679,256
<b>Total Controlling Net Position</b>	69,285,928	-0-	-0-	-0-	-0-	-0-	-0-	(13,333)	69,272,595
Noncontrolling interest in subsidiary	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,035,053	2,035,053
<b>Total Net Position</b>	<u>69,285,928</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,021,720</u>	<u>71,307,648</u>
<b>Members' Equity</b>	<u>-0-</u>	<u>1,002,804</u>	<u>1,276,859</u>	<u>788,406</u>	<u>2,049,859</u>	<u>-0-</u>	<u>526,099</u>	<u>(5,644,027)</u>	<u>-0-</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 97,211,873</u>	<u>\$ 805,948</u>	<u>\$ 1,354,487</u>	<u>\$ 846,189</u>	<u>\$ 2,237,437</u>	<u>\$ -0-</u>	<u>\$ 545,319</u>	<u>\$ (5,014,036)</u>	<u>\$ 97,987,217</u>

**NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2021**

	Natchitoches Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	NRMC Comprehensive Wound Care, LLC	NRMC Walk-In Clinic Ventures, LLC	NRMC Pain Institute Ventures, LLC	Eliminating Entries	Consolidated
<b>Revenues</b>									
Net patient service revenue	\$ 74,140,888	\$ 536,551	\$ -0-	\$ -0-	\$ -0-	\$ 1,919,708	\$ -0-	\$ -0-	\$ 76,597,147
Other revenue	7,640,406	2,200	349,976	1,747,301	2,864,544	-0-	300,857	(6,265,114)	6,640,170
<b>Total Revenues</b>	<u>81,781,294</u>	<u>538,751</u>	<u>349,976</u>	<u>1,747,301</u>	<u>2,864,544</u>	<u>1,919,708</u>	<u>300,857</u>	<u>(6,265,114)</u>	<u>83,237,317</u>
<b>Expenses</b>									
Salaries and benefits	38,355,270	6,002	337,886	594,482	860,087	1,126,766	104,962	-0-	41,385,455
Medical supplies and drugs	11,602,232	8,745	-0-	118,184	219,054	48,672	4,251	-0-	12,001,138
Medical, professional and consulting	3,728,390	101,790	-0-	-0-	697,308	163,526	22,796	-0-	4,713,810
Other expenses	24,172,794	129,147	124,422	229,391	93,292	116,521	38,545	(5,050,522)	19,853,590
Insurance	1,567,613	-0-	12,316	3,210	16,331	8,919	5,203	-0-	1,613,592
Depreciation and amortization	3,864,311	892	95,114	11,660	65,038	6,404	13,858	-0-	4,057,277
<b>Total Expenses</b>	<u>83,290,610</u>	<u>246,576</u>	<u>569,738</u>	<u>956,927</u>	<u>1,951,110</u>	<u>1,470,808</u>	<u>189,615</u>	<u>(5,050,522)</u>	<u>83,624,862</u>
<b>Operating Income (Loss)</b>	<u>(1,509,316)</u>	<u>292,175</u>	<u>(219,762)</u>	<u>790,374</u>	<u>913,434</u>	<u>448,900</u>	<u>111,242</u>	<u>(1,214,592)</u>	<u>(387,545)</u>
<b>Nonoperating Revenues (Expenses)</b>									
Property taxes	1,964,585	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,964,585
Provider relief funds	2,111,083	-0-	33,899	-0-	-0-	-0-	-0-	-0-	2,144,982
Interest income	282,624	-0-	66	-0-	-0-	-0-	-0-	-0-	282,690
Gain on sale of equipment	(31,930)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(31,930)
Interest expense	(371,822)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(371,822)
<b>Total Nonoperating Rev (Exp)</b>	<u>3,954,540</u>	<u>-0-</u>	<u>33,965</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>3,988,505</u>
<b>Excess of Revenue over Expenses</b>	\$ 2,445,224	\$ 292,175	\$ (185,797)	\$ 790,374	\$ 913,434	\$ 448,900	\$ 111,242	\$ (1,214,592)	\$ 3,600,960

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (Continued)  
YEAR ENDED JUNE 30, 2021

	Natchitoches Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	NRMC Comprehensive Wound Care, LLC	NRMC Walk-In Clinic Ventures, LLC	NRMC Pain Institute Ventures, LLC	Eliminating Entries	Consolidated
Less: Consolidated net income attributable to noncontrolling interest	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	(1,155,737)	\$ (1,155,737)
Other comprehensive income									
Unrealized holding gains (losses)	<u>(129,743)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(129,743)</u>
Changes in net position	2,315,481	292,175	(185,797)	790,374	913,434	448,900	111,242	(2,370,329)	2,315,480
Beginning net position	66,970,447	919,240	1,462,656	607,033	1,895,425	17,297	414,857	(5,329,840)	66,957,115
Capital contribution	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Distribution paid	<u>-0-</u>	<u>(208,611)</u>	<u>-0-</u>	<u>(609,001)</u>	<u>(759,000)</u>	<u>(466,197)</u>	<u>-0-</u>	<u>2,042,809</u>	<u>-0-</u>
Ending net position	\$ <u>69,285,928</u>	\$ <u>1,002,804</u>	\$ <u>1,276,859</u>	\$ <u>788,406</u>	\$ <u>2,049,859</u>	\$ <u>-0-</u>	\$ <u>526,099</u>	\$ <u>(5,657,360)</u>	\$ <u>69,272,595</u>

**NATCHITOCHES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES**  
**CONSOLIDATING STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

ASSETS	Natchitoches		Natchitoches		Natchitoches		Natchitoches		Natchitoches		Eliminating Entries	Consolidated
	Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	NRMC Comprehensive Wound Care, LLC	NRMC Walk-In Clinic Ventures, LLC	NRMC Pain Institute Ventures, LLC					
<b>Current</b>												
Cash and cash equivalents	\$ 8,687,063	\$ 612,782	\$ 151,730	\$ 385,458	\$ 1,394,622	\$ 47,583	\$ 317,370	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 11,596,608
Limited use assets	2,094,580	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,094,580
Patient accounts receivable, net	9,273,918	88,393	(125)	-0-	-0-	164,177	-0-	-0-	-0-	-0-	-0-	9,526,363
Estimated third-party payor settlements	1,277,199	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,277,199
Other receivables	2,624,134	(7,589)	210	262,060	386,495	50,000	69,446	(1,231,221)	-0-	-0-	-0-	2,153,535
Inventory	2,687,905	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,687,905
Prepaid expenses	1,181,954	143	-0-	32,318	-0-	4,063	-0-	-0-	-0-	-0-	-0-	1,218,478
Notes receivable - current	92,300	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	92,300
<b>Total Current Assets</b>	<b>27,919,053</b>	<b>693,729</b>	<b>151,815</b>	<b>679,836</b>	<b>1,781,117</b>	<b>265,823</b>	<b>386,816</b>	<b>(1,231,221)</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>30,646,968</b>
<b>Other</b>												
Limited use assets	16,410,366	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	16,410,366
Nondepreciable capital assets	11,686,811	-0-	45,899	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	11,732,710
Depreciable capital assets, net	35,747,054	6,686	1,331,609	-0-	275,025	3,549	47,492	-0-	-0-	-0-	-0-	37,411,415
Bond issue cost, net	17,160	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	17,160
Capitalized construction interest	1,944,575	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,944,575
Notes receivable	139,831	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	139,831
Other	3,634,828	233,200	-0-	-0-	-0-	40,483	-0-	(3,558,388)	-0-	-0-	-0-	350,123
<b>Total Assets</b>	<b>\$ 97,499,678</b>	<b>\$ 933,615</b>	<b>\$ 1,529,323</b>	<b>\$ 679,836</b>	<b>\$ 2,056,142</b>	<b>\$ 309,855</b>	<b>\$ 434,308</b>	<b>\$ (4,789,609)</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 98,653,148</b>



NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
CONSOLIDATING STATEMENT OF NET POSITION (Continued)  
JUNE 30, 2020

LIABILITIES AND NET POSITION	Natchitoches Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	NRMC Comprehensive Wound Care, LLC	NRMC Walk-In Clinic Ventures, LLC	NRMC Pain Institute Ventures, LLC	Eliminating Entries	Consolidated
<b>Current</b>									
Accounts payable	\$ 6,583,900	\$ 14,375	\$ 66,667	\$ 72,803	\$ 160,717	\$ 269,014	\$ 19,451	\$ (1,231,221)	\$ 5,955,706
Accrued expenses	1,653,742	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,653,742
Unearned revenue	1,399,016	-0-	-0-	-0-	-0-	23,544	-0-	-0-	1,422,560
Estimated third-party payor settlements	1,540,679	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,540,679
Medicare advance payments	725,321	-0-	-0-	-0-	-0-	-0-	-0-	-0-	725,321
Current portion of long-term debt	<u>1,820,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,820,000</u>
<b>Total Current Liabilities</b>	<u>13,722,658</u>	<u>14,375</u>	<u>66,667</u>	<u>72,803</u>	<u>160,717</u>	<u>292,558</u>	<u>19,451</u>	<u>(1,231,221)</u>	<u>13,118,008</u>
<b>Long-term Liabilities</b>									
Medicare advance payments	6,436,573	-0-	-0-	-0-	-0-	-0-	-0-	-0-	6,436,573
Long-term debt	<u>10,370,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>10,370,000</u>
<b>Total Liabilities</b>	<u>30,529,231</u>	<u>14,375</u>	<u>66,667</u>	<u>72,803</u>	<u>160,717</u>	<u>292,558</u>	<u>19,451</u>	<u>(1,231,221)</u>	<u>29,924,581</u>
<b>Net Position</b>									
Invested in capital assets, net of related debt	35,243,865	-0-	-0-	-0-	-0-	-0-	-0-	1,710,260	36,954,125
Restricted	2,828,532	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,828,532
Unrestricted	<u>28,898,050</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(1,723,592)</u>	<u>27,174,458</u>
<b>Total Controlling Net Position</b>	66,970,447	-0-	-0-	-0-	-0-	-0-	-0-	(13,332)	66,957,115
Noncontrolling interest in subsidiary	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,771,452</u>	<u>1,771,452</u>
<b>Total Net Position</b>	<u>66,970,447</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,758,120</u>	<u>68,728,567</u>
<b>Members' Equity</b>	<u>-0-</u>	<u>919,240</u>	<u>1,462,656</u>	<u>607,033</u>	<u>1,895,425</u>	<u>17,297</u>	<u>414,857</u>	<u>(5,316,508)</u>	<u>-0-</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 97,499,678</u>	<u>\$ 933,615</u>	<u>\$ 1,529,323</u>	<u>\$ 679,836</u>	<u>\$ 2,056,142</u>	<u>\$ 309,855</u>	<u>\$ 434,308</u>	<u>\$ (4,789,609)</u>	<u>\$ 98,653,148</u>

**NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES**  
**CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2020**

	Natchitoches Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	NRMC Comprehensive Wound Care, LLC	NRMC Walk-In Clinic Ventures, LLC	NRMC Pain Institute Ventures, LLC	Eliminating Entries	Consolidated
<b>Revenues</b>									
Net patient service revenue	\$ 61,541,428	\$ 286,276	\$ -0-	\$ -0-	\$ -0-	\$ 2,501,253	\$ -0-	\$ -0-	\$ 64,328,957
Other revenue	7,329,536	-0-	549,264	1,641,986	2,584,248	-0-	842,264	(6,624,515)	6,322,783
<b>Total Revenues</b>	<b>68,870,964</b>	<b>286,276</b>	<b>549,264</b>	<b>1,641,986</b>	<b>2,584,248</b>	<b>2,501,253</b>	<b>842,264</b>	<b>(6,624,515)</b>	<b>70,651,740</b>
<b>Expenses</b>									
Salaries and benefits	34,954,561	-0-	317,010	582,752	724,709	1,725,487	287,962	-0-	38,592,481
Medical supplies and drugs	7,393,382	8,867	-0-	115,714	146,943	103,000	25,660	-0-	7,793,566
Medical, professional and consulting	3,610,489	147,357	-0-	-0-	707,251	271,486	50,905	-0-	4,787,488
Other expenses	23,077,943	127,158	154,716	246,446	150,294	176,108	40,114	(5,217,004)	18,755,775
Insurance	1,410,352	-0-	15,596	9,465	25,138	14,494	3,792	-0-	1,478,837
Depreciation and amortization	3,870,019	891	95,130	17,306	28,950	34,095	13,858	-0-	4,060,249
<b>Total Expenses</b>	<b>74,316,746</b>	<b>284,273</b>	<b>582,452</b>	<b>971,683</b>	<b>1,783,285</b>	<b>2,324,670</b>	<b>422,291</b>	<b>(5,217,004)</b>	<b>75,468,396</b>
<b>Operating Income (Loss)</b>	<b>(5,445,782)</b>	<b>2,003</b>	<b>(33,188)</b>	<b>670,303</b>	<b>800,963</b>	<b>176,583</b>	<b>419,973</b>	<b>(1,407,511)</b>	<b>(4,816,656)</b>
<b>Nonoperating Revenues (Expenses)</b>									
Property taxes	1,825,686	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,825,686
Provider relief funds	4,371,722	-0-	-0-	118,443	186,414	183,632	60,756	-0-	4,920,967
Interest income	342,997	-0-	105	-0-	-0-	-0-	-0-	-0-	343,102
Gain on sale of equipment	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Interest expense	(126,792)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(126,792)
<b>Total Nonoperating Rev (Exp)</b>	<b>6,413,613</b>	<b>-0-</b>	<b>105</b>	<b>118,443</b>	<b>186,414</b>	<b>183,632</b>	<b>60,756</b>	<b>-0-</b>	<b>6,962,963</b>
<b>Excess of Revenue over Expenses</b>	<b>\$ 967,831</b>	<b>\$ 2,003</b>	<b>\$ (33,083)</b>	<b>\$ 788,746</b>	<b>\$ 987,377</b>	<b>\$ 360,215</b>	<b>\$ 480,729</b>	<b>\$ (1,407,511)</b>	<b>\$ 2,146,307</b>

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (Continued)  
YEAR ENDED JUNE 30, 2020

	Natchitoches Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	NRMC Comprehensive Wound Care, LLC	NRMC Walk-In Clinic Ventures, LLC	NRMC Pain Institute Ventures, LLC	Eliminating Entries	Consolidated
Less: Consolidated net income attributable to noncontrolling interest	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	(1,178,476)	\$ (1,178,476)
Other comprehensive income									
Unrealized holding gains (losses)	<u>242,777</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>242,777</u>
Changes in net position	1,210,608	2,003	(33,083)	788,746	987,377	360,215	480,729	(2,585,987)	1,210,608
Beginning net position	65,759,839	950,625	1,495,739	758,287	1,319,664	(342,918)	633,128	(4,827,857)	65,746,507
Capital contribution	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Distribution paid	<u>-0-</u>	<u>(33,388)</u>	<u>-0-</u>	<u>(940,000)</u>	<u>(411,616)</u>	<u>-0-</u>	<u>(699,000)</u>	<u>2,084,004</u>	<u>-0-</u>
Ending net position	\$ <u>66,970,447</u>	\$ <u>919,240</u>	\$ <u>1,462,656</u>	\$ <u>607,033</u>	\$ <u>1,895,425</u>	\$ <u>17,297</u>	\$ <u>414,857</u>	\$ <u>(5,329,840)</u>	\$ <u>66,957,115</u>

**NATCHITOCHES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES**  
**CONSOLIDATING STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

<u>ASSETS</u>	Natchitoches Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	NRMCM Comprehensive Wound Care, LLC	NRMCM Walk-In Clinic Ventures, LLC	NRMCM Pain Institute Ventures, LLC	Eliminating Entries	<u>Consolidated</u>
Current									
Cash and cash equivalents	\$ 3,807,505	\$ 597,328	\$ 108,560	\$ 614,805	\$ 929,009	\$ 171,310	\$ 517,543	\$ -0-	\$ 6,746,060
Limited use assets	637,555	-0-	-0-	-0-	-0-	-0-	-0-	-0-	637,555
Patient accounts receivable, net	10,225,817	112,937	200	-0-	-0-	373,170	-0-	-0-	10,712,124
Estimated third-party payor settlements	420,125	-0-	-0-	-0-	-0-	-0-	-0-	-0-	420,125
Other receivables	2,878,299	(6,741)	210	146,620	246,813	-0-	92,303	(1,610,793)	1,746,711
Inventory	1,927,414	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,927,414
Prepaid expenses	1,067,283	3,243	-0-	10,606	-0-	-0-	-0-	-0-	1,081,132
Notes receivable - current	87,198	-0-	-0-	-0-	-0-	-0-	-0-	-0-	87,198
<b>Total Current Assets</b>	<b>21,051,196</b>	<b>706,767</b>	<b>108,970</b>	<b>772,031</b>	<b>1,175,822</b>	<b>544,480</b>	<b>609,846</b>	<b>(1,610,793)</b>	<b>23,358,319</b>
Other									
Limited use assets	22,563,663	-0-	-0-	-0-	-0-	-0-	-0-	-0-	22,563,663
Nondepreciable capital assets	3,043,290	-0-	45,899	-0-	-0-	-0-	-0-	-0-	3,089,189
Depreciable capital assets, net	35,196,598	7,578	1,426,739	1,394	303,975	30,614	61,349	-0-	37,028,247
Bond issue cost, net	23,450	-0-	-0-	-0-	-0-	-0-	-0-	-0-	23,450
Capitalized construction interest	1,684,655	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,684,655
Notes receivable	109,028	-0-	-0-	-0-	-0-	-0-	-0-	-0-	109,028
Other	3,313,212	233,200	-0-	15,912	-0-	47,513	-0-	(3,236,772)	373,065
<b>Total Assets</b>	<b>\$ 86,985,092</b>	<b>\$ 947,545</b>	<b>\$ 1,581,608</b>	<b>\$ 789,337</b>	<b>\$ 1,479,797</b>	<b>\$ 622,607</b>	<b>\$ 671,195</b>	<b>\$ (4,847,565)</b>	<b>\$ 88,229,616</b>

**NATCHITOCHES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES**  
**CONSOLIDATING STATEMENT OF NET POSITION (Continued)**  
**JUNE 30, 2019**

<u>LIABILITIES AND NET POSITION</u>	Natchitoches Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	NRMC Comprehensive Wound Care, LLC	NRMC Walk-In Clinic Ventures, LLC	NRMC Pain Institute Ventures, LLC	Eliminating Entries	<u>Consolidated</u>
<b>Current</b>									
Accounts payable	\$ 4,270,851	\$ (3,080)	\$ 36,079	\$ 27,585	\$ 160,133	\$ 965,525	\$ 38,067	\$ (1,610,793)	\$ 3,884,367
Accrued expenses	1,414,577	-0-	2,190	3,465	-0-	-0-	-0-	-0-	1,420,232
Unearned revenue	-0-	-0-	47,600	-0-	-0-	-0-	-0-	-0-	47,600
Estimated third-party payor settlements	1,609,825	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,609,825
Current portion of long-term debt	<u>1,740,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,740,000</u>
<b>Total Current Liabilities</b>	<u>9,035,253</u>	<u>(3,080)</u>	<u>85,869</u>	<u>31,050</u>	<u>160,133</u>	<u>965,525</u>	<u>38,067</u>	<u>(1,610,793)</u>	<u>8,702,024</u>
<b>Long-term Liabilities</b>									
Long-term debt	<u>12,190,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>12,190,000</u>
<b>Total Liabilities</b>	<u>21,225,253</u>	<u>(3,080)</u>	<u>85,869</u>	<u>31,050</u>	<u>160,133</u>	<u>965,525</u>	<u>38,067</u>	<u>(1,610,793)</u>	<u>20,892,024</u>
<b>Net Position</b>									
Invested in capital assets, net of related debt	24,309,888	-0-	-0-	-0-	-0-	-0-	-0-	1,877,548	26,187,436
Restricted	8,055,202	-0-	-0-	-0-	-0-	-0-	-0-	-0-	8,055,202
Unrestricted	<u>33,394,749</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(1,890,880)</u>	<u>31,503,869</u>
<b>Total Controlling Net Position</b>	65,759,839	-0-	-0-	-0-	-0-	-0-	-0-	(13,332)	65,746,507
Noncontrolling interest in subsidiary	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,591,085</u>	<u>1,591,085</u>
<b>Total Net Position</b>	<u>65,759,839</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,577,753</u>	<u>67,337,592</u>
<b>Members' Equity</b>	<u>-0-</u>	<u>950,625</u>	<u>1,495,739</u>	<u>758,287</u>	<u>1,319,664</u>	<u>(342,918)</u>	<u>633,128</u>	<u>(4,814,525)</u>	<u>-0-</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 86,985,092</u>	<u>\$ 947,545</u>	<u>\$ 1,581,608</u>	<u>\$ 789,337</u>	<u>\$ 1,479,797</u>	<u>\$ 622,607</u>	<u>\$ 671,195</u>	<u>\$ (4,847,565)</u>	<u>\$ 88,229,616</u>

**NATCHITOCHEES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2019**

	Natchitoches Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	NRMC Comprehensive Wound Care, LLC	NRMC Walk-In Clinic Ventures, LLC	NRMC Pain Institute Ventures, LLC	Eliminating Entries	Consolidated
<b>Revenues</b>									
Net patient service revenue	\$ 60,709,576	\$ 408,393	\$ -0-	\$ -0-	\$ -0-	\$ 1,830,934	\$ -0-	\$ -0-	\$ 62,948,903
Other revenue	6,870,301	628	524,186	1,655,813	2,579,358	-0-	1,178,860	(6,810,980)	5,998,166
<b>Total Revenues</b>	<u>67,579,877</u>	<u>409,021</u>	<u>524,186</u>	<u>1,655,813</u>	<u>2,579,358</u>	<u>1,830,934</u>	<u>1,178,860</u>	<u>(6,810,980)</u>	<u>68,947,069</u>
<b>Expenses</b>									
Salaries and benefits	33,211,574	(955)	277,382	528,412	694,334	1,407,892	303,129	-0-	36,421,768
Medical supplies and drugs	6,924,249	5,428	-0-	132,970	164,185	88,601	31,197	-0-	7,346,630
Medical, professional and consulting	2,790,856	89,249	-0-	-0-	689,785	56,678	74,800	-0-	3,701,368
Other expenses	21,904,144	141,550	151,156	227,490	132,564	322,781	25,490	(5,550,071)	17,355,104
Insurance	1,192,233	2,185	21,798	7,576	18,497	14,862	6,096	-0-	1,263,247
Depreciation and amortization	3,721,856	892	97,432	26,033	28,950	14,473	13,858	-0-	3,903,494
<b>Total Expenses</b>	<u>69,744,912</u>	<u>238,349</u>	<u>547,768</u>	<u>922,481</u>	<u>1,728,315</u>	<u>1,905,287</u>	<u>454,570</u>	<u>(5,550,071)</u>	<u>69,991,611</u>
<b>Operating Income (Loss)</b>	<u>(2,165,035)</u>	<u>170,672</u>	<u>(23,582)</u>	<u>733,332</u>	<u>851,043</u>	<u>(74,353)</u>	<u>724,290</u>	<u>(1,260,909)</u>	<u>(1,044,542)</u>
<b>Nonoperating Revenues (Expenses)</b>									
Property taxes	1,792,917	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,792,917
Interest income	390,249	20	2,138	-0-	-0-	-0-	-0-	-0-	392,407
Gain on sale of equipment	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Interest expense	(150,895)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(150,895)
<b>Total Nonoperating Rev (Exp)</b>	<u>2,032,271</u>	<u>20</u>	<u>2,138</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,034,429</u>
<b>Excess of Revenue over Expenses</b>	\$ (132,764)	\$ 170,692	\$ (21,444)	\$ 733,332	\$ 851,043	\$ (74,353)	\$ 724,290	\$ (1,260,909)	\$ 989,887

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (Continued)  
YEAR ENDED JUNE 30, 2019

	Natchitoches Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	NRMC Comprehensive Wound Care, LLC	NRMC Walk-In Clinic Ventures, LLC	NRMC Pain Institute Ventures, LLC	Eliminating Entries	Consolidated
Less: Consolidated net income attributable to noncontrolling interest	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	(1,122,651)	\$ (1,122,651)
Other comprehensive income									
Unrealized holding gains (losses)	<u>283,599</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>283,599</u>
Changes in net position	150,835	170,692	(21,444)	733,332	851,043	(74,353)	724,290	(2,383,560)	150,835
Beginning net position	65,609,004	879,933	1,517,183	836,184	1,192,621	(268,565)	547,838	(4,718,526)	65,595,672
Capital contribution	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Distribution paid	<u>-0-</u>	<u>(100,000)</u>	<u>-0-</u>	<u>(811,229)</u>	<u>(724,000)</u>	<u>-0-</u>	<u>(639,000)</u>	<u>2,274,229</u>	<u>-0-</u>
Ending net position	\$ <u>65,759,839</u>	\$ <u>950,625</u>	\$ <u>1,495,739</u>	\$ <u>758,287</u>	\$ <u>1,319,664</u>	\$ <u>(342,918)</u>	\$ <u>633,128</u>	\$ <u>(4,827,857)</u>	\$ <u>65,746,507</u>



NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
CONSOLIDATED SCHEDULES OF NET PATIENT SERVICE REVENUE  
YEARS ENDED JUNE 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Daily patient services:			
Routine services	\$ 5,489,532	\$ 4,958,076	\$ 5,277,907
Intensive care	4,243,483	2,930,778	3,122,296
Nursery	589,130	598,310	612,154
Long-term care	6,660,164	7,369,667	6,526,221
Swing bed	93,623	81,687	79,076
Geriatric psych	<u>4,202,960</u>	<u>5,828,000</u>	<u>4,820,560</u>
Total daily patient services	<u>21,278,892</u>	<u>21,766,518</u>	<u>20,438,214</u>
Other professional services:			
Operating and recovery room			
Inpatient	5,502,629	5,190,351	5,541,159
Outpatient	<u>23,020,429</u>	<u>16,572,668</u>	<u>16,059,178</u>
Total	<u>28,523,058</u>	<u>21,763,019</u>	<u>21,600,337</u>
Labor and delivery			
Inpatient	874,520	847,437	837,765
Outpatient	<u>161,738</u>	<u>173,678</u>	<u>174,611</u>
Total	<u>1,036,258</u>	<u>1,021,115</u>	<u>1,012,376</u>
Anesthesia			
Inpatient	1,100,898	979,354	1,081,965
Outpatient	<u>2,875,578</u>	<u>1,929,769</u>	<u>2,039,971</u>
Total	<u>3,976,476</u>	<u>2,909,123</u>	<u>3,121,936</u>
Radiology, ultrasound, MRI & CT scan			
Inpatient	3,176,899	3,081,756	3,236,926
Outpatient	<u>32,019,404</u>	<u>28,160,419</u>	<u>27,153,852</u>
Total	<u>35,196,303</u>	<u>31,242,175</u>	<u>30,390,778</u>
Laboratory			
Inpatient	6,498,114	5,317,374	5,723,091
Outpatient	<u>27,775,316</u>	<u>19,874,749</u>	<u>18,788,413</u>
Total	<u>\$ 34,273,430</u>	<u>\$ 25,192,123</u>	<u>\$ 24,511,504</u>

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
CONSOLIDATED SCHEDULES OF NET PATIENT SERVICE REVENUE (Continued)  
YEARS ENDED JUNE 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Blood			
Inpatient	\$ 1,618,474	\$ 946,962	\$ 1,323,491
Outpatient	<u>1,778,753</u>	<u>904,175</u>	<u>1,206,179</u>
Total	<u>3,397,227</u>	<u>1,851,137</u>	<u>2,529,670</u>
Inhalation therapy			
Inpatient	5,415,746	4,294,509	5,537,894
Outpatient	<u>3,693,348</u>	<u>3,417,957</u>	<u>3,362,253</u>
Total	<u>9,109,094</u>	<u>7,712,466</u>	<u>8,900,147</u>
Physical therapy			
Inpatient	385,646	361,594	369,509
Outpatient	<u>142,421</u>	<u>113,114</u>	<u>93,556</u>
Total	<u>528,067</u>	<u>474,708</u>	<u>463,065</u>
Occupational therapy			
Inpatient	212,755	234,663	236,902
Outpatient	<u>54,788</u>	<u>67,185</u>	<u>42,657</u>
Total	<u>267,543</u>	<u>301,848</u>	<u>279,559</u>
Speech therapy			
Inpatient	88,128	93,337	67,566
Outpatient	<u>134,841</u>	<u>188,826</u>	<u>265,919</u>
Total	<u>222,969</u>	<u>282,163</u>	<u>333,485</u>
Electrocardiology			
Inpatient	486,122	500,870	546,952
Outpatient	<u>3,865,347</u>	<u>3,711,238</u>	<u>3,467,396</u>
Total	\$ <u>4,351,469</u>	\$ <u>4,212,108</u>	\$ <u>4,014,348</u>

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
CONSOLIDATED SCHEDULES OF NET PATIENT SERVICE REVENUE (Continued)  
YEARS ENDED JUNE 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Central services			
Inpatient	\$ 284,550	\$ 343,557	\$ 439,594
Outpatient	<u>350,851</u>	<u>293,535</u>	<u>373,510</u>
Total	<u>635,401</u>	<u>637,092</u>	<u>813,104</u>
Pharmacy			
Inpatient	15,419,050	10,076,900	10,482,519
Outpatient	<u>10,514,289</u>	<u>9,450,309</u>	<u>8,634,490</u>
Total	<u>25,933,339</u>	<u>19,527,209</u>	<u>19,117,009</u>
Emergency room			
Inpatient	1,777,755	1,604,741	1,788,859
Outpatient	<u>12,133,959</u>	<u>13,959,509</u>	<u>14,128,153</u>
Total	<u>13,911,714</u>	<u>15,564,250</u>	<u>15,917,012</u>
Observation			
Outpatient	<u>12,796,879</u>	<u>12,718,724</u>	<u>11,643,520</u>
Ambulance			
Outpatient	<u>7,758,976</u>	<u>8,450,504</u>	<u>6,830,326</u>
Physician clinic			
Outpatient	<u>6,939,694</u>	<u>6,075,354</u>	<u>5,652,580</u>
Campti clinic			
Outpatient	<u>423,985</u>	<u>462,408</u>	<u>657,177</u>
Intensive outpatient psychiatric services			
Outpatient	<u>1,889,358</u>	<u>2,024,162</u>	<u>2,268,931</u>
Hospitalist program			
Inpatient	1,052,941	970,491	1,113,364
Outpatient	<u>1,604</u>	<u>-0-</u>	<u>208</u>
Total	<u>\$ 1,054,545</u>	<u>\$ 970,491</u>	<u>\$ 1,113,572</u>

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
CONSOLIDATED SCHEDULES OF NET PATIENT SERVICE REVENUE (Continued)  
YEARS ENDED JUNE 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Women's health clinic Outpatient	\$ <u>-0-</u>	\$ <u>5,736</u>	\$ <u>253,310</u>
Walk-in clinic Outpatient	<u>3,905,572</u>	<u>4,042,071</u>	<u>4,699,000</u>
Wound care Outpatient	<u>6,771,948</u>	<u>5,485,769</u>	<u>5,630,054</u>
Hyperbarics Outpatient	<u>3,385,584</u>	<u>3,157,702</u>	<u>3,152,004</u>
Pain management Outpatient	<u>1,074,448</u>	<u>2,812,457</u>	<u>4,372,474</u>
Surgical clinic Outpatient	<u>2,493,510</u>	<u>2,273,329</u>	<u>2,396,372</u>
Pulmonary clinic Outpatient	<u>2,573,882</u>	<u>2,142,649</u>	<u>1,478,623</u>
Orthopedic clinic Outpatient	<u>2,068,377</u>	<u>625,045</u>	<u>820,487</u>
ENT clinic Outpatient	<u>1,022,966</u>	<u>1,086,315</u>	<u>1,445,022</u>
OB/GYN clinic Outpatient	<u>1,459,976</u>	<u>775,187</u>	<u>-0-</u>
Urology clinic Outpatient	<u>1,871,024</u>	<u>1,127,260</u>	<u>-0-</u>
Multispecialty clinic Outpatient	<u>2,905,990</u>	<u>-0-</u>	<u>-0-</u>
Ambulatory treatment Outpatient	<u>66,600</u>	<u>-0-</u>	<u>-0-</u>
Total other professional services	\$ <u>221,825,662</u>	\$ <u>186,925,699</u>	\$ <u>185,417,782</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
CONSOLIDATED SCHEDULES OF NET PATIENT SERVICE REVENUE (Continued)  
YEARS ENDED JUNE 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Gross charges	\$ <u>243,104,554</u>	\$ <u>208,692,217</u>	\$ <u>205,855,996</u>
Less charges associated with charity patients	<u>436,040</u>	<u>410,911</u>	<u>456,783</u>
Gross patient service revenue	242,668,514	208,281,306	205,399,213
Less deductions from revenue:			
Medicare and Medicaid contractual adjustments	104,096,006	95,477,950	95,856,262
Commercial contractual adjustments	59,296,999	45,318,483	44,018,321
Other deductions	139,893	41,097	79,997
Nursing home intergovernmental transfer	(739,084)	(936,480)	(963,952)
Physician supplemental revenue	<u>(4,093,891)</u>	<u>(2,981,004)</u>	<u>(2,245,686)</u>
Patient service revenue (net of contractual adjustments and discounts)	83,968,591	71,361,260	68,654,271
Less provision for bad debts	<u>7,371,444</u>	<u>7,032,303</u>	<u>5,705,368</u>
Net patient service revenue	\$ <u><u>76,597,147</u></u>	\$ <u><u>64,328,957</u></u>	\$ <u><u>62,948,903</u></u>

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
CONSOLIDATED SCHEDULES OF OTHER REVENUE  
YEARS ENDED JUNE 30,

	<u>2021</u>		<u>2020</u>		<u>2019</u>
Other revenue:					
Rental income	\$ 1,012,890	\$	998,508	\$	1,041,487
Assisted living housing & care income	383,875		549,264		524,186
Dietary sales	199,844		280,814		262,457
Drugs sold to employees	897,721		686,797		632,094
Vending revenue	20,707		27,046		37,296
Grants	152,834		156,269		54,399
Intergovernmental transfer grant	2,988,780		2,542,000		2,341,324
340B pharmaceutical program	796,011		727,968		655,195
Other	<u>187,508</u>		<u>354,117</u>		<u>449,728</u>
 Total other operating revenue	 \$ <u>6,640,170</u>	\$	 <u>6,322,783</u>	\$	 <u>5,998,166</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
CONSOLIDATED SCHEDULES OF EXPENSES – SALARIES AND BENEFITS  
YEARS ENDED JUNE 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Salaries:			
Human resources	\$ 402,829	\$ 450,030	\$ 382,134
Administration	2,271,149	1,529,910	1,148,351
Information systems	552,878	563,816	579,128
Accounting	230,264	254,560	250,695
Admitting	601,457	574,863	636,402
Business office	385,897	365,435	367,386
Housekeeping	599,935	562,672	563,016
Dietary and cafeteria	34	289	519,734
Laundry	45,296	40,439	42,457
Plant operations and maintenance	515,425	468,720	454,502
Security	204,404	201,294	187,215
Nursing administration	1,289,593	1,051,016	1,082,284
Medical records	400,413	386,067	414,240
Nursing services	2,161,142	1,991,853	2,102,828
ICU	1,286,290	1,017,530	1,058,198
Geriatric psych	712,833	830,519	797,625
Nursery	182,476	212,218	184,773
Long-term care	3,127,954	3,143,641	3,171,543
Operating room	1,740,240	1,402,215	1,347,446
Labor and delivery	449,056	427,198	481,039
Radiology	1,439,808	1,209,371	1,173,351
Laboratory	1,065,013	939,929	877,998
Respiratory therapy	718,120	739,200	683,321
Physical therapy	257,888	273,542	267,248
Occupational therapy	205,906	210,260	208,905
Speech therapy	69,068	95,385	97,514
Purchasing	241,926	178,416	191,097
Pharmacy	693,459	662,505	614,371
Intensive outpatient psychiatric services	409,127	419,860	428,483
Emergency room	1,535,640	1,549,843	1,586,410
Ambulance	1,564,328	1,488,745	1,472,947
Physician clinic	597,802	589,770	540,646
Campti clinic	289,729	290,492	265,076
Assisted living	298,268	286,543	253,493
Hospitalist program	864,196	971,138	539,257
Women's health clinic	-0-	14,200	240,929
Walk-in clinic	1,468,960	1,519,732	1,281,149
Wound care	\$ 714,871	\$ 614,483	\$ 614,018



NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
CONSOLIDATED SCHEDULES OF EXPENSES – SALARIES AND BENEFITS (Continued)  
YEARS ENDED JUNE 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Pain management	\$ 79,969	\$ 248,220	\$ 274,679
Sleep center	323,384	331,234	292,239
Sports medicine	216,721	160,201	213,514
Surgery clinic	1,243,223	1,370,693	1,425,585
ENT clinic	503,431	536,415	548,732
Pulmonary clinic	811,420	724,383	446,738
Orthopedic clinic	958,039	635,765	617,673
OB/GYN clinic	753,984	659,499	30,026
Urology clinic	933,388	714,117	-0-
Ambulatory treatment	74,931	-0-	-0-
Discovery house	<u>114,650</u>	<u>110,573</u>	<u>95,283</u>
 Total salaries	 <u>35,606,814</u>	 <u>33,018,799</u>	 <u>31,051,678</u>
 Benefits:			
FICA and Medicare tax	2,476,310	2,288,888	2,188,617
Hospital insurance	2,916,816	2,995,697	2,983,230
Retirement	262,795	173,283	159,008
Other	<u>122,720</u>	<u>115,814</u>	<u>39,235</u>
 Total benefits (excluding retirement)	 <u>5,778,641</u>	 <u>5,573,682</u>	 <u>5,370,090</u>
 Total salaries and benefits	 \$ <u>41,385,455</u>	 \$ <u>38,592,481</u>	 \$ <u>36,421,768</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
CONSOLIDATED SCHEDULES OF EXPENSES – MEDICAL SUPPLIES AND DRUGS  
YEARS ENDED JUNE 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Nursing service	\$ 265,574	\$ 243,975	\$ 257,875
ICU	201,678	126,865	89,687
Geriatric psych	12,059	13,799	12,640
Nursery	24,094	21,640	26,019
Long-term care	221,407	216,176	243,287
Operating room	3,790,883	2,313,846	2,656,187
Labor and delivery	41,862	35,379	24,659
Anesthesiology	105,133	101,807	53,631
Radiology, nuclear medicine, CT scan	184,511	149,014	194,763
Laboratory and blood	2,231,089	894,287	627,296
Respiratory therapy	168,639	164,032	133,900
Physical therapy	77	718	305
EKG	27,788	23,677	24,961
Central supply	45,020	62,090	32,586
Pharmacy	3,731,061	2,600,396	2,249,932
Emergency room	208,646	179,923	188,127
Ambulance	47,393	48,741	44,861
Physician clinic	118,184	115,714	132,970
Campti clinic	20,537	17,625	2,818
Women's health clinic	-0-	500	3,620
Walk-in clinic	76,552	103,000	88,601
Wound care	219,054	146,943	164,185
Pain clinic	4,251	25,660	31,197
Surgery clinic	3,182	9,679	2,444
ENT clinic	33,088	14,795	34,000
Pulmonary clinic	78	345	180
Orthopedic clinic	42,986	27,575	25,566
OB/GYN clinic	73,154	43,582	44
Urology clinic	94,683	91,390	-0-
Intensive outpatient psychiatric services	783	393	289
Dialysis	425	-0-	-0-
Infusion therapy	6,298	-0-	-0-
MultiSpecialty clinic	969	-0-	-0-
	<hr/>	<hr/>	<hr/>
Total medical supplies and drugs	\$ <u>12,001,138</u>	\$ <u>7,793,566</u>	\$ <u>7,346,630</u>

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
CONSOLIDATED SCHEDULES OF EXPENSES – MEDICAL, PROFESSIONAL AND  
CONSULTING SERVICES  
YEARS ENDED JUNE 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Routine nursing	\$ 229,460	\$ 490,737	\$ 54,060
ICU	3,789	3,073	6,397
Geriatric psych	232,875	206,970	206,394
Nursery	-0-	-0-	1,050
LTCU	148,126	134,687	105,624
Operating room	125,456	129,406	25,695
Labor and delivery	450	825	750
Anesthesiology	349,116	233,463	-0-
Radiology, ultrasound, CT scan	199,482	237,492	155,113
Laboratory	406,123	425,061	346,691
Respiratory therapy	82,815	39,328	40,174
Physical therapy	10,886	9,477	8,629
Pharmacy	343,661	238,457	246,469
Emergency room	1,140,635	1,110,218	812,445
Other	35,973	45,465	44,650
Sleep study	19,847	38,333	105,828
Intensive outpatient psychiatric services	97,459	97,930	96,772
Hospitalist program	35,338	66,394	467,808
Campti clinic	21,860	17,865	-0-
Women's health clinic	-0-	2,848	5,017
Walk-in clinic	204,510	271,486	56,678
Pain management	24,714	54,377	77,592
Wound care	697,308	707,251	689,785
ENT clinic	19,004	47,826	52,500
Pulmonary clinic	33,828	28,797	15,777
Orthopedic clinic	39,115	65,601	68,422
Surgery clinic	94,596	32,846	11,048
OB/GYN clinic	30,219	23,205	-0-
Dialysis	50,252	-0-	-0-
Urology clinic	36,913	28,070	-0-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total medical, professional and consulting	\$ <u>4,713,810</u>	\$ <u>4,787,488</u>	\$ <u>3,701,368</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
CONSOLIDATED SCHEDULES OF EXPENSES – OTHER  
YEARS ENDED JUNE 30,

	<u>2021</u>		<u>2020</u>		<u>2019</u>
Service fees	\$ 7,423,843	\$	6,521,668	\$	4,311,956
Legal and accounting	349,294		365,665		368,089
Non-medical supplies	3,540,040		3,377,958		3,391,766
Repairs and maintenance	344,285		455,086		788,300
Utilities	1,740,538		1,638,496		1,636,252
Telephone	129,978		140,115		117,189
Travel and fuel - ambulance	62,873		83,249		84,694
Travel and fuel - other	61,370		152,926		200,963
Rental expense	1,050,374		1,130,439		1,136,446
Education expense	16,272		32,905		61,740
Licenses, dues and subscriptions	1,596,999		1,559,669		1,650,181
Patient days tax	396,074		450,449		452,305
Advertising	531,590		446,485		466,963
Recruitment	250,862		347,555		343,865
Inter-governmental transfer expense	2,213,120		1,838,158		2,172,568
Other	<u>146,078</u>		<u>214,952</u>		<u>171,827</u>
 Total other expenses	 \$ <u>19,853,590</u>	\$	 <u>18,755,775</u>	\$	 <u>17,355,104</u>

## NATCHITOCHEES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES

### HISTORY

The Natchitoches Parish Hospital was built by the people of the Parish of Natchitoches, Louisiana, in cooperation with the United States Government, and is operated by the Natchitoches Parish Hospital Service District as created by the Police Jury of Natchitoches Parish, Louisiana.

In consideration of an agreement between the Police Jury of Natchitoches Parish, Louisiana, and the Natchitoches Parish Hospital Service District whereby the Police Jury agreed to construct, complete and equip a hospital in Natchitoches Parish, the Hospital Service District agrees to do and perform the following:

1. To operate the District for the duration of this twenty-year agreement as a non-profit institution in accordance with an agreement entered into by and between the Parish and the United States.
2. To maintain and operate the District and assume and pay the expenses of operations and maintenance to the extent of the income and revenues derived therefrom.
3. To have full and complete charge of the management and operation of the District and conduct and operate said District at all times in accordance with acceptable standards of hospital practice.

The Parish covenants to do and perform, as consideration for this agreement, the following:

1. To equip the hospital building for hospital purposes with modern equipment sufficient to meet the needs of present day hospital practice. If, however, the District desires to replace said equipment with new equipment, it may do so, and said new equipment shall be and remains the property of the Parish if paid for out of the income resulting from the operation of the District. It is understood and agreed, however, that the Parish shall not be responsible for the securing of additional equipment other than that already purchased or installed when the District takes possession of the premises.
2. To levy the special tax of one mill on the dollar of all property subject to state taxation in the Parish for a period of three years beginning with the year 1956, as authorized by the special election held in the Parish on November 15, 1955, and the Parish shall pay to the District the net proceeds of said tax, as when collected. Said net proceeds shall be used by the District solely to defray the costs of operating and maintaining the District described herein, and proceeds at such intervals as the Parish may require.

During the year ended September 30, 1965, the Natchitoches Parish Hospital was enlarged by the addition of a nursing home, an autopsy room, new patient rooms and additional administrative and storage space. The new construction was financed by: (1) a grant from the United States Government under the Hill-Burton Act in the amount of \$307,000; (2) proceeds of a \$400,000 bond issue; and, (3) revenues of the Natchitoches Parish Hospital. The \$400,000 of Natchitoches Parish, Louisiana, Hospital Improvement Revenue Bonds, 3 1/2%, Series 1963, were purchased by the United States of America, Housing and Home Finance Agency. These bonds were retired in 1979.

## NATCHITOCHEES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES

### HISTORY (Continued)

On June 14, 1977, a seven million dollar (\$7,000,000) bond issue was passed by the people of Natchitoches Parish. The seven million dollars (\$7,000,000) consisted of four million five hundred thousand dollars (\$4,500,000) of Public Improvement Bonds to be paid by ad valorem taxes. Two million five hundred thousand dollars (\$2,500,000) were to be Revenue Bonds and were to be paid off out of the general operating revenue of the District. Pursuant to a public hearing held on March 6, 1979, the District was authorized to issue \$4,500,000 of Hospital Revenue Bonds in lieu of the \$2,500,000 of Hospital Revenue Bonds.

On May 22, 1978, the Public Improvement Bonds were sold. The Public Improvement Hospital Bonds are dated April 1, 1978, and are in denominations of five thousand dollars (\$5,000) each, and bear interest at a rate or rates not exceeding six and one-half percent (6 1/2%) per annum on any bond in any interest payment period. Said interest to be payable April 1, 1979, and semi-annually thereafter on April 1st and October 1st of each year. Bonds numbered 204 to 900, inclusive, are callable for redemption by the District in the inverse order of their maturities, and if less than a full maturity, then by lot within such maturity, on any interest payment date on or after April 1, 1988, at the principal amount thereof and accrued interest to the date fixed for redemption, provided that official notice be given of such call of any of the bonds for redemption date by means of publication of an appropriate notice one time in a financial newspaper or journal published in the City of New York, or in the City of New Orleans, Louisiana, and sent by registered mail to the place of payment of the bonds. Bonds of this issue numbered 1 to 203, inclusive, are not callable for redemption prior to their stated dates of maturity. The bonds are secured by a special tax to be imposed and collected annually in excess of all other taxes on all the property subject to taxation within the territorial limits of the District. On October 1, 1985, funds were deposited in an irrevocable trust and zero coupon United States of America Trust securities were purchased. The securities began maturing in February 1995, and will be used to pay payments on the bonds until payment in full. No collections of taxes were required after that time.

In May 1979, the Hospital Revenue Bonds were sold. These bonds are dated April 1, 1979, and are in denominations of five thousand dollars (\$5,000) each, and bear interest at a rate or rates not exceeding seven and seven-eighths percent (7 7/8%) per annum on any bond in any interest period. Said interest to be payable October 1, 1979, and semi-annually thereafter on April 1st and October 1st of each year.

The Series 1979 Revenue Bonds are also subject to redemption in whole, at any time, or in part, at any interest payment date, at the option of the District upon the occurrence of any of the following conditions or events: (1) if title to, or the permanent use of, or use for a limited period of, substantially all of the District is condemned; or (2) if the title to substantially all of the District is found to be deficient to the extent that the Hospital is untenable or the efficient utilization of the District by the District is substantially impaired; or (3) if substantially all of the District is damaged or destroyed by fire or other casualty; or (4) if as a result of any changes in the Constitution of the United States of America or of the State of Louisiana or of legislative or administrative action, or failure of administrative action, by the United States or the State of Louisiana, or any agency or political subdivision thereof, or by reason of any judicial decision, (i) the Resolution becomes void or unenforceable or impossible to perform without unreasonable delay or (ii) unreasonable burdens or excessive liabilities are imposed on the District, including without limitation Federal, state or other ad valorem property, income or other taxes being imposed on the property of the District. In the event of such redemption, the Bonds shall be subject to redemption at the principal amount thereof plus accrued interest to the date of redemption, but without premium.

The Series 1979 Bonds are issued pursuant to a Resolution, under which payment of the principal of, redemption premium, if any, and interest on the Series 1979 Bonds is secured by a pledge of the income, revenues, receipts and accounts receivable derived by, payable or accruing to the District by reason of its operation of the District, subject to payment of the operating expenses of the District.



## NATCHITOCHEES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES

### HISTORY (Continued)

The Series 1979 Bonds are limited obligations of the District which are payable solely from revenues derived by the District from its operation of the Hospital. The Series 1979 Bonds are not an indebtedness or pledge of the general credit of the State of Louisiana, the Parish or City of Natchitoches or the District. Neither the District nor any of the assets of the District are pledged or mortgaged as security for the Series 1979 Revenue Bonds.

On February 26, 1980, the Louisiana State Bond Commission approved a notice of intention to issue not exceeding \$750,000 of Hospital Revenue Bonds to bear interest at rates not exceeding 9 1/4% per annum, the proceeds of which will be used for the purpose of constructing improvements to the existing facilities or to provide additional facilities, said bonds are to be secured by and payable solely from the District from operations, to mature at such time not exceeding 30 years from date of issuance, and subject further to the approval of the Natchitoches Parish Police Jury. In lieu of issuing these bonds the District made an application for the approval to the State Bond Commission to issue \$500,000 of Certificates of Indebtedness at an interest rate not to exceed eleven and one-half percent per annum. This application was approved on September 1, 1981. The \$500,000 in Certificates of Indebtedness were issued on April 6, 1982. Certificates totaling \$150,000 were issued to each of three banks in Natchitoches. These Certificates of Indebtedness were paid in full on September 28, 1984.

On November 20, 1985, the District's Commissioners resolved to donate a portion of land to the Natchitoches Parish Police Jury so they could construct a parish health clinic. The act of donation was made by resolution of the Board of Commissioners on October 23, 1987. The District's basis in the donated land was \$8,200.

An ambulance service tax is collected by the Natchitoches Parish Police Jury. The tax money is forwarded to the District upon submitting ambulance cost for the year. A ten-year renewal was passed in 1986. The voters of Natchitoches Parish voted not to renew this tax in July 1996.

Effective January 30, 1987, the Long-Term Care Unit qualified as a Medicare participating skilled nursing facility. As of September 25, 1987, a home health program was begun.

On December 1, 1988, the District began renting office space for four physicians in a newly constructed physician office building.

During the year ended June 30, 1990, the District purchased approximately ten acres of land on Keyser Avenue. The State of Louisiana expropriated one quarter acre for road right-of-way.

During the year ended June 30, 1991, the District began an \$845,000 renovation of the fourth and fifth floors of the Hospital which include two additional elevators and a rehabilitation fitness center. The Hospital began redecorating and refurnishing 84 patient rooms. These renovations were completed in fiscal year 1992.

During the year ended June 30, 1992, the District began replacing the chillers and completed replacement of the chillers in fiscal year 1993. The Hospital began and nearly completed a building to be rented as a dialysis center.

During the year ended June 30, 1994, the District completed construction of the dialysis center and began construction of rental facilities for a mental health unit and an obstetrics/gynecology doctors' office. The District also refinanced \$3,600,000 of Revenue bonds. As with the 1979 series, the \$3,560,000 of Series 1994 Bonds, dated May 19, 1994, are obligations of the District which are payable from revenues derived by the District from its operation of the Hospital. The interest rates vary from 3.95% to 5.5%.

## NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES

### HISTORY (Continued)

The District completed construction of the mental health unit, the obstetrics/gynecology doctors' office, senior care center and remodeling of the labor and delivery rooms during the fiscal year ended June 30, 1995. A cooperative endeavor with Northwest Psychiatry, Inc. resulted in the establishment of an adolescent psychiatric program in Natchitoches Parish. Additionally, the Hospital began its own geriatric psychiatric program on the hospital campus just prior to year end.

Effective July 1, 1995, the Hospital's geriatric psychiatric unit received "Distinct Part" status which provides for reasonable cost reimbursement of necessary services to Medicare patients. In February 1996 the cooperative endeavor with Northwest Psychiatry, Inc. ended as Medicaid, the primary payor source for the adolescent facility, tightened its admission and length of stay criteria. The result was an inadequate census and the unit was closed.

The District began leasing twenty-one beds and selling ancillary services to Satellite Rehab, Inc., a separately licensed hospital and unrelated party, on December 1, 1997. Satellite Rehab, Inc. offers inpatient rehabilitative services.

Also, on December 1, 1997, the District entered into a management agreement with Christus Health (the "Manager"). The Manager is responsible for providing an administrator for routine administrative services, making recommendations for the overall rate structure, preparing monthly reports to the Board, managing cash and investments, preparing annual budgets and reviewing the insurance program. The Board of Commissioners retained all authority and control over the District.

During the year ended June 30, 2000, the District financed \$10,000,000 of 6% Series 2000 Revenue Bonds. The \$10,000,000 of Series 2000 bonds, dated June 14, 2000, are obligations of the District which are payable from revenues derived by the District from its operation of the Hospital and must be used for expansion of hospital facilities.

The District received escrow funds in the amount of \$5,000,000 from Christus Health on March 3, 2000, as a part of an agreement with the District to be used for expansion of outpatient facilities. As certain conditions were met, the \$5,000,000 was earned during 1999, 2000, 2001 and 2002.

The District ceased operations of the home health and partial day psychiatric services in June 2000.

During the year ended June 30, 2002, the Hospital renovated the second and third floor of the tower as part of the beginning of a three-phase construction project, which will include a new outpatient service center. This project is being financed by the issuance of the Series 2000 Revenue Bonds of \$10,000,000 and from the \$5,000,000 contribution received by Christus Health.

The Hospital continued its three-phase construction project during 2004 with the completion of the renovation of the second and third floors and expected completion of the new outpatient service center by September of 2005. The final phase of the project, renovation of the first floor, will start after the completion of the outpatient service center.

The Hospital entered into a joint venture with local physicians and created Natchitoches Outpatient Services, LLC. NOP, LLC offers outpatient therapy services and MRI services. NOP, LLC began operations in June of 2005.



## NATCHITOCHEES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES

### HISTORY (Continued)

The Hospital has changed its d/b/a name to Natchitoches Regional Medical Center to reflect its regional healthcare status.

The Hospital purchased a minority interest in Northwestern Louisiana Cancer Center, LLC, which provides outpatient cancer treatment, in March 2006.

Christus Health conveyed a medical office building to the Hospital in July 2006. The conveyance contains an act of re-conveyance which is subject to the term of the management agreement with Christus Health. At the end of the agreement, the Hospital will recognize the building as an asset and the income based at fair market value.

In September of 2006, the Hospital opened the new outpatient center and started renovation of the first and fourth floor. The fourth floor will be leased to a rehab hospital.

The Hospital completed the renovation of the first and fourth floors in January 2007. The fourth floor is leased to a physical rehabilitation hospital.

The Hospital created a new entity called Natchitoches Assisted Living, LLC. NAL, LLC purchased an assisted living facility for \$1,200,000 on July 12, 2007, through a cash investment by the Hospital. NAL, LLC offers housing and limited care for elderly residents.

During the year ended June 30, 2009, the District financed \$8,000,000 of 4.26% Series 2008 Revenue Bonds. The \$8,000,000 of Series 2008 bonds, dated August 26, 2008, are obligations of the District which are payable from revenues derived by the District from its operation of the Hospital and must be used for expansion of hospital facilities.

Construction of the new nursing home facility began in September of 2008. The facility was completed in November 2009 and the patients were transferred. During FY 2012, the old nursing home was demolished.

The Hospital created a new entity called Regional Cardiology Clinic, LLC on March 2, 2009. RCC, LLC provides cardiology diagnostics and testing services.

The Natchitoches Hospital Foundation merged on November 3, 2010, with the Natchitoches Regional Medical Center Foundation.

The Hospital acquired a medical office building valued at \$4,550,000 by act of donation from Christus Health on December 31, 2010.

On February 3, 2014, the Hospital entered into a joint venture, NRMC Comprehensive Wound Care, LLC, to offer wound care and hyperbaric services.

On April 1, 2015, the Hospital entered into a joint venture with local physicians, NRMC Walk-In Clinic Ventures, LLC, to establish an after-hours care clinic. In February of 2021, the Hospital acquired 100% interest in NRMC Walk-in Clinic Ventures, LLC.

On April 7, 2016, the Hospital entered into a joint venture, NRMC Pain Institute Ventures, LLC, to offer pain management services.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES

HISTORY (Continued)

During the year ended June 30, 2019, the District financed \$9,000,000 of 2.75% to 4.20% Series 2018 Revenue Bonds. The \$9,000,000 of Series 2018 bonds, dated February 13, 2019, are obligations of the District which are payable from revenues derived by the District from its operation of the Hospital and must be used for expansion of hospital facilities.

In June of 2020, construction for a new state of the art wound care center was completed allowing the Hospital to expand its wound care services.

In August of 2020, the Hospital opened its new Multispecialty Clinic which provides urology, ENT, orthopedics, pulmonology, and general surgery services.

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
SCHEDULE OF PER DIEM  
OR OTHER AMOUNTS PAID TO OR ON BEHALF OF COMMISSIONERS  
YEAR ENDED JUNE 30, 2021

<u>Board Member</u>	<u>Paid on Behalf of Commissioners</u>
Roger Williams	\$ 480
Ronald Corkern	600
Dr. Chris Ingram	280
Samuel Jackson	280
John Luster	720
Arthur Welch	280
Michael Newton	240
James Kilcoyne	<u>120</u>
	\$ <u>3,000</u>

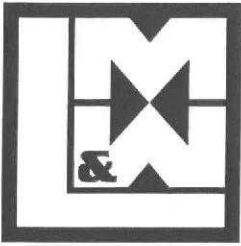
NATCHITOCHES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
 CONSOLIDATED SCHEDULE OF BONDS PAYABLE  
 YEAR ENDED JUNE 30, 2021

NATCHITOCHES PARISH HOSPITAL	RATES	PAYMENT DATES	ISSUE DATES	FINAL MATURITY DATE	ANNUAL SERIAL PAYMENTS	BONDS			
						AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
Revenue bonds - 2008	2.450%	4/1; 10/1	8/26/2008	10/1/2023	670,000 (2022) 700,000 (2023) 735,000 (2024)	\$ <u>10,000,000</u>	\$ <u>8,000,000</u>	\$ <u>5,895,000</u>	\$ <u>2,105,000</u>
Revenue bonds - 2018	2.750% to 4.200%	4/1; 10/1	2/13/2019	10/1/2033	475,000 (2022)  495,000 (2023) 520,000 (2024) 545,000 (2025) 570,000 (2026) 600,000 (2027) 625,000 (2028) 655,000 (2029) 685,000 (2030) 720,000 (2031) 755,000 (2032) 790,000 (2033) 830,000 (2034)	\$ <u>9,000,000</u>	\$ <u>9,000,000</u>	\$ <u>735,000</u>	\$ <u>8,265,000</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES  
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER  
 PAYMENTS TO CHIEF EXECUTIVE OFFICER  
 YEAR ENDED JUNE 30, 2021

Agency Head Name: Kirk Soileau  
 Position: CEO

<u>Purpose</u>	<u>Amount</u>
Salary	256,853
Health insurance	10,713
Retirement	35,825
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	-0-
Travel	1,634
Registration fees	1,844
Conference travel	1,597
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	15,293
Professional dues	-0-
Cell phone	-0-



## LESTER, MILLER & WELLS

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Retired 2015

Bobby G. Lester, CPA

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

Board of Commissioners  
Natchitoches Parish Hospital Service District  
Natchitoches, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Natchitoches Parish Hospital Service District and its affiliates (the "District" or the "Hospital"), a component unit of the Natchitoches Parish Government, Natchitoches, Louisiana, as of and for the years ended June 30, 2021, 2020, and 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report thereon dated January 19, 2022.

#### Internal Control Over Financial Reporting

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

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 first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's consolidated financial statements are free of 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 audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, and the office of the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

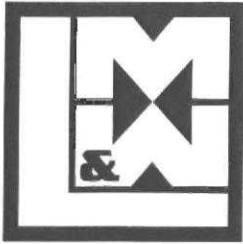


Certified Public Accountants  
Alexandria, Louisiana

January 19, 2022







## LESTER, MILLER & WELLS

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### INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners  
Natchitoches Parish Hospital Service District  
Natchitoches, Louisiana

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

We have audited Natchitoches Parish Hospital Service District and its affiliates (the "District" or the "Hospital"), a component unit of the Natchitoches Parish Government, Natchitoches, Louisiana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, Issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.



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

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### **Report on Internal Control over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Certified Public Accountants  
Alexandria, Louisiana

January 19, 2022



Natchitoches Parish Hospital Service District  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

<u>Federal Grantor/Program Name/ Pass-Through Grantor</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services COVID-19 Provider Relief Fund	93.498	\$ 6,228,553
U.S. Department of Health and Human Services COVID-19 Testing for Rural Health Clinics	93.697	200,000
U.S. Department of Health and Human Services COVID-19 National Bioterrorism Hospital Preparedness Program Passed-through the Louisiana Hospital Association	93.889	97,844
U.S. Department of Health and Human Services COVID-19 Uninsured Program	93.461	<u>72,445</u>
Total Expenditures of Federal Awards		\$ <u><u>6,598,842</u></u>

See accompanying notes to schedule of expenditures of federal awards

Natchitoches Parish Hospital Service District  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

NOTE A – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Natchitoches Parish Hospital Service District (referred to as "the District" or "the Hospital") under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

NOTE B – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – Indirect Cost Rate

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – Subrecipients

The District had no subrecipients in 2021.

NOTE E – Reconciliation of Provider Relief Fund Grant Revenue in the Financial Statements to the SEFA

During the fiscal year ended June 30, 2020, the Hospital received Provider Relief Funds from the U.S. Department of Health and Human Services (HHS) under Assistance Listing Number 93.498. The funds are to be utilized for expenditures to prevent, prepare for, and respond to coronavirus. Additionally, the funds are for lost revenues attributable to coronavirus pandemic. The Hospital recognized the amounts in the financial statements in the table below based on meeting the requirements of the program. The amounts received and expended are reported in the SEFA according to HHS's periods of availability. Accordingly, the \$6,228,553 expended in "Period 1" is reported on the June 30, 2021 SEFA, while the \$538,475 expended in "Period 2" will be reported on the June 30, 2022 SEFA.

Fiscal Year	Provider Relief Funding Received	Amount Recognized as Revenue	Amount Reported as Unearned Revenue	Amount Reported on the SEFA
2020	\$ 6,228,553	\$ 4,920,967	\$ 1,307,586	\$ -0-
2021	\$ 538,475	\$ 1,846,061	\$ -0-	\$ 6,228,553

Natchitoches Parish Hospital Service District  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

NOTE F – Federal Identification Numbers Associated with Federal Awards

Below is a schedule of COVID-19 awards by federal identification numbers.

	#93.498 COVID-19 Provider Relief Fund	#93.697 COVID-19 Testing for Rural Health Clinics	#93.889 COVID-19 National Bioterrorism Hospital Preparedness Program	#93.461 COVID-19 Uninsured Program
Natchitoches Regional Medical Center (72-6013916)	\$ 6,036,560	\$ 100,000	\$ 97,844	\$ 72,445
Natchitoches Outpatient Services, LLC (20-1350494)	7,492	-0-	-0-	-0-
NRMC Walk-in Clinic Ventures, LLC (71-6013916)	134,171	100,000	-0-	-0-
NRMC Physician IPA, Inc (81-5157299)	50,330	-0-	-0-	-0-
Total Expenditures of Federal Awards	<u>\$ 6,228,553</u>	<u>\$ 200,000</u>	<u>\$ 97,844</u>	<u>\$ 72,445</u>

Natchitoches Parish Hospital Service District  
Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2021

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

*Financial Statements*

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weaknesses identified - No
- Significant deficiencies identified - No

Compliance

- Noncompliance issue noted - No

Management letter issued - No

*Federal Awards –*

- Material weaknesses identified – No
- Significant deficiencies identified – No
- Type of auditor's report issued on compliance for major program: unmodified
- Any audit findings which are required to be reported under Uniform Guidance – No
- Any instances of material noncompliance in major programs disclosed during the audit – No
- Identification of Major Program:  
Assistance Listing # 93.498 U.S. Department of Health and Human Services  
COVID-19 Provider Relief Fund
- Dollar threshold to distinguish between Type A and Type B Programs - \$750,000
- Auditee qualified as a low-risk auditee - No

**Section II. Financial Statement Findings**

Not applicable

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

Not applicable

**Section IV. Management Letter**

Not applicable

Natchitoches Parish Hospital Service District  
Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2021

**Section I. Financial Statement Findings**

Not applicable

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

Not applicable

**Section III. Management Letter**

Not applicable

