

WEST CALCASIEU-CAMERON HOSPITAL
Calcasieu-Cameron
Hospital Service District
Sulphur, Louisiana

Financial Statements
December 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
West Calcasieu-Cameron Hospital
Calcasieu-Cameron Hospital Service District
Sulphur, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of West Calcasieu-Cameron Hospital as of and for the year ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's 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.

Auditor's Responsibility

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of West Calcasieu-Cameron Hospital as of December 31, 2020 and 2019, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America

Board of Directors
West Calcasieu-Cameron Hospital
Calcasieu-Cameron Hospital Service District
Sulphur, Louisiana

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 3 through 6, the Schedule of Changes to Total OPEB Liability and Related Ratios on page 37, the Schedule of Employers' Share of Net Pension Liabilities on page 38, and the Schedule of Employer Contributions on page 39 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 responses to my 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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of Nursing Revenues, Other Professional Service Revenues, Nursing Expenses, Other Professional Service Expenses, General Service Expenses, Fiscal and Administrative Service Expenses, and Schedule of Compensation, Benefits, & Other Payments to Agency Head or Chief Executive Officer presented on pages 40 to 48 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The information contained in the schedules of Nursing Revenues, Other Professional Service Revenues, Nursing Expenses, Other Professional Service Expenses, General Service Expenses, Fiscal and Administrative Service Expenses, Schedule of Compensation, Benefits, & Other Payments to Agency Head or Chief Executive Officer are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated July 21, 2021, on our consideration of West Calcasieu-Cameron Hospital's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my 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 West Calcasieu-Cameron 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 West Calcasieu-Cameron Hospital's internal control over financial reporting and compliance.

STEVEN M. DEROUEN & ASSOCIATES

Lake Charles, Louisiana
July 21, 2021

**WEST CALCASIEU-CAMERON HOSPITAL
CALCASIEU-CAMERON HOSPITAL SERVICE DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2020**

The Management’s Discussion and Analysis of the West Calcasieu-Cameron Hospital (the Hospital) financial performance presents a narrative overview and analysis of the Hospital’s financial activities for the year ended December 31, 2020. This document focuses on the current year’s activities, resulting changes, and currently known facts in comparison with the prior year’s information. Please read this document in conjunction with the additional information contained in the financial statements.

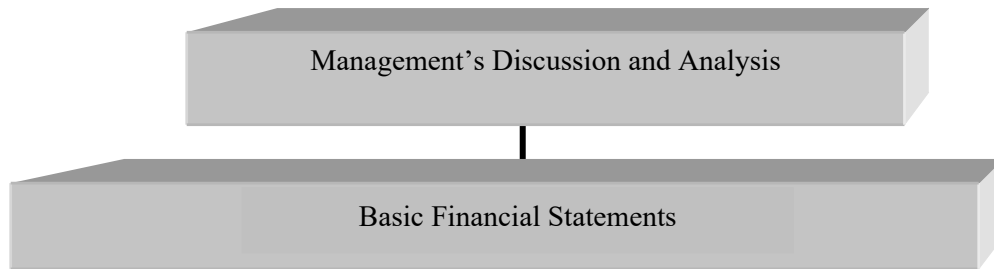
FINANCIAL HIGHLIGHTS

- ★ The Hospital’s assets and deferred outflows exceeded its liabilities and deferred inflows at the close of fiscal year 2020 by \$36,933,016 which represents a 20.4% increase from last fiscal year. Of this amount, \$6,773,881 (unrestricted net position) may be used to meet the Hospital’s ongoing obligations to its users.

- ★ The Hospital’s net patient service revenue decreased \$2,415,181 (or 4.4%) and the total operating expenses increased by \$711,879 (or 0.9%).

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments.



These financial statements consist of two sections - Management’s Discussion and Analysis (this section) and the basic financial statements (including the notes to the financial statements).

**WEST CALCASIEU-CAMERON HOSPITAL
CALCASIEU-CAMERON HOSPITAL SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2020**

Basic Financial Statements

The basic financial statements present information for the Hospital as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statements of Net Position; the Statements of Revenues and Expenses; the Statements of Changes in Net Position; and the Statements of Cash Flows.

The Statements of Net Position (pages 7 - 8) presents the current and long term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Hospital is improving or deteriorating.

The Statements of Revenues and Expenses (page 9) presents information showing how the Hospital's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statements of Changes in Net Position (page 10) presents information showing how the Hospital's assets changed as a result of current year operations.

The Statements of Cash Flows (pages 11 - 12) presents information showing how the Hospital's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

	2020	2019	2018
Current and other assets	\$ 48,634,092	\$ 35,653,955	\$ 38,229,893
Capital assets	30,705,753	31,105,895	32,567,908
Total assets	<u>79,339,845</u>	<u>66,759,850</u>	<u>70,797,801</u>
Deferred outflows	12,454,473	22,977,230	7,788,709
Total assets and deferred outflows	<u>91,794,318</u>	<u>89,737,080</u>	<u>78,586,510</u>
Other liabilities	39,602,719	55,908,055	30,171,473
Long-term debt outstanding	546,618	712,688	871,290
Total liabilities	<u>40,149,337</u>	<u>56,620,743</u>	<u>31,042,763</u>
Deferred inflows	14,711,965	2,436,256	11,331,257
Net position:			
Net investment in capital assets	30,159,135	29,892,355	31,696,618
Unrestricted amounts	6,773,881	787,726	4,515,872
Total net position	<u>36,933,016</u>	<u>30,680,081</u>	<u>36,212,490</u>
Total liabilities, deferred inflows, and net position	<u>\$ 91,794,318</u>	<u>\$ 89,737,080</u>	<u>\$ 78,586,510</u>

Restricted net position amounts represent those assets that are not available for spending as a result of bond agreements. Conversely, unrestricted net position amounts are those that do not have any limitations for which these amounts may be used.

**WEST CALCASIEU-CAMERON HOSPITAL
CALCASIEU-CAMERON HOSPITAL SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2020**

The net position of the Hospital increased by \$14,009,963, from December 31, 2019 to December 31, 2020.

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating revenues	\$ 74,037,056	\$ 63,575,508	\$ 62,722,829
Operating expenses	<u>79,747,483</u>	<u>79,035,604</u>	<u>73,180,662</u>
Operating income (loss)	<u>(5,710,427)</u>	<u>(15,460,096)</u>	<u>(10,457,833)</u>
Non-operating revenues (expenses)	<u>11,963,362</u>	<u>9,927,687</u>	<u>8,636,215</u>
Increase (decrease) in net position	<u>\$ 6,252,935</u>	<u>\$ (5,532,409)</u>	<u>\$ (1,821,618)</u>

CAPITAL ASSET ADMINISTRATION

Capital Assets

As of December 31, 2020, the Hospital had \$30,705,753, net of accumulated depreciation, invested in a broad range of capital assets, including land, buildings, equipment, land improvements, and construction in progress. (See Table below). This amount represents a net decrease (including additions and deductions) of \$400,142 or 1.3%, from last year.

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Buildings and Improvements	\$ 48,829,029	\$ 49,555,724	\$ 49,292,344
Equipment	45,673,869	44,126,467	43,834,482
Construction in Progress	1,180,500	477,005	39,469
Land and Improvements	3,876,500	3,874,739	3,749,621
Less Accumulated Depreciation	<u>(68,854,145)</u>	<u>(66,928,040)</u>	<u>(64,348,008)</u>
Totals	<u>\$ 30,705,753</u>	<u>\$ 31,105,895</u>	<u>\$ 32,567,908</u>

This year's significant capital additions included above are:

• Electronic Medical Records System	\$ 216,820
• PACS Upgrade	\$ 290,917
• Fluoroscopy Unit	\$ 447,326
• Community Clinic Project	\$ 611,983
• Hackberry Clinic Project	\$ 356,988

**WEST CALCASIEU-CAMERON HOSPITAL
CALCASIEU-CAMERON HOSPITAL SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2020**

CONTACTING THE HOSPITAL'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers 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 Janie D. Fruge, Chief Executive Officer, West Calcasieu-Cameron Hospital.

**WEST CALCASIEU-CAMERON HOSPITAL
HOSPITAL SERVICE DISTRICT
Sulphur, Louisiana
Statements of Net Position
As of December 31,**

ASSETS	2020	2019
Current Assets		
Cash and cash equivalents	\$ 2,026,465	\$ 411,583
Assets whose use is limited-cash equivalents:		
By board required for operations	13,201,253	8,762,127
Assets whose use is limited:		
By board for capital improvements	-	1,500,000
Accounts receivable from patients	11,265,280	11,429,364
Less allowance for uncollectible accounts	(2,969,546)	(3,072,360)
Interest receivable	3,436	36,558
Property taxes receivable	10,691,907	8,943,931
Other receivables	10,138,652	3,707,852
Due from Medicare and Medicaid - cost report settlement	778,379	445,898
Inventories	1,956,655	1,812,450
Prepaid expenses	1,502,284	1,670,703
Other current assets	39,327	5,849
Total Current Assets	48,634,092	35,653,955
Property, Plant and Equipment		
Construction-in-progress	1,180,500	477,005
Buildings and improvements	48,829,029	49,555,724
Equipment	45,673,869	44,126,467
Land and improvements	3,876,500	3,874,739
Less allowance for depreciation	(68,854,145)	(66,928,040)
Net Property, Plant and Equipment	30,705,753	31,105,895
TOTAL ASSETS	79,339,845	66,759,850
DEFERRED OUTFLOWS		
Deferred outflows of resources related to pensions and OPEB	12,454,473	22,977,230
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 91,794,318	\$ 89,737,080

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

**WEST CALCASIEU-CAMERON HOSPITAL
HOSPITAL SERVICE DISTRICT
Sulphur, Louisiana
Statements of Net Position (Continued)
As of December 31,**

	2020	2019
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 6,364,095	\$ 2,734,160
Accrued compensation and retirement	3,781,317	3,728,188
Accrued health insurance benefits	343,378	296,541
Other accrued expenses	76,869	73,404
Deferred revenue	1,535,274	268,278
Due within one year - capital lease	173,890	166,070
Total Current Liabilities	12,274,823	7,266,641
Long-Term Liabilities		
Due in more than one year - capital lease	372,728	546,618
Other post-employment benefits	27,288,136	28,125,028
Net pension liability	213,650	20,682,456
Total Long-Term Debt	27,874,514	49,354,102
TOTAL LIABILITIES	40,149,337	56,620,743
DEFERRED INFLOWS		
Deferred inflows of resources related to pensions and OPEB	14,711,965	2,436,256
NET POSITION		
Net investment in capital assets	30,159,135	29,892,355
Unrestricted amounts	6,773,881	787,726
TOTAL NET POSITION	36,933,016	30,680,081
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ 91,794,318	\$ 89,737,080

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

**WEST CALCASIEU-CAMERON HOSPITAL
HOSPITAL SERVICE DISTRICT
Sulphur, Louisiana
Statements of Revenues and Expenses
For The Years Ended December 31,**

	2020	2019
PATIENT SERVICE REVENUE		
Gross patient service revenue - nursing	\$ 58,886,090	\$ 60,427,001
Gross patient service revenue - other professional services	112,158,733	127,153,532
Less: contractual allowances and discounts	(111,916,163)	(123,825,198)
	59,128,660	63,755,335
Less: provision for uncollectible accounts	(6,333,342)	(8,544,836)
Net Patient Service Revenue	52,795,318	55,210,499
OTHER REVENUE		
Cafeteria and vending machines	289,627	339,157
Record room and miscellaneous	9,719	12,521
Donations	27,689	45,101
Federal grants	6,149,456	-
Other revenues	14,765,247	7,968,230
Total Other Revenue	21,241,738	8,365,009
TOTAL REVENUE	74,037,056	63,575,508
OPERATING EXPENSES		
Nursing expenses	16,054,126	14,989,954
Other professional service expenses	30,555,467	31,075,700
General service expenses	4,642,100	4,597,437
Fiscal and administrative services expenses	25,192,938	24,896,080
Depreciation expense	3,276,215	3,436,691
Interest expense on leases	26,637	39,742
Total Operating Expenses	79,747,483	79,035,604
INCOME (LOSS) FROM OPERATIONS	(5,710,427)	(15,460,096)
NON-OPERATING REVENUE AND (EXPENSES)		
Ad valorem taxes	10,189,414	8,656,981
Rent income	295,678	441,485
Investment income	169,673	316,117
Gain (loss) on disposal of assets	3,442	(4,171)
Loss on impairment of long-lived assets (see note 3)	(1,443,305)	-
Miscellaneous	2,748,460	517,275
Total Non-Operating Revenue and (Expenses)	11,963,362	9,927,687
INCREASE (DECREASE) IN NET POSITION	\$ 6,252,935	\$ (5,532,409)

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

**WEST CALCASIEU-CAMERON HOSPITAL
HOSPITAL SERVICE DISTRICT
Sulphur, Louisiana
Statements of Changes in Net Position
For The Years Ended December 31,**

	2020	2019
NET POSITION - BEGINNING OF YEAR	\$ 30,680,081	\$ 36,212,490
INCREASE (DECREASE) IN NET POSITION	6,252,935	(5,532,409)
NET POSITION - END OF YEAR	\$ 36,933,016	\$ 30,680,081

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

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Statements of Cash Flows
For The Years Ended December 31,

	2020	2019
Cash Flows From Operating Activities:		
Receipts from patients and users	\$ 68,939,655	\$ 65,455,955
Payments to suppliers and others	(31,270,650)	(33,689,696)
Payments to employees and benefits	(40,261,603)	(41,360,408)
Interest paid	(26,637)	(39,742)
Net Cash Provided (Used) by Operating Activities	(2,619,235)	(9,633,891)
Cash Flows From Capital and Related Financing Activities:		
Payment for capital expenditures	(4,335,168)	(1,979,668)
Proceeds from sale of capital assets	19,232	817
Principal payments under capital lease obligations	(166,070)	(158,602)
Other	-	2
Net Cash Provided (Used) by Capital and Related Financing Activities	(4,482,006)	(2,137,451)
Cash Flows From Investing Activities:		
(Purchase) sale of assets whose use is limited, net	1,500,000	(974,835)
Investment income	169,673	316,117
Cash received for ad valorem taxes	8,441,438	7,429,721
Rent income	295,678	441,485
Miscellaneous	2,748,460	517,275
Net Cash Provided (Used) by Investing Activities	13,155,249	7,729,763
Net Increase (Decrease) in Cash	6,054,008	(4,041,579)
Cash and Cash Equivalents - Beginning of Year	9,173,710	13,215,289
Cash and Cash Equivalents - End of Year	\$ 15,227,718	\$ 9,173,710

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

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Statements of Cash Flows (Continued)
For The Years Ended December 31,

	2020	2019
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (5,710,427)	\$ (15,460,096)
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation	3,276,215	3,436,691
Provisions for losses on accounts receivable, net	(102,814)	(1,072,579)
(Increase) decrease in receivables	(170,368)	(1,119,553)
(Increase) decrease in inventory	(144,205)	(91,228)
(Increase) decrease in prepaid expenses	168,419	(259,399)
(Increase) decrease in other receivables	(6,395,707)	(60,067)
(Increase) decrease in other current assets	(33,478)	(5,000)
(Increase) decrease in net pension asset	-	3,344,280
Increase (decrease) in accounts payable and other accrued expenses	5,000,362	(828,687)
Increase (decrease) in net pension liability	(20,468,806)	20,682,456
Increase (decrease) in deferred inflows	12,275,709	(8,895,001)
(Increase) decrease in deferred outflows	10,522,757	(15,188,521)
Increase (decrease) in accrued OPEB payable	(836,892)	5,882,813
Total Adjustments	3,091,192	5,826,205
Net Cash Provided (Used) by Operating Activities	\$ (2,619,235)	\$ (9,633,891)
 Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	\$ 26,637	\$ 39,742
 Cash and Cash Equivalents:		
Unrestricted	\$ 2,026,465	\$ 411,583
Assets whose use is limited	13,201,253	8,762,127
	\$ 15,227,718	\$ 9,173,710

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

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements
December 31, 2020 and 2019

Note 1 - Organization and Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") in the United States of America as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The West Calcasieu-Cameron Hospital is owned and operated by the Calcasieu-Cameron Hospital Service District. The Hospital provides in-patient, out-patient, and emergency care services for residents of southwest Louisiana. It is operated as a nonprofit corporation organized by the Calcasieu and Cameron Parish Police Juries under the provision of Chapter 10 of Title 46 of the Louisiana revised statutes of 1950. The governing authority of the Hospital Service District is a Board of Commissioners appointed to office by the Calcasieu and Cameron Parish Police Juries.

Reporting Entity - As more fully described in the paragraph above, the Hospital Service District is a component unit of the Calcasieu and Cameron Parish Police Juries.

Fund Accounting - The accounts of the Hospital are organized on the basis of a proprietary fund, which is considered a separate accounting entity or enterprise fund. Enterprise funds are used to account for operations (a) 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; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Basis of Accounting - The Hospital has implemented GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments*.

The Hospital uses the accrual basis of accounting. The revenues are recognized when they are earned, and expenses are recognized when incurred.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Hospital’s enterprise fund are charges to patients for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

Estimates - The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Net Patient Service Revenue - Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

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

Medicare - 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. Inpatient non-acute services, certain outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology. The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the Hospital.

Medicaid - Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid fiscal intermediary.

Risk Management - The Hospital 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 claims and judgments. Commercial insurance coverage is purchased for claims arising from such matters. The Hospital is self-insured for employee health benefits as discussed in Note 3.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

*Note 1 - **Organization and Summary of Significant Accounting Policies (Continued)***

Property, Plant, and Equipment - Property, plant, and equipment of the Hospital is recorded at cost. Depreciation is recorded using the straight- line method in amounts sufficient to amortize the cost of its assets over their estimated useful lives.

The estimated useful lives of the various assets follow guidelines established by the American Hospital Association, and are categorized as follows:

	Life
Hospital equipment	3 - 25 years
Buildings and improvements	3 - 50 years
Parking lots	5 - 25 years
Land improvements	5 - 25 years

The costs of maintenance and repairs of property and equipment are charged to expense as incurred. Expenditures for additions, improvements, and replacements are capitalized. The cost and related accumulated depreciation of property and equipment retired are removed from the accounts and any resulting gain or loss is recognized.

Inventories - Inventories are valued at the lower of cost (first-in, first-out) or market. Inventories consist primarily of medical products and medicines.

Cash and Cash Equivalents - The Hospital considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Charity Care - The Hospital 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 Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

Advertising Expense - The Hospital expenses the cost of advertising as the expense is incurred. For the years ended December 31, 2020 and 2019, the cost totaled \$4,081 and \$5,343, respectively.

*Note 2 - **Assets Whose Use is Limited***

Assets whose use is limited include investments (reported at fair value) set aside by the Board for capital improvements, self-insurance, required liquidity for operations and other liabilities. Also included are assets held by trustees under bond indenture agreements.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

Note 2 - Assets Whose Use is Limited (continued)

The Hospital's composition of assets whose use is limited is as follows:

	2020	2019
	<u>Fair Value</u>	<u>Fair Value</u>
Money Market	\$ 13,201,253	\$ 8,762,127
Certificates of Deposit	-0-	1,500,000
Total Assets Whose Use Is Limited	<u>\$ 13,201,253</u>	<u>\$ 10,262,127</u>

Note 3 - Contingencies

The Hospital is self-insured for employee medical benefits. Under this arrangement, employees contribute a portion of the cost with the Hospital paying the difference to the employee benefit trust. A portion of the monthly contributions is used to purchase a re-insurance contract that covers individual claims exceeding \$225,000.

In August 2020 and October 2020, Hurricanes Laura and Delta, respectively, inflicted extensive damage to the Hospital's buildings. The Organization is currently restoring the various buildings and has incurred significant costs which are expected to be partially reimbursed by their commercial property insurance policy. These financial statements include impairment losses resulting from Hurricane Laura and Delta damages totaling \$1,443,305. The impairment loss only considers the complete loss of various building components including the roof, flooring and air conditioning systems. The impairment loss was calculated and valued based on the historical original cost of the aforementioned destroyed building components: roof, flooring, and air conditioning systems. The restorative efforts of the remaining damages to the Hospital's various properties are considered repairs and expensed as incurred. Restorative expenditures included in repairs total \$1,888,018 during the year ended December 31, 2020.

Restorative efforts to the Hospital's properties are ongoing as of December 31, 2020. The cost to completely restore the properties has not yet been determined.

The Hospital has filed insurance claims and has approved insurance reimbursements of \$6,782,230 as of December 31, 2020. The Organization is making efforts to obtain additional insurance reimbursements from the hurricane damages to the Hospital properties, but the final potential settlement has not yet been determined.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

Note 4 - Compensation of the Board of Directors

The members of the Board of Commissioners of West Calcasieu-Cameron Hospital are paid a per diem per board meeting attended. Total payments are as follows for December 31,

	<u>2020</u>	<u>2019</u>
Frank LaBarbera	\$ 3,000	\$ 3,300
Robert Davidson	3,000	3,600
Bobby LeTard	3,300	3,000
Joseph Devall	2,700	3,300
Rickey Watson	<u>3,300</u>	<u>3,300</u>
Total	<u>\$ 15,300</u>	<u>\$ 16,500</u>

Note 5 - Accrued Compensation

Accrued payroll for the years ended December 31, 2020 and 2019, paid in the subsequent year, totaled \$462,867 and \$1,078,044, respectively. Accrued compensated absences totaled \$1,558,284 and \$1,184,585 for the years ended December 31, 2020 and 2019, respectively, and has been accrued at the employees' present salary levels for vacation time earned.

Note 6 - Leases

The Hospital has entered into a lease agreement as lessee for financing the acquisition of medical equipment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the lower of the present value of the future minimum lease payments or the fair value of the asset. The asset is being depreciated over the lesser of the lease term or the estimated productive life. The capitalized cost on this lease was \$1,000,001 at December 31, 2020.

The accumulated depreciation on such equipment under capital lease obligation was \$400,000 at December 31, 2020 and \$200,000 at December 31, 2019. The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at December 31, 2020:

Year Ending December 31,	
2021	\$ 195,445
2022	195,445
2023	<u>195,445</u>
Total Minimum Lease Payments	586,335
Less: Amount Representing Interest	<u>39,717</u>
Present Value of Future Minimum Lease Payments	<u>\$ 546,618</u>

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

Note 6 - Leases (Continued)

The Hospital leased part of the Hospital facilities under an operating lease to a provider of long-term acute care services. The lease term was renewed October, 2014 for 60 months. The lease was allowed to expire during the year ended December 31, 2019.

The Hospital currently leases medical office space under a non-cancelable operating lease agreement. This lease agreement began January 1, 2014 and is for a term of ten years. It will be automatically extended for one additional ten year period unless notice of termination is given. The monthly fee for this lease is \$13,026.

The Hospital currently leases additional medical office space under a non-cancelable operating lease agreement. This lease agreement began December 30, 2010 and is for a term of ten years. The monthly fee for this lease is \$3,525.

The Hospital currently leases facilities used for health and fitness under a non-cancelable operating lease agreement. This lease agreement began May 20, 2014 and is for a term of ten years. It will be automatically extended for one additional ten year period unless notice of termination is given. The monthly fee for this lease is \$17,031.

The Hospital currently leases additional medical office space under a non-cancelable operating lease agreement. This lease agreement began October 7, 2015 and is for a term of five years. It will be automatically extended for five additional five year periods unless notice of termination is given. The monthly fee for this lease is \$2,218.

The Hospital currently leases additional medical office space under a non-cancelable operating lease agreement. This lease agreement began October 1, 2018 and is for a term of ten years. It will be automatically extended for one additional ten year period unless notice of termination is given. The monthly fee for this lease is \$7,003.

Total rent expense for the years ended December 31, 2020 and 2019 was \$405,116 and \$488,005, respectively. The following is a schedule of future minimum rental payments due to others under these lease agreements.

Year ending December 31:

2021	\$ 471,337
2022	\$ 328,047
2023	\$ 315,021
2024	\$ 195,804
2025	\$ 106,214
2026	\$ 84,038
2027	\$ 84,038
2028	\$ 63,028

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

Note 7 - Capital Assets

The Hospital's capital asset activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,478,899	\$ 1,760	\$ -0-	\$ 2,480,659
Construction in progress	477,005	2,594,270	(1,890,775)	1,180,500
Total capital assets not being depreciated	<u>2,955,904</u>	<u>2,596,030</u>	<u>(1,890,775)</u>	<u>3,661,159</u>
Capital assets being depreciated:				
Buildings	37,125,728	-0-	-0-	37,125,728
Building improvements	12,429,995	1,380,213	(2,106,907)	11,703,301
Land improvements	1,395,841	-0-	-0-	1,395,841
Equipment	44,126,467	2,249,699	(702,297)	45,673,869
Total capital assets being depreciated	95,078,031	3,629,912	(2,809,204)	95,898,739
Less accumulated depreciated	<u>(66,928,040)</u>	<u>(3,276,215)</u>	<u>1,350,110</u>	<u>(68,854,145)</u>
Total capital assets being depreciated, net	<u>28,149,991</u>	<u>353,697</u>	<u>(1,459,094)</u>	<u>27,044,594</u>
Total capital assets, net	<u>\$ 31,105,895</u>	<u>\$ 2,949,727</u>	<u>\$ (3,349,869)</u>	<u>\$ 30,705,753</u>

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

Note 7 - Capital Assets (Continued)

The Hospital's capital asset activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,353,780	\$ 125,119	\$ -0-	\$ 2,478,899
Construction in progress	39,469	437,536	-0-	477,005
Total capital assets not being depreciated	<u>2,393,249</u>	<u>562,655</u>	<u>-0-</u>	<u>2,955,904</u>
Capital assets being depreciated:				
Buildings	37,125,728	-0-	-0-	37,125,728
Building improvements	12,166,616	263,379	-0-	12,429,995
Land improvements	1,395,841	-0-	-0-	1,395,841
Equipment	43,834,482	1,153,634	(861,649)	44,126,467
Total capital assets being depreciated	94,522,667	1,417,013	(861,649)	95,078,031
Less accumulated depreciated	(64,348,008)	(3,436,692)	856,660	(66,928,040)
Total capital assets being depreciated, net	<u>30,174,659</u>	<u>(2,019,679)</u>	<u>(4,989)</u>	<u>28,149,991</u>
Total capital assets, net	<u>\$ 32,567,908</u>	<u>\$ (1,457,024)</u>	<u>\$ (4,989)</u>	<u>\$ 31,105,895</u>

Note 8- Parochial Employees' Retirement System Pension Plan

Plan Description

The Parochial Employees' Retirement System of Louisiana (System) is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The System was originally established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana.

The System provides retirement benefits to employees of any parish within the State of Louisiana or any governing body or a parish which employs and pays persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Hospital is a participating member of Plan A.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

Note 8- Parochial Employees Retirement System Pension Plan (Continued)

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Eligibility Requirements

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

Retirement Benefits

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

Any member of Plan B can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Age 55 with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

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

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

Note 8-

Parochial Employees Retirement System Pension Plan (Continued)

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

Survivor Benefits

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes. Plan B members need ten (10) years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with twenty (20) or more years of creditable service who is not eligible for normal retirement, the plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage, if the remarriage occurs before age 55.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Deferred Retirement Option Plan

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

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

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

Note 8- Parochial Employees Retirement System Pension Plan (Continued)

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

Disability Benefits

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty for those members who are enrolled prior to January 1, 2007 and to age 62 for those members who are enrolled January 1, 2007 and later.

For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal to two percent of the member's final average compensation multiplied by his years of service, to age sixty for those members who are enrolled prior to January 1, 2007 and to age sixty-two for those members who are enrolled January 1, 2007 and later.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

Note 8- Parochial Employees Retirement System Pension Plan (Continued)

Cost of Living Increases

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

Employer Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2019, the actuarially determined contribution rate was 12.18% of member's compensation for Plan A and 7.53% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2020 was 12.25% for Plan A and 7.50% for Plan B. The actual rate for the fiscal year ending December 31, 2019 was 11.50% for Plan A and 7.50% for Plan B.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

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

At December 31, 2020, the Hospital reported a liability of \$213,650 for its proportionate share of the net pension asset. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on the employer's projected contribution effort to the plan. The employers' contribution effort was actuarially determined by the System's actuary.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

Note 8- Parochial Employees Retirement System Pension Plan (Continued)

For the year ended December 31, 2020, the Hospital recognized pension expense of \$3,923,459. At December 31, 2020, the Hospital reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 2,983,879	\$ 1,912,622
Net difference between projected and actual earnings on pension plan investments	-	8,008,691
Differences between Hospital contributions and proportionate share of contributions	39,828	145,850
Hospital contributions made subsequent to the measurement date	3,761,920	-
Total	\$ 6,785,627	\$ 10,067,163

The Hospital's contributions during the year ended December 31, 2020, reported as deferred outflows, of \$3,761,920 subsequent to the measurement date will be recognized as reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2021	\$(2,026,047)
2022	161,327
2023	(3,605,645)
2024	(1,573,091)

Actuarial Methods and Assumptions

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
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Note 8- Parochial Employees Retirement System Pension Plan (Continued)

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2020 are as follows:

Valuation Date	December 31, 2019
Actuarial Cost Method	Plan A - Entry Age Normal Plan B – Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.50%, net of investment expense, with inflation
Projected Salary Increases	Plan A - 4.75% (2.4% Inflation, 2.35% Merit) Plan B – 4.25% (2.4% Inflation, 1.85% Merit)
Mortality Rates:	
Employees:	Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.
Annuitants and beneficiaries:	Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.
Disabled retirees:	Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females each with full generational projection using the MP2018 scale.
Expected Remaining Service Lives	4 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

Note 8- Parochial Employees Retirement System Pension Plan (Continued)

The discount rate used to measure the total pension liability was 6.50% for Plan A and Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.18% for the year ended December 31, 2019.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed income	35%	1.05%
Equity	52%	3.41%
Alternatives	11%	0.61%
Real assets	2%	0.11%
Totals	<u>100%</u>	<u>5.18%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>7.18%</u>

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

*Note 8- **Parochial Employees Retirement System Pension Plan (Continued)***

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disabled annuitants mortality was set to Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females each with full generational projection using the MP2018 scale.

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.50%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.50% or one percentage point higher 7.50% than the current rate.

1% Decrease	Current Discount Rate	1% Increase
5.50%	6.50%	7.50%
Net Pension Liability	Net Pension Liability	Net Pension Asset
\$23,091,563	\$213,650	\$(18,957,595)

Retirement System Audit Report

The Parochial Employees' Retirement System of Louisiana has issued a stand-alone audit report on their financial statements for the year ended December 31, 2019. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.gov.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

Note 9- Cash, Cash Equivalents, Certificates of Deposit and Other Investments

Under Louisiana Revised Statutes 33:2955, the District may deposit funds in demand deposit accounts, interest bearing demand deposit accounts, money market accounts, and time certificates of deposit with state banks, organized under Louisiana Law and National Banks having principal offices in Louisiana. Additionally, Louisiana statutes allow the District to invest in United States Treasury obligations, obligations issued or guaranteed by the United States government or federal agencies, highly rated investment grade commercial paper, and mutual or trust funds registered with the Securities and Exchange Commission which have underlying investments consisting solely of and limited to the United States government or its agencies.

In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

At December 31, 2020, the Hospital had cash, cash equivalents and certificates of deposit (book balances) totaling \$15,227,718. Of that balance, \$13,201,253 is included in Assets Whose Use is Limited (Note 2).

At December 31, 2019, the Hospital had cash, cash equivalents and certificates of deposit (book balances) totaling \$10,673,710. Of that balance, \$10,262,127 is included in Assets Whose Use is Limited (Note 2).

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held by the pledging financial institution's trust department or agent, in the Hospital's name.

Custodial Credit Risk is the risk that in the event of bank failure, the Hospital's deposits may not be returned. The Hospital deposits its cash with high quality financial institutions, and management believes the Hospital is not exposed to significant credit risk.

At December 31, 2020, the Hospital has \$16,251,940 in deposits (collected bank balances). These deposits are secured from risk by \$500,000 of federal deposit insurance and \$18,975,693 of pledged securities held in a custodial bank in the Hospital's name.

At December 31, 2019, the Hospital has \$11,043,781 in deposits (collected bank balances). These deposits are secured from risk by \$750,000 of federal deposit insurance and \$16,279,937 of pledged securities held in a custodial bank in the Hospital's name.

Interest Rate Risk is the risk that changes in the interest rate will adversely affect the fair value of the investment. At December 31, 2020 and 2019, the Hospital did not have investments in any debt instruments.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

Note 10- Prior Year Balances

Certain prior year amounts may have been reclassified to conform with current year presentation.

Note 11- Concentrations of Credit Risk

The Hospital is located in Sulphur, Louisiana. The Hospital grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows:

	<u>2020</u>	<u>2019</u>
Medicare	13 %	12 %
Medicaid	3	4
Other	84	84
	<u>100 %</u>	<u>100 %</u>

The mix of net patient revenues was as follows:

	<u>2020</u>	<u>2019</u>
Medicare	48 %	46 %
Medicaid	21	9
Other	31	45
	<u>100 %</u>	<u>100 %</u>

Note 12- Postemployment Healthcare Plan

Plan Description: The Hospital's provides medical benefits to eligible retired Hospital employees, that were hired on or before January 31, 2009 and their beneficiaries. The plan is a single-employer plan administered by Benefit Management Services and has been implemented prospectively.

Funding Policy: The contribution requirements of plan members and the Hospital are established by the board. Hospital eligible retirees receiving benefits contributed \$409,884 to the plan for 2020. Contribution rates for retirees ranged from \$341 to 1,320 per month based on age and coverage for 2020.

The Hospital contributed \$446,945 (net of retirees' contributions) to the plan for 2020.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

Note 12- Postemployment Healthcare Plan (Continued)

Actuarial Methods and Assumptions: The Total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Measurement date	December 31, 2020
Actuarial Valuation Date	January 1, 2020
Inflation	2.50%
Salary increases, including inflation	3.00%
Discount rate	2.00%
Prior year discount rate	2.75%
Health care cost trend rates	See Appendix E of Actuary Report
Retirees' share of benefit related costs	See Appendix E of Actuary Report

The discount rate was based on the 12/31/20 Fidelity General Obligation AA 20 year yield.

Mortality rates for active employees were based on the PubG.H-2010 Employee Mortality Table, Generational with Projection Scale MP-2020 for males or females, as appropriate.

Mortality rates for retirees were based on the PubG.H-2010 Employee Mortality Table, Generational with Projection Scale MP-2020 for males or females, as appropriate.

OPEB Plan – Number of Employees Covered:

Inactive employees currently receiving benefit payments	97
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>129</u>
Total	<u>226</u>

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

Note 12- Postemployment Healthcare Plan (Continued)

Changes in Total OPEB Liability

Balance at 12/31/2019	\$ 28,125,028
Changes for the year:	
Service Cost	867,141
Interest	791,217
Differences between expected and actual	(4,533,455)
Changes in assumptions/inputs	2,448,089
Change in benefit terms	-
Benefit payments	(409,884)
Administrative expense	-
Net Changes	\$ (836,892)
Balance at 12/31/2020	\$27,288,136

Sensitivity of the Total OPEB Liability

	1% Decrease	No Change	1% Increase
Discount Rate	\$33,168,975	\$27,288,136	\$23,194,916
Healthcare Cost Trend Rates	\$33,168,975	\$27,288,136	\$23,194,916

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

OPEB Expense		
Service Cost		\$ 867,141
Interest on Liabilities		791,217
Difference between Actual and Expected Experience		(784,533)
Changes in Assumptions / Inputs		1,057,176
Changes in Benefit Terms		-
Total OPEB Expense		\$1,931,001
Deferred Outflows and Inflows	Outflows	Inflows
Differences between actual and expected experience	\$ 0	\$3,870,706
Changes of assumptions or other inputs	5,668,846	774,096
Employer amounts for OPEB subsequent to measurement date	0	0
Total Deferred Outflows and Inflows	\$5,668,846	\$4,644,802

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

Note 12- Postemployment Healthcare Plan (Continued)

Amounts reported and deferred outflow of resources and deferred inflows of resources related to OPEB expense will be recognized in OPEB expense as follows:

Year Ended December 31:	
2021	\$272,643
2022	272,643
2023	272,646
2024	553,674
2025	(347,561)
Thereafter	\$ -

Note 13- Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by both Calcasieu and Cameron Parishes in September or October and are normally billed to the taxpayers in November. Billed taxes would then become delinquent on January 1 of the following year. Due to hurricanes impacting Southwest Louisiana in 2020, levied taxes were not billed to the taxpayers until early 2021. Billed taxes were considered delinquent after March 31, 2021.

For the years ended December 31, 2020 and 2019, taxes of 6.95 mills were levied on property with net assessed valuations totaling \$1,452,501,864 and \$1,268,385,415 for Calcasieu Parish and \$130,606,994 and \$53,451,597 for Cameron Parish, respectively. Total taxes levied were \$10,691,907 and \$8,899,767 for the years ended December 31, 2020 and 2019. Taxes receivable at December 31, 2020 and 2019 were \$10,691,907 and \$8,943,931, all of which were considered collectible. The 6.95 mills were dedicated for the Maintenance Fund for both years.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

Note 14- **Allowance for Doubtful Accounts**

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospital records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Note 15- **Subsequent Events**

The Hospital evaluated its December 31, 2020 financial statements for subsequent events through the date the financial statements were available to be issued. The Hospital is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

Note 16- **Malpractice**

Malpractice claims have been asserted against West Calcasieu-Cameron Hospital by various claimants. The claims are in various stages of processing, and some may ultimately be brought to trial. In the opinion of counsel, the outcome of these actions will not have a significant effect on the financial position or the results of operations of West Calcasieu-Cameron Hospital. The Hospital is a member of the Louisiana Patients' Compensation Fund and therefore, under current Louisiana law, its liability is limited to the statutory maximum of \$500,000 which is covered by a primary \$100,000 with the Louisiana Hospital Association Malpractice and General Liability Trust, and an additional \$400,000 through the State of Louisiana, Patients' Compensation Fund.

Incidents occurring through December 31, 2020 may result in the assertion of additional claims. Other claims may be asserted arising from past services provided. Management is unable to estimate the ultimate cost, if any, of the resolution of such potential claims and, accordingly, no accrual has been made for them. Management believes the resolution of such potential claims would be settled within the limits of insurance coverage as discussed in the above paragraph.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

Note 17- **Charity Care**

The Hospital provides care to patients who qualify under federal guidelines and other policies of the Hospital at fees less than established rates. The amount of charity care is reduced from the amount of fees for services presented in the statement of revenues and expenses. The amount of charity care for disclosure purposes should be measured by costs, including direct and indirect costs. Management has calculated the costs associated with providing charity care utilizing the cost to charge ratio obtained from the Medicare cost report data. The amount of costs associated with charity care for the year ending December 31, 2020 and 2019 was \$40,623 and \$55,718, respectively.

Note 18- **Investments Measured at Fair Value**

The Hospital applies GASB 72 for fair value measurements of financial assets that are recognized at fair value in the financial statements on a recurring basis. The hierarchy is based on the valuation inputs to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Public Funds Money Market \$ 13,201,253 (Level 2 inputs)

Note 19- **Construction in Progress**

The Hospital has various construction projects in progress at December 31, 2020. The following is a schedule of the most significant projects.

	Estimated Total Costs	Cost Incurred to Date	Estimated Completion Date
Community Clinic Project	\$ 988,800	\$ 611,983	June 2021
Carlyss Property Project	1,475,000	72,442	January 2022
Dynamic Dimensions East Project	384,000	34,396	June 2021
Hackberry Clinic Project	\$ 484,150	\$ 356,988	March 2021

Note 20- **Provider Relief Funds**

The CARES Act established a Provider Relief Fund to be used for economic support of health care entities in connection with health-care-related expenses or lost revenues attributable to COVID-19 and treatment of uninsured COVID-19 patients. The Hospital received \$7,288,496 in provider relief funds (PRF) during FYE December 31, 2020. \$1,535,274 of these funds are reported as deferred revenue until the conditions of the funding have been met in a subsequent reporting period.

REQUIRED SUPPLEMENTARY INFORMATION

WEST CALCASIEU CAMERON HOSPITAL
Sulphur, Louisiana
Schedule of Changes to Total OPEB Liability
and Related Ratios
For The Year Ended December 31, 2020

Total OPEB Liability	2018	2019	2020	2021	2022
Service Cost	\$ 415,641	\$ 377,930	\$ 867,141		
Interest	774,754	831,873	791,217		
Changes in benefit terms	-	-	-		
Differences between expected and actual	(137,991)	(35,748)	(4,533,455)		
Changes in assumptions or other inputs	(1,548,192)	5,104,128	2,448,089		
Benefit payments	(505,671)	(395,370)	(409,884)		
Net Change in Total OPEB Liability	<u>(1,001,459)</u>	<u>5,882,813</u>	<u>(836,892)</u>		
Total OPEB Liability - beginning	<u>23,243,674</u>	<u>22,242,215</u>	<u>28,125,028</u>		
Total OPEB Liability - ending	<u>22,242,215</u>	<u>28,125,028</u>	<u>27,288,136</u>		
Covered Employee Payroll	\$ 8,706,335	\$ 8,967,525	\$ 8,882,573		
Total OPEB Liability as a percentage of covered employee payroll	255.5%	317.4%	307.2%		
Notes to Schedule:					
Changes in Benefit Terms	None				
Changes in Assumptions	Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used each period:				
	2018	3.71%			
	2019	2.75%			
	2020	2.00%			

The notes to financial statements are an integral part of this statement.

WEST CALCASIEU CAMERON HOSPITAL
Sulphur, Louisiana
Parochial Employees' Retirement System of Louisiana
Schedule of the Hospital's Proportionate Share of the Net Pension Liability
For The Year Ended December 31, 2020

Year ended December 30,	Hospital's Proportion of the Net Pension Liability (Asset)	Hospital's Proportionate Share of the Net Pension Liability (Asset)	Hospital's Covered- Employee Payroll	Hospital's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	4.70%	\$ 335,884	\$ 25,772,718	1.30%	99.50%
2015	4.84%	\$ 1,323,131	\$ 26,491,469	4.99%	99.14%
2016	4.62%	\$ 12,162,185	\$ 27,157,674	44.78%	92.23%
2017	4.61%	\$ 9,501,449	\$ 27,962,600	33.98%	94.15%
2018	1.62%	\$ (3,344,280)	\$ 28,641,835	-11.68%	101.98%
2019	4.66%	\$ 20,682,956	\$ 28,782,585	71.86%	88.86%
2020	4.51%	\$ 213,650	\$ 30,735,472	0.70%	99.89%

The schedule is intended to report information for 10 years. Additional years will be displayed as they become available. The amounts presented have a measurement date of the previous fiscal year.

WEST CALCASIEU CAMERON HOSPITAL
Sulphur, Louisiana
Parochial Employees' Retirement System of Louisiana
Schedule of the Hospital's Contributions
For The Year Ended December 31, 2020

Year ended December 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Hospital's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2014	\$ 4,123,635	\$ 4,123,635	\$ -	\$ 25,772,718	16.00%
2015	\$ 3,841,263	\$ 3,841,263	\$ -	\$ 26,491,469	14.50%
2016	\$ 3,528,277	\$ 3,528,277	\$ -	\$ 27,157,674	12.99%
2017	\$ 3,495,325	\$ 3,495,325	\$ -	\$ 27,962,600	12.50%
2018	\$ 3,293,811	\$ 3,293,811	\$ -	\$ 28,641,835	11.50%
2019	\$ 3,309,470	\$ 3,309,470	\$ -	\$ 28,782,585	11.50%
2020	\$ 3,761,920	\$ 3,761,920	\$ -	\$ 30,735,472	12.24%

The schedule is intended to report information for 10 years. Additional years will be displayed as they become available. The amounts presented have a measurement date of the previous fiscal year.

OTHER SUPPLEMENTARY INFORMATION

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedules of Nursing Revenues
For The Years Ended December 31,

	<u>2020</u>	<u>2019</u>
NURSING REVENUES - GROSS		
Revenue from daily patient services		
Medical and surgical	\$ 9,410,198	\$ 10,183,138
Intensive care	6,413,104	5,488,333
Nursery	199,157	217,054
Total Revenue from Daily Patient Services	<u>16,022,459</u>	<u>15,888,525</u>
Operating room	8,369,303	9,806,857
Endoscopy	2,350,957	3,937,538
Delivery room	1,638,217	2,012,778
Recover room	1,857,406	2,264,112
Central supply	3,150,028	3,336,039
Emergency room	<u>25,497,720</u>	<u>23,181,152</u>
TOTAL NURSING REVENUES - GROSS	<u><u>\$ 58,886,090</u></u>	<u><u>\$ 60,427,001</u></u>

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedules of Other Professional Services Revenue
For The Years Ended December 31,

	<u>2020</u>	<u>2019</u>
OTHER PROFESSIONAL SERVICE REVENUES - GROSS		
Anesthesiology	\$ 1,462,455	\$ 1,901,015
Radiology	20,375,988	23,526,915
Laboratory	12,984,346	17,046,122
Cardiology, EKG and EEG	7,177,891	8,306,812
Physical therapy	1,277,749	1,755,802
Orthopedic	80,117	88,966
Nuclear medicine	1,334,821	1,769,597
Pharmacy	39,583,555	40,715,401
Respiratory therapy	5,671,645	5,563,470
Dietary - long term care	27,915	31,567
Ambulance service	16,740	59,014
Occupational therapy	545,799	761,424
Speech therapy	165,153	307,753
Housekeeping	3,380	3,380
Home health care	1,717,959	1,826,104
Therapeutic riding	316,218	401,115
Wellness center	613,685	1,444,913
Off site clinics	4,829,470	3,857,551
Outpatient testing	1,230,714	1,412,948
Wound healing	525,994	605,960
Diagnostic center	6,314,916	8,559,826
Sleep lab	488,500	989,100
Ear, nose, throat & aesthetic	498,436	786,334
Urology clinic	1,586,146	909,028
Obstetrics and gynecology	2,199,513	2,966,611
Family practice	1,129,628	1,556,804
TOTAL OTHER PROFESSIONAL SERVICE REVENUES - GROSS	<u>\$ 112,158,733</u>	<u>\$ 127,153,532</u>

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedules of Nursing Expenses
For The Years Ended December 31,

	2020	2019
NURSING EXPENSES		
Nursing services - salaries	\$ 3,004,634	\$ 2,641,812
Nursing services - administrative salaries	819,509	839,703
Nursing services - expenses	385,023	357,173
Central supply - salaries	223,933	290,621
Central supply - expense	286,825	261,189
Operating room - salaries	1,534,836	1,413,236
Operating room - expenses	2,220,607	2,739,848
Endoscopy - salaries	84,500	159,783
Endoscopy - expenses	167,705	191,229
Delivery room - salaries	1,005,910	995,020
Delivery room - expenses	150,705	172,154
Nursery - salaries	276,964	246,985
Nursery - expenses	43,521	37,962
Recovery room - salaries	256,730	267,073
Recovery room - expenses	12,008	18,525
Intensive care - salaries	1,796,890	1,365,623
Intensive care - expenses	344,819	122,263
Emergency room - salaries	2,475,497	2,123,699
Emergency room - expenses	963,510	746,056
TOTAL NURSING EXPENSES	\$ 16,054,126	\$ 14,989,954

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedules of Other Professional Service Expenses
For The Years Ended December 31,

	<u>2020</u>	<u>2019</u>
OTHER PROFESSIONAL SERVICE EXPENSES		
Anesthesiology - expenses	\$ 110,528	\$ 126,144
Radiology - salaries	1,329,984	1,239,948
Radiology - expenses	688,618	636,740
Laboratory - salaries	1,797,683	1,738,831
Laboratory - expenses	2,147,709	1,919,563
Cardiology, EKG and EEG - salaries	564,933	570,855
Cardiology, EKG and EEG - expenses	570,512	751,390
Physical therapy - salaries	932,910	900,387
Physical therapy - expenses	34,434	43,111
Orthopedic room - expenses	21,853	20,588
Pharmacy - salaries	1,166,442	1,122,608
Pharmacy - expenses	4,682,209	4,809,594
Respiratory therapy - salaries	784,794	701,138
Respiratory therapy - expenses	248,420	173,366
Ambulance service - salaries	107,935	104,769
Ambulance service - expenses	36,442	56,832
Medical records - salaries	563,679	591,972
Medical records - expenses	244,360	257,354
Nuclear Medicine - salaries	89,335	141,398
Nuclear Medicine - expenses	151,438	237,746
Outpatient testing - salaries	301,183	304,731
Outpatient testing - expenses	41,692	48,358
Home health care - salaries	1,050,451	1,063,816
Home health care - expenses	208,086	348,848
Occupational therapy - salaries	219,798	189,716
Occupational therapy - expenses	2,116	11,308
Speech therapy - salaries	144,699	152,629
Speech therapy - expenses	7,153	2,631
Off site clinic - salaries	1,493,816	1,437,240
Off site clinic - expenses	2,885,657	1,660,011
Wellness center - salaries	578,102	765,131
Wellness center - expenses	237,003	430,690
Therapeutic riding - salaries	218,114	204,442
Therapeutic riding - expenses	34,732	48,915
Wound healing - salaries	151,827	180,679
Wound healing - expenses	104,222	100,589
Intergovernmental transfer distribution	361,895	2,625,000
Diagnostic center - salaries	283,549	315,237
Diagnostic center - expenses	527,671	500,619
Westlake diagnostic center - salaries	127,418	153,695
Westlake diagnostic center - expenses	158,622	134,031
Sleep lab - expenses	71,714	145,444
Ear, nose, throat and aesthetic - salaries	564,439	536,739
Ear, nose, throat and aesthetic - expenses	131,948	91,049
Urology clinic - salaries	128,956	65,029
Urology clinic - expenses	1,547,911	758,437
Obstetrics and gynecology - salaries	1,280,578	1,279,071
Obstetrics and gynecology - expenses	392,182	421,552
Family practice - salaries	840,041	802,569
Family practice - expenses	185,674	153,160
TOTAL OTHER PROFESSIONAL SERVICE EXPENSES	<u>\$ 30,555,467</u>	<u>\$ 31,075,700</u>

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedules of General Service Expenses
For The Years Ended December 31,

	2020	2019
GENERAL SERVICE EXPENSES		
Dietary - salaries	\$ 820,498	\$ 789,306
Dietary - food	244,671	266,201
Dietary - expenses	82,991	89,125
Housekeeping - salaries	689,007	639,700
Housekeeping - expenses	88,840	99,467
Laundry - salaries	249,605	210,644
Laundry - expenses	70,680	54,970
Operating and maintenance of plant - salaries	1,136,981	1,090,134
Operating and maintenance of plant - expenses	1,102,577	1,206,507
Medical staff services - salaries	133,561	124,875
Medical staff services - expenses	22,689	26,508
	\$ 4,642,100	\$ 4,597,437
TOTAL GENERAL SERVICE EXPENSES	\$ 4,642,100	\$ 4,597,437

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedules of Fiscal and Administrative Service Expenses
For The Years Ended December 31,

	2020	2019
FISCAL AND ADMINISTRATIVE SERVICE EXPENSES		
Administrative - salaries	\$ 4,576,064	\$ 4,525,750
Administrative - general expenses	10,031,461	6,628,570
Payroll taxes and benefits	8,973,106	12,961,447
Insurance and liability claims	872,949	780,313
TOTAL FISCAL AND ADMINISTRATIVE SERVICE EXPENSES	\$ 24,453,580	\$ 24,896,080

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WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedule of Compensation, Benefits and Other Payments to the Chief Executive Officer
Year Ended December 31, 2020

Agency Head: Janie Fruge, CEO

Purpose	Amount
Salary	\$280,758
Benefits-insurance	\$1,914
Benefits-retirement	\$41,604
Reimbursements - mileage	\$56
Registration fees	\$-0-
Conference travel	\$356
Conference lodging	\$1,452
Conference meals	\$1,015
Registration fees	\$345
Cell phone reimbursement	\$935

Note: This schedule is included as supplementary information.

STEVEN M. DEROUEN & ASSOCIATES, LLC

Certified Public Accountants

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Certified Public Accountants

Member Louisiana Society of
Certified Public Accountants

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

Board of Commissioners
West Calcasieu-Cameron Hospital
Calcasieu-Cameron Hospital Service District
Sulphur, 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 financial statements of West Calcasieu-Cameron Hospital as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise West Calcasieu-Cameron Hospital's financial statements as listed in the table of contents, and have issued our report thereon dated July 21, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered West Calcasieu-Cameron Hospital's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of West Calcasieu-Cameron Hospital's internal control. Accordingly, we do not express an opinion on the effectiveness of West Calcasieu-Cameron Hospital's internal control.

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

Board of Commissioners
West Calcasieu-Cameron Hospital
Calcasieu-Cameron Hospital Service District
Sulphur, Louisiana
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Calcasieu-Cameron Hospital's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, we do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Legislative Auditor as a public document.

Steven M. DeRouen & Associates

Lake Charles, Louisiana
July 21, 2021

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WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedule of Findings and Questioned Costs
December 31, 2020

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

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

SECTION II – FINDINGS AND RESPONSES

None

No Separate Management Letter Issued

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WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedule of Prior Year Audit Findings
December 31, 2020

PRIOR YEAR FINDINGS

None