

ACADIA-ST. LANDRY HOSPITAL
SERVICE DISTRICT

FINANCIAL REPORT

JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Acadia-St. Landry Hospital Service District (District), a component unit of the Acadia Parish Police Jury, as of June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District'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.

Auditor's Responsibility

Our responsibility is to express opinions 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 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District, as of June 30, 2021 and 2020, 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hospital's basic 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 Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, and is also not a required part of the basic financial statements. The supplementary information on pages 26 through 35 is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards and the supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic 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 schedule of expenditures of federal awards and the supplementary information 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 April 22, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
April 22, 2022

BASIC FINANCIAL STATEMENTS

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

Statements of Net Position
June 30, 2021 and 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,494,375	\$10,343,426
Investments	6,270,677	987,337
Patient accounts receivable, net of allowance for bad debt \$726,572 and \$353,225 for 2021 and 2020, respectively	1,774,705	1,688,859
Inventories	349,032	340,033
Prepaid expenses	157,012	137,357
Estimated third-party payor settlements	1,393,356	1,539,897
Other receivables	16,797	12,520
Total current assets	14,455,954	15,049,429
CAPITAL ASSETS		
Property, plant and equipment, at cost, less accumulation depreciation of \$5,483,556 and \$5,296,099 for 2021 and 2020, respectively	2,592,085	1,774,820
Total assets	\$17,048,039	\$16,824,249
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 738,202	\$ 673,593
Accrued expenses	478,592	424,472
Other payables	7,978	5,256
Unearned revenue	3,268,836	7,250,414
Capital lease payable	17,082	16,629
Note payable	-	456,337
Total current liabilities	4,510,690	8,826,701
NONCURRENT LIABILITIES		
Capital lease payable	-	17,082
Note payable	-	740,614
Total noncurrent liabilities	-	757,696
Total liabilities	4,510,690	9,584,397
NET POSITION		
Net investment in capital assets	2,575,003	1,741,109
Unrestricted	9,962,346	5,498,743
Total net position	12,537,349	7,239,852
Total liabilities and net position	\$17,048,039	\$16,824,249

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

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

Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2021 and 2020

	2021	2020
Operating revenues:		
Net patient service revenues (net of provision for bad debts of \$935,419 in 2021 and \$1,032,182 in 2020)	\$14,409,891	\$14,251,507
Other operating revenues	18,804,800	17,479,235
Total operating revenues	33,214,691	31,730,742
Operating expenses:		
Salaries and wages	5,423,225	5,021,249
Professional services	1,218,879	1,224,367
Other departmental expenses	9,874,831	9,333,014
Depreciation and amortization	208,346	180,017
Intergovernmental transfers - access grants	17,669,948	16,287,767
Total operating expenses	34,395,229	32,046,414
Operating income (loss)	(1,180,538)	(315,672)
Non-operating revenues (expenses):		
Ad valorem taxes	603,621	338,663
Grant revenue	5,273,699	-
Provider Relief Funds	-	136,051
Realized and unrealized gain (loss) on investments	525,915	15,403
Investment income	76,740	28,434
Interest expense	(1,940)	(3,652)
Total non-operating revenues (expenses)	6,478,035	514,899
Increase in net position	5,297,497	199,227
Net position, beginning	7,239,852	7,040,625
Net position, ending	\$12,537,349	\$ 7,239,852

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

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

Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from and on behalf of patients	\$ 14,475,842	\$ 13,321,700
Payments to suppliers and contractors	(11,029,101)	(10,646,321)
Payments to employees	(5,369,105)	(4,935,231)
Other receipts and payments, net	<u>1,099,387</u>	<u>1,218,341</u>
Net cash used in operating activities	<u>(822,977)</u>	<u>(1,041,511)</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Ad valorem taxes	<u>603,621</u>	<u>336,140</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from the issuance of debt -		
Paycheck Protection Program	-	1,164,200
Accelerated Medicare payment	-	3,225,232
Grants received	84,317	-
Provider Relief Funds	-	4,161,233
Payments for the purchase of property and equipment	(1,025,612)	(498,281)
Payments for capital related debt	<u>(16,629)</u>	<u>(24,806)</u>
Net cash provided (used) in financing activities	<u>(957,924)</u>	<u>8,027,578</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	76,740	28,434
Sales of investments	6,479,967	754,808
Purchases of investments	<u>(11,228,478)</u>	<u>(527,134)</u>
Net cash provided (used) by investing activities	<u>(4,671,771)</u>	<u>256,108</u>
 Net increase (decrease) in cash and cash equivalents	 (5,849,051)	 7,578,315
Cash and cash equivalents, beginning of year	<u>10,343,426</u>	<u>2,765,111</u>
Cash and cash equivalents, end of year	<u>\$ 4,494,375</u>	<u>\$ 10,343,426</u>

(Continued)

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

Statements of Cash Flows (Continued)
For the Years Ended June 30, 2021 and 2020

	2021	2020
RECONCILIATION OF OPERATING LOSS TO NET		
CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (1,180,538)	\$ (315,672)
Adjustments to reconcile operating loss to net cash flows used by operating activities:		
Depreciation and amortization	208,346	180,017
Provision for bad debts	935,419	1,032,182
(Increase) decrease in assets-		
Patient accounts receivable	(1,021,265)	(1,240,533)
Inventories	(8,999)	18,588
Prepaid expenses	(19,655)	(3,704)
Estimated third-party payor settlements	146,541	77,886
Other receivables	(4,277)	19,473
Increase (decrease) in liabilities-		
Accounts payable	64,609	(88,940)
Accrued expenses	54,120	90,895
Other payables	2,722	(811,703)
Net cash used in operating activities	\$ (822,977)	\$ (1,041,511)
Noncash investing activities:		
Increase in fair value of investments	\$ 465,052	\$ 18,386

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

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

Notes to Financial Statements

(1) Organization and Significant Accounting Policies

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

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

A. Reporting Entity

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

B. Basis of Accounting

The accompanying basic financial statements of the Hospital Service District have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) applicable to state and local governments. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and reporting policies and practices used by the Hospital Service District are described below.

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

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

Notes to Financial Statements (Continued)

In some instances, the GASB requires an entity to delay recognition of decreases in net position as expenditures until a future period. In other instances, entities are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There were no deferred outflows of resources and deferred inflows of resources as of June 30, 2021 and 2020.

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

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

C. Use of Estimates

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

D. Cash and Cash Equivalents

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

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

Notes to Financial Statements (Continued)

E. Trade Receivables and Allowance for Uncollectible Accounts

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

F. Investments

In accordance with professional standards, investments meeting the criteria specified in the standards are stated at fair value, which is either quoted market prices or the best estimate available. Investments which do not meet the requirements are stated at cost. Interest, dividends, and gains and losses, both realized and unrealized, are included in non-operating revenue. The unrealized gain on investments held at June 30, 2021 and 2020 was \$560,193 and \$99,850, respectively.

G. Inventories

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

H. Net Patient Service Revenues

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

Net patient service revenues are reported at the estimated amounts realizable from patients, the third-party payer, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. The Hospital Service District provides care to patients even though they are covered by contractual payment arrangements that do not pay full charges or may lack adequate insurance. As a result, the Hospital Service District is exposed to credit risks. The Hospital Service District manages such risks by providing appropriate allowances. The allowances are evaluated on a regular basis and are based upon management's periodic review of the collectability of the accounts considering historical experience, the nature and volume of the accounts and the agreement with the prospective third-party payor.

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

Notes to Financial Statements (Continued)

I. Property, Plant and Equipment

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

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

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

J. Grants and Donations

Revenues from grants and donations (including capital contributions of assets) are recognized when all eligibility requirements, including time requirements, are met. Grants and donations may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as other operating revenues. Amounts restricted to capital acquisitions are reported after non-operating revenues and expense.

K. Operating Revenues and Expenses

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

L. Unearned Revenue

Unearned revenue on the statement of net position represents funding received as a result of CARES Act subsidies and Medicare Accelerated and Advance Payment Program amounts of \$49,461 and \$3,219,375, respectively.

M. Advertising

The Hospital Service District expenses advertising cost as incurred. Advertising expense for the years ended June 30, 2021 and 2020 totaled \$73,559 and \$43,016, respectively.

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

Notes to Financial Statements (Continued)

N. Risk Management

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

O. Restricted Resources

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

P. Environmental Matters

The Hospital Service District is subject to laws and regulations relating to the protection of the environment. The Hospital Service District's policy is to accrue environmental and cleanup related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty, the potential financial impact of the Hospital Service District's continuing compliance efforts, management believes any future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of the Hospital Service District. At June 30, 2021 and 2020, management is not aware of any liability resulting from environmental matters.

(2) Deposits and Investments

Under state law the Hospital Service District may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Hospital Service District may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2021, the Hospital Service District had demand deposits (book balances) totaling \$4,494,375.

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

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

Notes to Financial Statements (Continued)

Deposit balances (bank balances) at June 30, 2021, are secured as follows:

Bank balances	<u>\$ 4,624,981</u>
Federal deposit insurance	\$ 750,000
Pledged securities	<u>3,874,981</u>
Total federal deposit insurance and pledged securities	<u>\$ 4,624,981</u>

Deposits in the amount of \$3,874,981 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Hospital Service District's name. The Hospital Service District does not have a policy for custodial credit risk.

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

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

The Hospital Service District's investments generally are reported at fair value, as discussed in Note 1. At June 30, 2021 and 2020, the Hospital Service District had the following investments, all of which were held in the Hospital Service District's name by a custodial bank that is an agent of the Hospital Service District.

Investment Type	June 30, 2021	
	% of Portfolio	Fair Value
Mutual funds:		
Equities	43%	\$ 2,708,209
Fixed income	<u>57%</u>	<u>3,562,468</u>
Total	<u>100%</u>	<u>\$ 6,270,677</u>

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

Notes to Financial Statements (Continued)

Investment Type	June 30, 2020	
	% of Portfolio	Fair Value
Mutual funds:		
Equities	51%	\$ 501,897
Fixed income	<u>49%</u>	<u>485,440</u>
Total	<u>100%</u>	<u>\$ 987,337</u>

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

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

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

(3) Patient Accounts Receivable

Patient accounts receivable at June 30, 2021 and 2020 consisted of the following:

	2021	2020
Medicare	\$ 1,496,082	\$ 1,378,564
Medicaid	493,451	222,917
Other third-party payors	278,783	275,349
Patients	<u>232,961</u>	<u>165,254</u>
Total patient accounts receivable	2,501,277	2,042,084
Less allowance for uncollectible amounts	<u>(726,572)</u>	<u>(353,225)</u>
Patient accounts receivable, net	<u>\$ 1,774,705</u>	<u>\$ 1,688,859</u>

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

Notes to Financial Statements (Continued)

(4) Estimated Third-Party Settlements

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

June 30, 2021:

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

June 30, 2020:

<u>Cost Report Year</u>	<u>Medicare</u>	<u>Medicaid</u>	<u>UCC</u>	<u>Total</u>
2014	\$ -	\$ 27,107	\$ -	\$ 27,107
2015	-	51,649	-	51,649
2016	-	114,948	-	114,948
2017	-	212,838	-	212,838
2018	-	247,761	-	247,761
2019	-	345,095	-	345,095
2020	-	466,809	73,690	540,499
Totals	<u>\$ -</u>	<u>\$1,466,207</u>	<u>\$ 73,690</u>	<u>\$ 1,539,897</u>

(5) Capital Assets

Capital asset activity for the years ended June 30, 2021 and 2020 were as follows:

	<u>7/1/2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>6/30/2021</u>
Capital assets not being depreciated:				
Land	\$ 296,351	\$ -	\$ -	\$ 296,351
Construction in progress	12,324	584,410	-	596,734
Other capital assets:				
Land improvements	51,882	-	-	51,882
Buildings and improvements	3,661,796	6,753	20,888	3,647,661
Equipment	3,048,566	434,447	-	3,483,013
Total	<u>7,070,919</u>	<u>1,025,610</u>	<u>20,888</u>	<u>8,075,641</u>
Less accumulated depreciation:				
Land improvements	47,727	647	-	48,374
Buildings and improvements	2,639,119	104,046	-	2,743,165
Equipment	2,609,253	103,652	20,888	2,692,017
Total depreciation	<u>5,296,099</u>	<u>208,345</u>	<u>20,888</u>	<u>5,483,556</u>
Capital assets, net	<u>\$ 1,774,820</u>	<u>\$ 817,265</u>	<u>\$ -</u>	<u>\$ 2,592,085</u>

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

Notes to Financial Statements (Continued)

	<u>7/1/2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>6/30/2021</u>
Capital assets not being depreciated:				
Land	\$ 120,025	\$ 176,326	\$ -	\$ 296,351
Construction in progress	11,950	374	-	12,324
Other capital assets:				
Land improvements	51,882	-	-	51,882
Buildings and improvements	3,428,497	233,299	-	3,661,796
Equipment	<u>2,960,284</u>	<u>88,282</u>	-	<u>3,048,566</u>
Total	<u>6,572,638</u>	<u>498,281</u>	-	<u>7,070,919</u>
Less accumulated depreciation:				
Land improvements	46,535	1,192	-	47,727
Buildings and improvements	2,542,145	96,974	-	2,639,119
Equipment	<u>2,527,402</u>	<u>81,851</u>	-	<u>2,609,253</u>
Total depreciation	<u>5,116,082</u>	<u>180,017</u>	-	<u>5,296,099</u>
Capital assets, net	<u>\$ 1,456,556</u>	<u>\$ 318,264</u>	<u>\$ -</u>	<u>\$ 1,774,820</u>

Depreciation expense for the years ended June 30, 2021 and 2020 amounted to \$208,345 and \$180,017, respectively.

(6) Compensated Absences

Effective February 2002, full-time employees accrued four (4) hours of paid time off (PTO) per pay period, while part-time employees accrued PTO at a rate of four (4) percent of total hours worked per pay period until April of 2006. On that date, full-time employees with years of service of one (1) to five (5) years began accruing 5.23 hours of PTO per pay period, while full-time employees with years of service of five (5) or more years began accruing 6.77 hours of PTO per pay period. Part-time employees accrue PTO at a rate of four (4) percent of total hours worked per pay period and may accumulate up to a maximum of 300 PTO hours. Full-time employees may accumulate PTO hours to a maximum of 350 hours. When the employee reaches the maximum, further accumulation is ceased until PTO time is used; there is no cash option associated with this maximum bank. It is impracticable to estimate the amount of compensation for future unvested sick pay and, accordingly, no liability has been recorded in the accompanying financial statements. The Hospital Service District's policy is to recognize the cost of unvested sick pay when actually paid to employees. At June 30, 2021 and 2020, accrued compensated absences, which are included in accrued expenses, totaled \$259,842 and \$240,718, respectively.

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

Notes to Financial Statements (Continued)

(7) Changes in Noncurrent Liabilities

The following is a summary of noncurrent liabilities transactions for the year ended June 30, 2021:

	<u>Balance 6/30/2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/2021</u>	<u>Due Within One Year</u>
Capital lease	\$ 33,711	\$ -	\$ 16,629	\$ 17,082	\$ 17,082
Notes payable	<u>1,196,951</u>	<u>-</u>	<u>1,196,951</u>	<u>-</u>	<u>-</u>
Total	<u>\$1,230,662</u>	<u>\$ -</u>	<u>\$1,213,580</u>	<u>\$ 17,082</u>	<u>\$ 17,082</u>

Capital lease -

Note payable in the amount of \$81,000 to BancorpSouth Equipment Finance, dated June 19, 2017, due in monthly installments of \$1,444 through June 27, 2022, interest at 2.69%, secured by equipment with a carrying value of \$32,400.

\$17,082

Leased assets under a capital lease are included in capital assets, net in the statement of net position at June 30, 2021. The leased asset consists of equipment with a cost of \$81,000 and accumulated depreciation of \$64,800 for a net book value of \$16,200. Depreciation of the leased assets in the amount of \$16,200 for the year ended June 30, 2021 is included in depreciation expense.

Maturities of noncurrent liabilities as of June 30, 2021 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2022	<u>\$ 17,082</u>	<u>\$ 211</u>

(8) Net Patient Service Revenues

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

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

The Hospital Service District is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital Service District and audits thereof by the Medicare fiscal intermediary.

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

Notes to Financial Statements (Continued)

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

During the years ended June 30, 2021 and 2020, approximately 90.1% and 92.2%, respectively, of the Hospital Service District's gross patient service revenues were furnished to Medicare and Medicaid beneficiaries. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates may change by a material amount in the near term. As a result of retroactive adjustments of certain prior year cost reports, the Hospital Service District recorded changes in estimates resulting in a decrease in net patient service revenues of approximately \$271,869 and \$0 for the years ending June 30, 2021 and 2020, respectively.

Current regulations limit uncompensated care cost incurred by the Hospital Service District in each fiscal year. These amounts are subject to audit by Medicaid and any overpayments will be recouped. Management has not estimated a reserve liability for the possible recoupment of these uncompensated care cost payments for June 30, 2021 and 2020, respectively. To the extent management's estimate differs from actual results, the differences will be used to adjust income in the period when such differences arise.

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

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

(9) Ad Valorem Taxes

The Hospital Service District's property tax is levied by the parish on the taxable real property in the district in late October of each year. Bills are sent out in November of each year, at which time the Hospital Service District records the tax revenue and becomes a lien in the following March. The taxes are based on assessed values determined by the Tax Assessor and are collected by the Sheriff. The Hospital Service District levied 10 mills and 7.64 mills for the fiscal years ended 2021 and 2020, respectively. For the years ended June 30, 2021 and 2020, property tax revenues, net of pension deductions, totaled \$603,621 and \$338,663, respectively.

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

Notes to Financial Statements (Continued)

(10) Concentration of Credit Risks

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

	2021	2020
Medicare	59.8%	67.5%
Medicaid	19.7%	10.9%
Other third-party payors	11.1%	13.5%
Patients	<u>9.3%</u>	<u>8.1%</u>
	<u>100.0%</u>	<u>100.0%</u>

(11) Operating Leases

The Hospital Service District leases various equipment under operating leases expiring at various dates through 2026. Total rental expense for the years ended June 30, 2021 and 2020 for all operating leases was approximately \$422,169 and \$412,826, respectively.

The following is a schedule by year of future minimum lease payments under leases that have initial or remaining lease terms in excess of one year.

Years Ending June 30,	Amount
2022	\$ 52,724
2023	16,895
2024	2,902
2025	2,627
2026	<u>2,040</u>
Total	<u>\$ 77,188</u>

(12) Deferred Compensation

The Hospital Service District offers employees a deferred compensation plan (Plan), which all employees are eligible to participate. The Plan was adopted under the provisions of Internal Revenue Code Section 457, and is administered by Security Benefit. The Hospital Service District does not have managerial or financial responsibility for plan assets. The Hospital Service District will match half (50%) of the employees' contributions to the plan up to a maximum of 5% of the employees gross income per pay period. The Hospital Service District contributed \$68,342 and \$66,166 as of June 30, 2021 and 2020, respectively.

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

Notes to Financial Statements (Continued)

(13) Professional and General Liability Risk

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

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

(14) Contingencies

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

The principle contingencies are described below:

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

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

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

Notes to Financial Statements (Continued)

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

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

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

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

(15) Grant Revenue

The Hospital Service District collaborated with the Rural Hospital Coalition, a nonprofit organization, to design and implement a grant program funded by various sources to ensure that adequate and essential medically necessary healthcare services are accessible and available to the service population subject to the availability of such grant funds. On February 3, 2015, the Hospital Service District entered into a cooperative endeavor agreement (CEA) with other public Louisiana hospital service districts whereby the Hospital Service District receives grant funding and awards intergovernmental transfer grants (IGT) to be used in accordance with the grant program. As of June 30, 2021 and 2020, the District received \$18,730,988 and \$17,403,709 of grant program funding and provided intergovernmental transfer grants to other hospital service districts in the amount of \$17,669,948 and \$16,287,767, respectively.

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

Notes to Financial Statements (Continued)

(16) CARES Act Subsidies

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

Provider Relief Funds – The Hospital Service District received approximately \$4,161,233 in Provider Relief Funds during the fiscal year ending June 30, 2020. This payment was issued by the U.S. Department of Health & Human Services (HHS) in response to the Coronavirus pandemic to be utilized for healthcare related expenses and lost revenues attributable to coronavirus. The Hospital Service District recognized \$136,051 as nonoperating revenue for lost revenues of \$107,346 and COVID-19 related expenses of \$28,705 during the fiscal year ending June 30, 2020. The unrecognized amount of \$4,025,182 is reported as unearned revenue in the accompanying statement of net position as of June 30, 2020. During the fiscal year ending June 30, 2021, the Hospital submitted their final report to HHS, recognizing grant revenue in the amount of \$4,025,182 for eligible healthcare related expenses related to the coronavirus.

Medicare Accelerated and Advance Payment Program – On March 28, 2020, the Centers for Medicare and Medicaid Services (CMS) expanded the existing Accelerated and Advance Payments Program (Program) to a broader group of Medicare Part A providers and Part B suppliers. An accelerated or advance payment is a payment intended to provide necessary funds when there is a disruption in claims submission and/or claims processing. Additionally, these payments can be offered in circumstances of national emergencies to accelerate cash flow to the impacted health care providers and suppliers. For the year ended June 30, 2020, the Hospital Service District received accelerated Medicare payments in the amount of \$3,756,744. The accelerated payment is reported as unearned revenue in the accompanying statement of net position. In accordance with the terms of the Program, recoupment of the funds will begin in one year from the date the payment was issued. At June 30, 2021, the Hospital Service District reported unearned revenues of \$3,219,375, net of recoupments in the amount of \$537,369.

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

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

Notes to Financial Statements (Continued)

(17) Fair Value Measurements

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

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

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

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

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2021 and 2020:

Description	June 30, 2021			
	Total	(Level 1)	(Level 2)	(Level 3)
Equities	\$ 2,708,209	\$ -	\$ 2,708,209	\$ -
Fixed income	<u>3,562,468</u>	<u>-</u>	<u>3,562,468</u>	<u>-</u>
	<u>\$ 6,270,677</u>	<u>\$ -</u>	<u>\$ 6,270,677</u>	<u>\$ -</u>

Description	June 30, 2020			
	Total	(Level 1)	(Level 2)	(Level 3)
Equities	\$ 501,897	\$ -	\$ 501,897	\$ -
Fixed income	<u>485,440</u>	<u>-</u>	<u>485,440</u>	<u>-</u>
	<u>\$ 987,337</u>	<u>\$ -</u>	<u>\$ 987,337</u>	<u>\$ -</u>

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

Notes to Financial Statements (Continued)

(18) Tax Abatement

Louisiana's State Constitution Chapter VII Section 21 authorizes the State Board of Commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment related to manufacturing for the first ten years of its operation; after which the property will be added to the local tax roll and taxed at the value and millage in force at that time. The future value to this exempt property could be subject to significant fluctuations from today's value; however, the District could receive a substantial increase in ad valorem tax revenues once the exemption on this property expires. Because these taxes are not assessed, no adjustments have been made to the Hospital Service District's financial statements to record the exempt amounts. At June 30, 2021 and 2020, the District's ad valorem revenues were reduced by \$187,705 and \$136,336, respectively, as a result of these abatements.

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

The schedule of compensation and benefits paid to Cindy Walters, Chief Executive Officer, for the year ended June 30, 2021 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 114,967
Benefits - insurance	21,258
Benefits - retirement	1,438
Benefits - disability insurance	2,305
Car Allowance	6,500
Travel	74
Registration fees & dues	1,288
Special meal	46
Cellular phone	1,940

(20) Uncertainties Arising During and After Financial Statement Date

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may have and may continue to impact the Hospital Service District's ongoing operations. The extent and severity of the potential impact on future operations is unknown at this time.

SUPPLEMENTARY INFORMATION

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

Schedules of Net Patient Service Revenues
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Gross patient direct services	\$ 18,848,799	\$ 16,441,989
Less:		
Contractual allowances	(3,069,713)	(685,115)
Uncollectible accounts	(935,419)	(1,032,182)
Discounts	<u>(433,776)</u>	<u>(473,185)</u>
Total contractual allowances, discounts and uncollectible accounts	<u>(4,438,908)</u>	<u>(2,190,482)</u>
Net patient service revenues	<u>\$ 14,409,891</u>	<u>\$ 14,251,507</u>

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

Schedules of Other Operating Revenues
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cafeteria	\$ 41,715	\$ 41,630
Rent income	26,752	26,640
Medical record income	5,345	3,870
Intergovernmental transfers - access grants	18,730,988	17,403,709
Miscellaneous	<u>-</u>	<u>3,386</u>
Total other operating revenues	<u>\$ 18,804,800</u>	<u>\$ 17,479,235</u>

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

Schedules of Other Operating Revenues and Expenses
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Direct operating revenues	\$ 18,848,799	\$ 16,441,989
Direct operating expenses	<u>10,458,538</u>	<u>9,947,156</u>
Excess of direct operating revenues over direct operating expenses	8,390,261	6,494,833
Contractual allowances, discounts and uncollectible accounts	<u>4,438,908</u>	<u>2,190,482</u>
Net excess of direct operating revenues over direct operating expenses	<u>3,951,353</u>	<u>4,304,351</u>
General operating expenses:		
General services	1,488,921	1,461,235
Financial and administrative services	<u>4,569,476</u>	<u>4,170,239</u>
Total general operating expenses	<u>6,058,397</u>	<u>5,631,474</u>
Other operating revenues	<u>18,804,800</u>	<u>17,479,235</u>
Other operating expenses:		
Depreciation and amortization	208,346	180,017
Intergovernmental transfers - access grants	<u>17,669,948</u>	<u>16,287,767</u>
	<u>17,878,294</u>	<u>16,467,784</u>
Excess (deficiency) of operating revenues over operating expenses	<u>\$ (1,180,538)</u>	<u>\$ (315,672)</u>

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

Schedules of Departmental Direct
Operating Revenues and Expenses
For the Years Ended June 30, 2021 and 2020

	Inpatient Revenues		Outpatient Revenues	
	2021	2020	2021	2020
Direct services:				
Central Supply	\$ 693,915	\$ 846,327	\$ 206,779	\$ 214,795
CT Scan	35,537	40,232	748,924	664,267
Daily patient services	1,428,800	1,747,260	-	-
Electrocardiology	8,310	7,755	61,730	64,650
Emergency room	26,248	25,912	602,800	723,711
Emergency room physician	-	-	355,370	323,335
Hyperbaric	-	17,112	-	-
Laboratory	381,346	416,101	1,784,558	1,743,191
MRI	3,251	1,951	29,463	43,864
Occupational therapy	189,782	280,010	60,067	53,407
Operating room and Gastro	-	-	-	-
Other	-	-	3,289	1,825
Pharmacy	982,454	1,062,823	284,070	356,671
Physical therapy	131,733	160,052	188,618	191,246
Psychiatric therapy group	1,648,990	1,778,558	4,996,400	3,075,715
Psychiatric unit	-	-	-	-
Radiology	27,399	23,638	399,238	211,888
Respiratory therapy	1,047,037	1,418,126	74,553	53,854
Rural health clinic	825,102	168,063	-	-
Speech therapy	50,174	56,758	24,836	18,306
Ultrasound	41,254	47,043	166,019	175,340
Wound care	24,176	53,042	1,316,577	375,161
Total direct services	<u>\$ 7,545,508</u>	<u>\$ 8,150,763</u>	<u>\$ 11,303,291</u>	<u>\$ 8,291,226</u>

Total Direct Revenues				Excess (Deficiency) of Direct Revenues Over Direct Operating Expenses	
2021	2020	2021	2020	2021	2020
\$ 900,694	\$ 1,061,122	\$ 257,142	\$ 255,927	\$ 643,552	\$ 805,195
784,461	704,499	154,800	154,800	629,661	549,699
1,428,800	1,747,260	2,894,937	2,996,006	(1,466,137)	(1,248,746)
70,040	72,405	-	-	70,040	72,405
629,048	749,623	103,629	102,541	525,419	647,082
355,370	323,335	1,022,288	1,015,272	(666,918)	(691,937)
-	17,112	-	(4,050)	-	21,162
2,165,904	2,159,292	817,049	838,510	1,348,855	1,320,782
32,714	45,815	42,000	44,000	(9,286)	1,815
249,849	333,417	118,406	154,964	131,443	178,453
-	-	463	348	(463)	(348)
3,289	1,825	-	-	3,289	1,825
1,266,524	1,419,494	671,236	664,490	595,288	755,004
320,351	351,298	170,388	186,862	149,963	164,436
6,645,390	4,854,273	1,671,942	1,358,370	4,973,448	3,495,903
-	-	768,121	897,024	(768,121)	(897,024)
426,637	235,526	419,763	347,688	6,874	(112,162)
1,121,590	1,471,980	410,702	393,097	710,888	1,078,883
825,102	168,063	350,191	105,416	474,911	62,647
75,010	75,064	65,195	64,565	9,815	10,499
207,273	222,383	66,954	79,558	140,319	142,825
<u>1,340,753</u>	<u>428,203</u>	<u>453,332</u>	<u>291,768</u>	<u>887,421</u>	<u>136,435</u>
<u>\$ 18,848,799</u>	<u>\$ 16,441,989</u>	<u>\$ 10,458,538</u>	<u>\$ 9,947,156</u>	<u>\$ 8,390,261</u>	<u>\$ 6,494,833</u>

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

Schedules of Departmental Direct
and General Operating Expenses
For the Years Ended June 30, 2021 and 2020

	Salaries		Professional Fees	
	2021	2020	2021	2020
Direct services:				
Central Supply	\$ 44,703	\$ 44,820	\$ -	\$ -
CT Scan	-	-	-	-
Daily patient services	2,268,134	2,133,739	55,417	87,415
Electrocardiology	-	-	-	-
Emergency room	-	-	-	-
Emergency room physician	-	-	1,022,288	1,015,272
Hyperbaric	-	-	-	-
Laboratory	458,726	457,789	2,825	(1,340)
MRI	-	-	42,000	44,000
Nuclear medicine	-	-	-	-
Occupational therapy	-	-	-	-
Operating room and Gastro	-	-	-	-
Pharmacy	29,883	26,674	-	-
Physical therapy	-	-	-	-
Psychiatric therapy group	-	-	-	-
Psychiatric unit	-	-	-	-
Radiology	336,254	326,235	-	-
Respiratory therapy	343,024	322,479	6,300	6,300
Rural health clinic	229,460	70,260	19,003	8,162
Speech therapy	-	-	65,048	64,558
Ultrasound	-	-	-	-
Wound care	207,692	141,818	-	-
Total direct services	<u>3,917,876</u>	<u>3,523,814</u>	<u>1,212,881</u>	<u>1,224,367</u>
General services:				
Dietary	234,980	227,579	-	-
Housekeeping	142,041	146,934	-	-
Laundry and linen	-	-	-	-
Plant engineering	327,711	297,845	-	-
Total general services	<u>704,732</u>	<u>672,358</u>	<u>-</u>	<u>-</u>
Subtotals forward	<u>\$ 4,622,608</u>	<u>\$ 4,196,172</u>	<u>\$ 1,212,881</u>	<u>\$ 1,224,367</u>

Other Expenses		Total	
2021	2020	2021	2020
\$ 212,439	\$ 211,107	\$ 257,142	\$ 255,927
154,800	154,800	154,800	154,800
571,386	774,852	2,894,937	2,996,006
-	-	-	-
103,629	102,541	103,629	102,541
-	-	1,022,288	1,015,272
-	(4,050)	-	(4,050)
355,498	382,061	817,049	838,510
-	-	42,000	44,000
-	-	-	-
118,406	154,964	118,406	154,964
463	348	463	348
641,353	637,816	671,236	664,490
170,388	186,862	170,388	186,862
1,671,942	1,358,370	1,671,942	1,358,370
768,121	897,024	768,121	897,024
83,509	21,453	419,763	347,688
61,378	64,318	410,702	393,097
101,728	26,994	350,191	105,416
147	7	65,195	64,565
66,954	79,558	66,954	79,558
<u>245,640</u>	<u>149,950</u>	<u>453,332</u>	<u>291,768</u>
<u>5,327,781</u>	<u>5,198,975</u>	<u>10,458,538</u>	<u>9,947,156</u>
279,609	300,858	514,589	528,437
49,208	43,153	191,249	190,087
32,736	34,077	32,736	34,077
<u>422,636</u>	<u>410,789</u>	<u>750,347</u>	<u>708,634</u>
<u>784,189</u>	<u>788,877</u>	<u>1,488,921</u>	<u>1,461,235</u>
<u>\$ 6,111,970</u>	<u>\$ 5,987,852</u>	<u>\$ 11,947,459</u>	<u>\$ 11,408,391</u>

(continued)

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

Schedules of Departmental Direct
and General Operating Expenses (Continued)
For the Years Ended June 30, 2020 and 2019

	Salaries		Professional Fees	
	2021	2020	2021	2020
Subtotals forwarded	<u>\$ 4,622,608</u>	<u>\$ 4,196,172</u>	<u>\$ 1,212,881</u>	<u>\$ 1,224,367</u>
Financial and administrative services				
Accounting	121,003	111,071	-	-
Administration	283,571	253,697	5,998	-
Business office	168,533	203,831	-	-
Medical records	143,330	160,846	-	-
Risk management	84,180	95,632	-	-
Payroll taxes	-	-	-	-
Employee benefits	-	-	-	-
Other general and administrative expenses	-	-	-	-
Total financial and administrative expenses	<u>800,617</u>	<u>825,077</u>	<u>5,998</u>	<u>-</u>
Total direct operating expenses	<u>\$ 5,423,225</u>	<u>\$ 5,021,249</u>	<u>\$ 1,218,879</u>	<u>\$ 1,224,367</u>

Other Expenses		Total	
2021	2020	2021	2020
<u>\$ 6,111,970</u>	<u>\$ 5,987,852</u>	<u>\$ 11,947,459</u>	<u>\$ 11,408,391</u>
7,450	34,220	128,453	145,291
209,386	238,004	498,955	491,701
967,744	802,988	1,136,277	1,006,819
61,903	54,343	205,233	215,189
3,000	457	87,180	96,089
384,269	358,999	384,269	358,999
1,102,616	1,056,710	1,102,616	1,056,710
<u>1,026,493</u>	<u>799,441</u>	<u>1,026,493</u>	<u>799,441</u>
<u>3,762,861</u>	<u>3,345,162</u>	<u>4,569,476</u>	<u>4,170,239</u>
<u>\$ 9,874,831</u>	<u>\$ 9,333,014</u>	<u>\$ 16,516,935</u>	<u>\$ 15,578,630</u>

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

Schedules of Board Fees
For the Years Ended June 30, 2021 and 2020

<u>Board Members</u>	<u>2021</u>	<u>2020</u>
Benjamin Bellard	\$ 600	\$ 360
Myra Lewis	440	120
Claire Jackson	480	240
Roger Boudreaux	520	280
Michael Williams, M.D.	680	320
Candy Leger	680	360

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

**INTERNAL CONTROL,
COMPLIANCE
AND OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Acadia-St. Landry Hospital Service District, a component unit of the Acadia Parish Police Jury, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Acadia-St. Landry Hospital Service District's basic financial statements, and have issued our report thereon dated April 22, 2022.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-002 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Acadia-St. Landry Hospital Service District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2021-003 through 2021-005.

Acadia-St. Landry Hospital's Response to Findings

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

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
April 22, 2022

KOLDER, SLAVEN & COMPANY, LLC

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

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

Report on Compliance for Each Major Federal Program

We have audited the Acadia-St. Landry Hospital Service District, a component unit of the Acadia Parish Police Jury, 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 Hospital's major federal program for the year ended June 30, 2021. The Acadia-St. Landry Hospital Service District's major federal program is 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 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 Acadia-St. Landry Hospital Service 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 Regulation Part 200, Uniform Administrative 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 Acadia-St. Landry Hospital Service 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 Acadia-St. Landry Hospital Service District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Acadia-St. Landry Hospital Service District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-006. Our opinion on the major federal program is not modified with respect to this matter.

The District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Hospital 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 Hospital's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with 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 Hospital'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 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.

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. However, this report is a matter of public record and its distribution is not limited.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
April 22, 2022

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

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Federal Assistance I.D. Number</u>	<u>Federal Expenditures</u>
Direct Programs:			
U. S. Department of Health and Human Services - COVID 19 - Provider Relief Fund	93.498	N/A	<u>\$4,161,233</u>

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

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

(1) General

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of the Acadia-St. Landry Hospital Service District, a component unit of the Acadia Parish Police Jury. The Acadia-St. Landry Hospital Service District's reporting entity is defined in Note 1 to the financial statements for the year ended June 30, 2021. All federal financial assistance received directly from federal agencies is included in the schedule as well as federal financial assistance passed through other government agencies.

(2) Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting, which is described in Note 1 to the Acadia-St. Landry Hospital Service District's financial statements for the year ended June 30, 2021.

(3) Indirect Cost Rate

The Hospital has elected not to use the 10% de minimis indirect cost rate.

(4) Provider Relief Funds

In accordance with the federal program guidance, the schedule of expenditures of federal awards reports eligible expenditures incurred from January 1, 2020 through June 30, 2021. The schedule of expenditures of federal awards includes expenditures of \$1,388,754 that were incurred in the prior fiscal year.

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

Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the District were prepared in accordance with GAAP.
2. There were two deficiencies in internal control disclosed during the audit of the financial statements. One was considered a significant deficiency and the other was considered a material weakness.
3. There were three instances of noncompliance material to the financial statements of the District, which would be required to be reported in accordance with *Government Auditing Standards*, disclosed during the audit.
4. There were no material weakness in internal control over the major federal program disclosed during the audit.
5. The auditor's report on compliance for the major federal award program for the District expresses an unmodified opinion on the major federal program.
6. There were audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) reported on this schedule.
7. The following program is considered to be a major program: Provider Relief Fund (93.498).
8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. The District did not qualify as a low-risk auditee.

Part II Findings which are required to be reported in accordance with generally accepted *Governmental Auditing Standards*:

Internal Control Findings -

2021-001 Inadequate Supporting Documentation over Credit Card Purchases

Fiscal year finding initially occurred: 2021

Criteria

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

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

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2021

Condition

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

Cause

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

Effect

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

Recommendation

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

Management's Corrective Action Plan

Management will adopt a policy requiring credit card users to turn in all detailed receipts or obtain detailed receipts prior to payment of the monthly statement and repay any transaction where they cannot produce a detailed receipt.

2021-002 Board Approval of Contracts

Fiscal year finding initially occurred: 2021

Criteria

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

Condition

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

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

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2021

Cause

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

Effect

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

Recommendation

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

Management's Corrective Action Plan

Management will adopt a policy requiring written approval by the Board of Commissioners for contracts.

Compliance Findings -

2021-003 Purchase of Meals and Gifts

Fiscal year finding initially occurred: 2021

Criteria

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

Condition

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

Cause

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

Effect

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

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

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2021

Recommendation

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

Management's Corrective Action Plan

Management will ensure that all public funds are used for valid public purposes and are properly supported.

2021-004 Reimbursement of Cell Phone Bills for Employees

Fiscal year finding initially occurred: 2021

Criteria

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

Condition

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

Cause

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

Effect

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

Recommendation

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

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

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2021

Management's Corrective Action Plan

Management will ensure that all public funds are used for valid public purposes and are properly supported.

2021-005 Compensation to the Board of Commissioners

Fiscal year finding initially occurred: 2021

Criteria

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

Condition

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

Cause

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

Effect

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

Recommendation

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

Management's Corrective Action Plan

Management will take appropriate actions to ensure accurate attendance records are maintained and compensate board members in accordance with the Louisiana Revised Statutes.

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

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2021

Part III Findings and questioned costs for the Federal awards which include audit findings as defined in 2 CFR section 200 of the Uniform Guidance

Compliance Findings -

U.S. Department of Health and Human Services –

2021-006 Failure to File Single Audit Reporting Package Timely

Fiscal year finding initially occurred: 2021

Provider Relief Fund (93.498):

Criteria

In accordance with the Code of Federal Regulation Title 2 Section 200.512(a), the District must submit their reporting package and data collection form within the earlier of 30 calendar days after receipt of the auditor's report or nine months after the end of the audit period.

Condition

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

Cause

The District's management did not take appropriate actions to ensure its annual financial statement audit was completed timely.

Effect

The District did not comply with Code of Federal Regulation Title 2 Section 200.512(a).

Recommendation

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

Management's Corrective Action Plan

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

ACADIA-ST. LANDRY HOSPITAL

810 SOUTH BROADWAY
CHURCH POINT, LOUISIANA 70525
(337) 684-5435
FAX: (337) 684-5449

Corrective Action Plan April 22, 2022

U.S. Department of Health and Human Services

The Acadia-St. Landry Hospital Service District respectfully submits the following corrective action plan for the year ended June 30, 2021.

Audit conducted by:
Kolder, Slaven & Company, LLC
183 S. Beadle Road
Lafayette, Louisiana 70508

Audit Period: July 1, 2020 - June 30, 2021

The findings from the June 30, 2021 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS - FINANCIAL STATEMENT AUDIT

Internal Control:

Significant Deficiency-

2021-001 Inadequate Supporting Documentation over Credit Card Purchases

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

Corrective Action Plan: Management will adopt a policy requiring credit card users to turn in all detailed receipts or obtain detailed receipts prior to payment of the monthly statement and repay any transaction where they cannot produce a detailed receipt.

Material Weakness-

2021-002 Board Approval of Contracts

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

Corrective Action Plan: Management will adopt a policy requiring written approval of contracts.

Compliance Findings:

2021-003 Purchase of Meals and Gifts

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

Corrective Action Plan: Management will ensure that all public funds are used for valid public purposes and are properly supported.

2021-004 Reimbursement of Cell Phone Bills for Employees

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

Corrective Action Plan: Management will ensure that all public funds are used for valid public purposes and are properly supported.

2021-005 Compensation to the Board of Commissioners

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

Corrective Action Plan: Management will take appropriate actions to ensure accurate attendance records are maintained and compensate board members in accordance with the Louisiana Revised Statutes.

FINDINGS- FEDERAL AWARDS PROGRAM AUDIT

U.S. Department of Health and Human Services

Compliance Findings:

COVID 19 – Provider Relief Fund (93.498)

2021-006 Failure to File Single Audit Reporting Package Timely

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

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

The findings noted above will be evaluated and corrective action will be taken as indicated on the respective finding. Should any federal or state pass-through agencies have questions regarding this plan, please contact Tiffany Young, Interim CEO/CFO at 337-684-5435.

Sincerely,

A handwritten signature in black ink that reads "Tiffany D Young". The signature is written in a cursive style with a large, prominent "D".

Tiffany Young
Interim CEO/CFO

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

Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2021

Internal Control Findings –

There were no findings to report under this section.

Compliance Findings –

There were no findings to report under this section.