

**St. Helena Parish Hospital Service  
District No. 1 and Subsidiary  
Greensburg, Louisiana  
Financial Report  
October 31, 2021**

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**St. Helena Parish Hospital Service District No. 1 and Subsidiary  
Management's Discussion and Analysis  
October 31, 2021**

This portion of St. Helena Parish Hospital Service District No. 1 and Subsidiary's ("District") annual financial report presents background information and management's review of the District's financial performance during the fiscal year ended October 31, 2021. This section should be interpreted within the context of the consolidated financial statements as displayed in this report.

**Financial Highlights**

- The District's assets exceeded its liabilities by \$18,299,651 at the end of the 2021 fiscal year, which represents an increase of approximately \$5.9 million (or 47.4%) from the end of the 2020 fiscal year. Of this amount, \$16,187,132 represents unrestricted net position and may be used to meet the District's ongoing obligations to the Hospital's employees, patients, and creditors.
- For fiscal year 2021, the District's financial statements reveal an excess of revenue over expenses of \$5,880,962. If depreciation and amortization expense were not included, then an excess of \$6,299,993 would have occurred.
- For fiscal year 2021, the District's net patient revenue decreased \$444,045 (or 3.8%); other revenues increased \$259,074 (or 11.2%) and expenses increased \$362,605 (2.6%).
- Ad valorem tax for the nursing home and hospital combined to generate \$1,059,450 and \$1,047,486 in revenue during the years ended October 31, 2021 and 2020, respectively.
- The District received \$4,238,837 in Provider Relief Funds from the CARES Act, of which \$3,835,866 was applied to lost revenues and COVID-19 expenses for related supplies and equipment. At October 31, 2021, a balance remains of \$402,971 available for COVID-19 which may be recognized in the subsequent period.
- The District received advances totaling \$1,384,983 during fiscal year 2020 from the CARES Act funding specific to Medicare Accelerated Advance Payments with recoupments beginning in April 2021 and continuing up to 17 months. At October 31, 2021, a balance remains of \$935,400 to be repaid in fiscal year 2022.

**Required Financial Statements**

The basic financial statements of the District report information regarding the District using Governmental Accounting Standards Board (GASB) accounting principles. These statements offer short-term and long-term financial information about its activities. The Consolidated Statements of Net Position include all of the District's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to the District's creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure, and assessing the liquidity and financial flexibility of the District.

All of the current year's revenues and expenses are accounted for in the Consolidated Statements of Revenue, Expenses, and Changes in Net Position. This statement measures improvements in the District's operations over the past year and can be used to determine whether the District has been able to recover all of its costs through its patient service and other revenue sources.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary  
Management's Discussion and Analysis  
October 31, 2021**

**Required Financial Statements (Continued)**

The final required financial statement is the Consolidated Statement of Cash Flows. The primary purpose of this statement is to provide information about the District's cash flows from operations and financial activities, as well as define the sources of cash, its uses, and cash balance changes during the reporting period. Additional statistical information and notes are offered as support, explanation, and information.

**Financial Analysis of the Hospital Service District**

The Consolidated Statements of Net Position and Consolidated Statements of Revenue, Expenses, and Changes in Net Position report data about the District's activities. These two statements report the net position of the District and the change in net position. Increases or decreases in net position are one indicator regarding the financial integrity of the District. Other non-financial indicators include changes in state and local economic conditions, as well as regulatory changes regarding Medicare and Medicaid, especially as these may impact Critical Access Hospital status and related cost-based reimbursements.

Net Position

Summaries of the District's Consolidated Statements of Net Position as of October 31, 2021, 2020, and 2019 are displayed in the following table:

**Condensed Consolidated Statements of Net Position  
October 31,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Current assets	\$ 18,796,666	\$ 18,646,612	\$ 10,697,720
Assets limited as to use	639,609	635,875	584,814
Property, plant, and equipment, net	<u>4,706,394</u>	<u>4,285,145</u>	<u>4,559,601</u>
Total assets	<u>\$ 24,142,669</u>	<u>\$ 23,567,632</u>	<u>\$ 15,842,135</u>
Current liabilities	\$ 2,849,380	\$ 6,456,298	\$ 1,741,112
Long-term liabilities	<u>2,993,638</u>	<u>4,692,645</u>	<u>3,465,874</u>
Total liabilities	5,843,018	11,148,943	5,206,986
Total net position	<u>18,299,651</u>	<u>12,418,689</u>	<u>10,635,149</u>
Total liabilities and net position	<u>\$ 24,142,669</u>	<u>\$ 23,567,632</u>	<u>\$ 15,842,135</u>

The following table presents the components of the District's net position as of October 31, 2021, 2020, and 2019:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net investment in capital assets	\$ 1,472,910	\$ 818,315	\$ 863,331
Restricted for debt service	639,609	635,875	584,813
Unrestricted	<u>16,187,132</u>	<u>10,964,499</u>	<u>9,187,005</u>
Total net position	<u>\$ 18,299,651</u>	<u>\$ 12,418,689</u>	<u>\$ 10,635,149</u>

**St. Helena Parish Hospital Service District No. 1 and Subsidiary  
Management's Discussion and Analysis  
October 31, 2021**

**Financial Analysis of the Hospital Service District (Continued)**

Property, Plant, and Equipment

The following table presents the components of property, plant, and equipment as of October 31, 2021, 2020, and 2019:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Land	\$ 428,005	\$ 428,005	\$ 428,005
Construction in progress	493,134	1,000	1,000
Buildings	8,187,956	8,164,616	8,154,515
Equipment	3,793,049	3,466,282	3,388,730
Vehicles	217,000	234,259	198,890
Equipment under capital leases	<u>413,431</u>	<u>413,431</u>	<u>413,431</u>
	13,532,575	12,707,593	12,584,571
Less accumulated depreciation	<u>8,826,181</u>	<u>8,422,448</u>	<u>8,024,968</u>
Property, plant, and equipment, net	<u>\$ 4,706,394</u>	<u>\$ 4,285,145</u>	<u>\$ 4,559,603</u>

Summary of Revenue, Expenses, and Changes in Net Position

The following table presents a summary of the District's revenues and expenses for the latest three fiscal years:

**Condensed Consolidated Statements of Revenue, Expenses, and Changes in Net Position  
Years Ended October 31,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net patient service revenue	\$ 11,262,340	\$ 11,706,385	\$ 11,555,931
Other operating revenue	2,292,220	2,031,731	2,084,859
Apartment revenue	<u>288,113</u>	<u>289,528</u>	<u>290,241</u>
Total operating revenue	<u>13,842,673</u>	<u>14,027,644</u>	<u>13,931,031</u>
Salaries	7,792,634	7,565,161	7,331,379
Other operating expenses	5,674,438	5,543,075	5,622,819
Depreciation and amortization	419,031	434,748	416,261
Apartment expense	<u>266,638</u>	<u>236,740</u>	<u>245,590</u>
Total operating expenses	<u>14,152,741</u>	<u>13,779,724</u>	<u>13,616,049</u>
Net non-operating revenue	<u>6,191,030</u>	<u>1,535,620</u>	<u>982,465</u>
Change in net position	5,880,962	1,783,540	1,297,447
Net position, at beginning of fiscal year	<u>12,418,689</u>	<u>10,635,149</u>	<u>9,337,702</u>
Net position, at end of fiscal year	<u>\$ 18,299,651</u>	<u>\$ 12,418,689</u>	<u>\$ 10,635,149</u>

**St. Helena Parish Hospital Service District No. 1 and Subsidiary  
Management’s Discussion and Analysis  
October 31, 2021**

**Sources of Revenue**

The District derives the majority of its total revenue from patient service operations. St. Helena Parish Hospital is a Critical Access Hospital and, as such, has been reimbursed for Medicare services on a cost basis since 2000.

The following table displays payor mix percentages as a function of total billed charges during the years ended October 31, 2021, 2020, and 2019:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Medicare	22%	22%	26%
Medicaid	32%	30%	31%
Commercial	43%	44%	39%
Self-Pay	3%	4%	4%
	<u>100%</u>	<u>100%</u>	<u>100%</u>

The District derives additional revenue from ad valorem taxes, grants, donations, and meals sold in the cafeteria.

**Long-Term Liabilities**

Long-term liabilities including current portion decreased by approximately \$2.3 million, or 35.9%, during the year ended October 31, 2021.

**Operating and Financial Performance**

The District’s primary source of revenue is derived from patient services and is driven by admissions, which involves converting admissions and treatment into cash collections. The industry standard regarding management of receivables is the measure of outstanding days in accounts receivable. The following table displays both inpatient days and days in accounts receivable for the years ended October 31, 2021, 2020, and 2019.

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Inpatient Days	1,553	1,498	1,983
Outstanding Days in Accounts Receivable	43	35	41

The District’s statistical measure of days in accounts receivable is 43 days. The District does make aggressive attempts to procure payment from self-pay patients, but these receivables must stay on the books for a statutory amount of time to make a claim for uncompensated care reimbursement.

**Budget and Strategy for Fiscal Year 2022**

The 2022 budget was approved by the Board of Commissioners during its regular meeting in October 2021. Highlights and expectations regarding 2022 follow:

Concerning revenue and patient utilization, the District expects an inpatient census of 6, which is consistent with 2021. The ancillary departments of the hospital are budgeted for the same or modest utilization increases. Areas for outpatient growth opportunity include IOP, Lab, Observation, Radiology, and Therapy. Ad valorem taxes for 2022 are budgeted for \$1,045,000.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary  
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**Budget and Strategy for Fiscal Year 2022 (Continued)**

The Board of Commissioners consider many factors during the budget approval process each year. For fiscal year 2022, the primary focus was the status of the economy and health care environment, which takes into account market forces and environmental factors such as:

- Impact of COVID-19 on the Hospital, primarily to revenue and additional supplies
- Payor mix and reimbursement changes
- Continuation at the current level of Uncompensated Care Program
- Workforce shortages, primarily in nursing and other clinically skilled positions and related employee costs

**Contacting the District's Chief Financial Officer**

This financial report is intended to provide the community, patients, and creditors with a general overview of the District's financial position and demonstrate accountability regarding all revenues received. If further information is required, requests should be submitted in writing to:

Chief Financial Officer  
St. Helena Parish Hospital and Nursing Home  
16874 Highway 43 North  
Greensburg, LA 70441



**HAWTHORN  
WAYMOUTH  
& CARROLL, L.L.P.**  
Certified Public Accountants

Louis C. McKnight, III, CPA  
Charles R. Pevey, Jr., CPA  
David J. Broussard, CPA  
Brittany B. Thames, CPA  
Kevin M. Rodriguez, CPA

## **Independent Auditor's Report**

Mr. Naveed Awan, Chief Executive Officer,  
and the Board of Commissioners of  
St. Helena Parish Hospital Service District No. 1 and Subsidiary  
Greensburg, Louisiana

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

We have audited the accompanying consolidated financial statements of St. Helena Parish Hospital Service District No. 1, a component unit of St. Helena Parish Police Jury, and Subsidiary, as of and for the years ended October 31, 2021 and 2020, and the related notes to the consolidated financial statements, which collectively comprise St. Helena Parish Hospital Service District No. 1 and Subsidiary's basic consolidated 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 consolidated 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 an opinion on these consolidated 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 opinion.

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of St. Helena Parish Hospital Service District No. 1 and Subsidiary, as of October 31, 2021 and 2020, and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the basic consolidated financial statements. Such information, although not a part of the basic consolidated 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 consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audits of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated schedules of net patient service revenue, operating expenses, and the schedule of compensation, benefits and other payments to agency head or chief executive officer are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. The accompanying 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 for Federal Awards*, and is also not a required part of the basic consolidated financial statements. The consolidated schedules of net patient service revenue, operating expenses, schedule of compensation, benefits and other payments to agency head or chief executive officer, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic consolidated 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 consolidated financial statements or to the basic consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidated schedules of net patient service revenue, operating expenses, schedule of compensation, benefits and other payments to agency head or chief executive officer, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the consolidated 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 21, 2022, on our consideration of St. Helena Parish Hospital Service District No. 1 and Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of St. Helena Parish Hospital Service District No. 1 and Subsidiary'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 St. Helena Parish Hospital Service District No. 1 and Subsidiary's internal control over financial reporting and compliance.

*Hawthorn, Waymouth & Carroll, L.L.P.*

April 21, 2022

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Consolidated Statements of Net Position**  
**October 31, 2021 and 2020**

<b>Assets</b>	<b>2021</b>	<b>2020</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 13,746,802	\$ 13,652,141
Patient accounts receivable (net of estimated uncollectibles of \$978,043 for 2021 and \$771,403 for 2020)	1,242,294	1,119,035
Accounts receivable - other	1,639,003	1,644,794
Estimated third-party payor settlements	1,519,869	1,634,380
Inventory	444,832	415,283
Prepaid expenses	<u>203,866</u>	<u>180,979</u>
Total current assets	18,796,666	18,646,612
<b>Assets Limited as to Use</b>	639,609	635,875
<b>Property, Plant, and Equipment, Net</b>	<u>4,706,394</u>	<u>4,285,145</u>
Total assets	<u>\$ 24,142,669</u>	<u>\$ 23,567,632</u>
<b>Liabilities and Net Position</b>		
<b>Current Liabilities</b>		
Current maturities of notes payable	\$ 12,713	\$ 1,107,873
Current maturities of bonds payable	163,774	156,129
Current maturities of obligations under capital leases	63,359	63,680
Current maturities of advance payments	935,400	479,941
Unearned COVID-19 grants	402,971	3,627,935
Accounts payable	331,394	281,289
Accrued liabilities	<u>939,769</u>	<u>739,451</u>
Total current liabilities	<u>2,849,380</u>	<u>6,456,298</u>
<b>Long-term Liabilities</b>		
Notes payable, less current maturities	635,242	1,202,252
Bonds payable, less current maturities	2,280,464	2,443,942
Obligations under capital leases, less current maturities	77,932	141,409
Advance payments, less current maturities	<u>-</u>	<u>905,042</u>
Total long-term liabilities	<u>2,993,638</u>	<u>4,692,645</u>
Total liabilities	<u>5,843,018</u>	<u>11,148,943</u>
<b>Net Position</b>		
Net investment in capital assets	1,472,910	818,315
Restricted for debt service	639,609	635,875
Unrestricted	<u>16,187,132</u>	<u>10,964,499</u>
Total net position	<u>18,299,651</u>	<u>12,418,689</u>
Total liabilities and net position	<u>\$ 24,142,669</u>	<u>\$ 23,567,632</u>

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

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Consolidated Statements of Revenue, Expenses, and Changes in Net Position**  
**Years Ended October 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Operating Revenue</b>		
Net patient service revenue	\$ 11,262,340	\$ 11,706,385
Other operating revenue	2,292,220	2,031,731
Apartment revenue	<u>288,113</u>	<u>289,528</u>
Total operating revenue	<u>13,842,673</u>	<u>14,027,644</u>
<b>Operating Expenses</b>		
Salaries	7,792,634	7,565,161
Outside services	1,634,709	1,595,963
Supplies and other	1,526,129	1,335,790
General and administrative	2,513,600	2,611,322
Depreciation and amortization	419,031	434,748
Apartment expense	<u>266,638</u>	<u>236,740</u>
Total operating expenses	<u>14,152,741</u>	<u>13,779,724</u>
Operating income (loss)	<u>(310,068)</u>	<u>247,920</u>
<b>Non-operating Revenue (Expense)</b>		
Ad valorem taxes	1,059,450	1,047,486
Gain on forgiveness of debt	1,648,455	-
Grant income	3,507,418	492,175
Other income	12,403	58,941
Interest income	80,814	71,078
Interest expense	(124,542)	(134,954)
Gain on sale of property, plant, and equipment	<u>7,032</u>	<u>894</u>
Non-operating revenue (expense)	<u>6,191,030</u>	<u>1,535,620</u>
<b>Change in Net Position</b>	5,880,962	1,783,540
<b>Net Position</b>		
Beginning of year	<u>12,418,689</u>	<u>10,635,149</u>
End of year	<u>\$ 18,299,651</u>	<u>\$ 12,418,689</u>

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

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Consolidated Statements of Cash Flows**  
**Years Ended October 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Cash Flows from Operating Activities</b>		
Receipts from patients and third-party payors	\$ 11,541,705	\$ 10,890,597
Receipts from other operating revenue	2,246,750	2,072,509
Payments to employees and for employee-related costs	(7,592,316)	(7,546,857)
Payments to suppliers for goods and services	(5,943,407)	(5,937,731)
Net cash provided by (used in) operating activities	252,732	(521,482)
<b>Cash Flows from Non-capital Financing Activities</b>		
Ad valorem tax receipts	1,054,306	995,894
Grant income	92,782	134,080
Other income	12,403	58,941
Net cash provided by non-capital financing activities	1,159,491	1,188,915
<b>Cash Flows from Capital and Related Financing Activities</b>		
Purchases of property, plant, and equipment	(848,909)	(160,290)
Proceeds from issuance of notes payable	-	1,648,455
Proceeds from advance payments	-	1,384,983
Proceeds from COVID-19 grant	246,077	3,992,760
Principal payments on bonds payable	(155,833)	(149,347)
Principal payments on notes payable	(13,715)	(9,930)
Principal payments under capital lease obligations	(63,798)	(70,165)
Repayments of advance payments	(449,583)	-
Interest paid on long-term debt	(124,543)	(136,152)
Net cash provided by (used in) capital and related financing activities	(1,410,304)	6,500,314
<b>Cash Flows from Investing Activities</b>		
Interest received	80,814	71,078
Proceeds from the sale of property	15,662	894
Net cash provided by investing activities	96,476	71,972
<b>Net Increase in Cash and Cash Equivalents</b>	98,395	7,239,719
<b>Cash and Cash Equivalents, Beginning of Year</b>		
Including \$635,875 and \$584,813 limited as to use for 2021 and 2020, respectively	14,288,016	7,048,297
<b>Cash and Cash Equivalents, End of Year</b>		
Including \$639,609 and \$635,875 limited as to use for 2021 and 2020, respectively	\$ 14,386,411	\$ 14,288,016

(Continued)

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

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Consolidated Statements of Cash Flows**  
**Years Ended October 31, 2021 and 2020**

(Continued)

	<b>2021</b>	<b>2020</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided</b>		
<b>By (Used In) Operating Activities:</b>		
Operating income (loss)	\$ (310,068)	\$ 247,920
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	419,031	434,748
Provision for bad debts	607,434	379,301
(Increase) decrease in assets:		
Patient accounts receivable	(730,693)	55,808
Accounts receivable - other	(45,470)	40,778
Estimated third-party payor settlements	114,511	(1,540,421)
Inventory	(29,549)	(73,202)
Prepaid expenses	(22,887)	6,538
Increase (decrease) in liabilities:		
Accounts payable	50,105	(91,251)
Accrued liabilities	200,318	18,299
Total adjustments	562,800	(769,402)
Net cash provided by (used in) operating activities	\$ 252,732	\$ (521,482)

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

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2021**

**Note 1-Summary of Significant Accounting Policies**

A. Legal Organization

On December 29, 1962, St. Helena Parish Police Jury passed a resolution creating St. Helena Parish Hospital Service District No. 1 (“District”) under the authority of Chapter 10 of Title 46 of the Louisiana Revised Statutes of 1950, as amended.

The governing authority of the District consists of a board of six (6) commissioners, all of whom are qualified electors of the Parish of St. Helena. The Commissioners serve without pay, per diem, or reimbursement of expense, except actual out-of-pocket expenses incurred in the performance of their duties.

B. Nature of Business

The District primarily earns revenue by providing inpatient, outpatient, and emergency care services to patients in the St. Helena Parish area. The District also operates a 72-bed nursing home and a 24-unit apartment complex for the elderly and handicapped.

C. Principles of Consolidation

The financial statements are consolidated as of and for the years ended October 31, 2021 and 2020. These consolidated financial statements include the District and its subsidiary, St. Helena Medical Foundation, Inc. All intercompany accounts and transactions have been eliminated in consolidation. Operations in these consolidated financial statements are predominantly from the District.

D. Basis of Accounting and Presentation

The District’s financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

As a proprietary fund, the District distinguishes operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing patient services in connection with a proprietary fund’s principal ongoing operations. The principal operating revenue of the District’s proprietary fund are charges to customers related to patient services. Operating expenses for the District’s proprietary fund include patient care expenses, general and administrative expenses, and depreciation of property, plant, and equipment. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

The District follows private-sector standards of accounting and financial reporting issued prior to December 1, 1989 to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2021**

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

D. Basis of Accounting and Presentation (Continued)

The District follows GASB standards for state and local governments which require that resources be classified for accounting and reporting purposes into the following three net position components:

- The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.
- The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted net position results when external constraints are placed on net asset use by creditors, grantors, contributors or laws through constitutional provisions or enabling legislation.
- The *unrestricted* component of net position is the net amount of the assets and liabilities that are not included in the determination of net investment in capital assets or the restricted components of net position. Unrestricted net position is often designated to indicate that management does not consider them to be available for general operations; however, these designations can be removed or modified.

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

E. Reporting Entity

As the governing authority of the Parish, for reporting purposes, St. Helena Parish Police Jury is the financial reporting entity for St. Helena Parish. The financial reporting entity consists of (a) the primary government (Police Jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Section 2100 of the 2011 Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, establishes criteria for determining which component units should be considered part of St. Helena Parish Police Jury for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit.
2. Financial accountability:
  - a. The primary government appoints a voting majority of the potential component unit's governing body (and the primary government is able to impose its will on the potential component unit (or)
  - b. When a potential component unit is fiscally dependent on the primary government regardless of whether the organization has separately elected officials or boards.
3. Financial benefit/burden relationship between the Police Jury and the potential component unit.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2021**

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

E. Reporting Entity (Continued)

4. Misleading to exclude: Paragraph 111 of Section 2100 covers other potential component units for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

Because the Police Jury appoints all members to the District's Board of Commissioners, the District was determined to be a component unit of St. Helena Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The most significant item on the Consolidated Statements of Net Position that involves a greater degree of accounting estimates subject to changes in the near future is the assessment of the allowance for doubtful accounts. As additional information becomes available (or actual amounts are determinable), the recorded estimates are revised and reflected in operating results of the period in which they are determined.

G. Cash and Cash Equivalents

For purposes of the Consolidated Statements of Cash Flows, the District considers all highly-liquid investments purchased with an original maturity of three months or less to be cash equivalents.

H. Patient Accounts Receivable

Accounts receivable from patients, insurance companies, and third-party reimbursement contractual agencies are recorded at established charge rates. Certain third-party insured accounts (Medicare and Medicaid) are based on cost reimbursement agreements, which generally result in the District collecting more or less than the established charge rates with the difference recorded as "contractual adjustments." Final determination of settlement is subject to review by appropriate authorities.

The District provides an allowance for doubtful accounts equal to the estimated collection losses that will be incurred in collection of all receivables. Management estimates the losses based on historical collection experience coupled with a review of the current status of existing receivables. Accounts are subsequently written off based on individual credit evaluation and specific circumstances of the account.

I. Inventory

Inventory is valued at the lower of cost or net realizable value (first-in, first-out). Inventory is comprised of departmental supplies and pharmaceutical items.



**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2021**

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

J. Assets Limited as to Use

Assets whose use is limited under the terms of bond indentures are classified as assets limited as to use as shown in Note 3.

K. Property, Plant, and Equipment

Property, plant, and equipment are stated at cost, except for assets donated to the District. Donated assets are recorded at the appraised value at the date of donation.

Equipment under capital leases is amortized using 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 and amortization in the consolidated financial statements.

Maintenance, repairs, replacements and improvements of minor amounts are expensed. Major renewals and betterments that extend the useful lives of capital assets are capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows:

Buildings	10 – 40 years
Equipment	5 – 15 years
Vehicles	5 years

L. Operating Revenue and Expenses

The District's consolidated statements of revenue, expenses and changes in net position distinguish between operating and non-operating revenue and expenses. Operating revenue results from exchange transactions associated with providing health care services, the District's principal activity. Non-operating revenue (expense) results from non-exchange transactions, including taxes, contributions received for purposes other than capital asset acquisition, and other revenue not associated with the District's principal activity. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

M. Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations.

The District is a Critical Access Hospital (CAH), which allows it to receive cost-based reimbursements from Medicare and Medicaid.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2021**

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

M. Net Patient Service Revenue (Continued)

As a CAH, inpatient services, certain outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are reimbursed based on a cost reimbursement methodology. The District is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicare fiscal intermediary. The District's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the District. The District's Medicare cost reports have been audited by the Medicare fiscal intermediary through October 31, 2019.

Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. Inpatient costs are reimbursed at the prospectively determined peer group per diem, and outpatient costs are reimbursed at cost per the cost report. The District is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicaid fiscal intermediary. The District's Medicaid cost reports have been audited by the Medicaid fiscal intermediary through October 31, 2015.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. These adjustments will be recorded in the year they are realized.

The District has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payments to the District under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates. To the extent management's estimates differ from actual results, the differences will be recorded in the year such differences arise.

N. Charity Care

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

O. Property Taxes

The Sheriff of St. Helena Parish, as provided by state law, is the official tax collector of property taxes levied by the Parish and the Parish's special districts. The 2021 property tax calendar follows:

Millage rates adopted	May 24, 2021
Tax bills mailed	November 16, 2021
Due date	December 31, 2021
Certified delinquent notice	March 25, 2022

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2021**

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

O. Property Taxes (Continued)

The District records the expected revenues to be received based on factors such as previous years' collections of assessments and the estimated taxable assessed value for the current year. State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. After notice is given to the delinquent taxpayers, the sheriff is required by the constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

P. Paid Time Off

Paid time off (PTO) includes vacation and holiday pay. Sick pay is not vested and therefore not accrued. The District's policy is to recognize the cost of sick pay when actually paid to employees. Full-time employees earn and vest in PTO according to length of service as follows.

Length of Service	PTO Earned
90 days - 2 years	1.08 days per month
3 - 5 years	1.50 days per month
6 - 15 years	1.92 days per month
Over 16 years	2.33 days per month

Unused PTO hours accumulate and carry over from year to year. Employees may accrue a maximum of 272 hours of PTO, including holidays. Accrued compensated absences at October 31, 2021 and 2020 were \$320,540 and \$301,534, respectively. These amounts are included in accrued liabilities on the consolidated statements of net position.

Q. Income Taxes

The District is exempt from income taxes under Internal Revenue Code Section 115. Accordingly, the accompanying financial statements do not include any provisions for income taxes.

R. Risk Management

The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters and employee health and accident benefits.

The District is a member of a separate trust fund established by the Louisiana Hospital Association that encompasses self-insurance of statutory workers' compensation. The District continues to carry commercial insurance for portions of all other risks of loss. The management of the trust fund for statutory workers' compensation has complete control over the rate setting process.

The District has medical malpractice insurance up to \$100,000 through the Louisiana Hospital Association Trust Fund and an additional \$400,000 through the Patients Compensation Fund. Under current Louisiana law, its liability is limited to the statutory maximum of \$500,000.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2021**

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

S. New Accounting Pronouncements

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

**Note 2-Cash and Cash Equivalents**

Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with any bank domiciled or having a branch office in the State of Louisiana. The District had cash and cash equivalents and cash under indenture agreements (book balances) totaling \$14,386,411 and \$14,288,016 as of October 31, 2021 and 2020, respectively.

These deposits are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance and/or the pledge of securities owned by the fiscal agent bank. The pledged securities are held in the name of the District in a holding or custodial bank that is mutually agreeable to both parties.

As of October 31, 2021, the District had \$14,514,373 in deposits (collected bank balances). These deposits were fully secured from risk by federal deposit insurance and pledged securities.

As of October 31, 2020, the District had \$14,450,650 in deposits (collected bank balances). These deposits were fully secured from risk by federal deposit insurance and pledged securities.

In order to comply with debt agreements, the District deposits funds into reserve accounts on a monthly basis.

**Note 3-Assets Limited as to Use**

Assets whose use is limited that are required for obligations classified as current liabilities are reported in current assets. The composition of assets whose use is limited as of October 31, 2021 and 2020, is set forth in the following table.

	<b>2021</b>	<b>2020</b>
Under indenture agreement		
Cash and cash equivalents	\$ 639,609	\$ 635,875

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2021**

**Note 4-Property, Plant, and Equipment**

A schedule of changes in the District's property, plant, and equipment during the year ended October 31, 2021 is as follows:

	<b>Balance 10/31/20</b>	<b>Additions</b>	<b>Retirements/ Adjustments</b>	<b>Balance 10/31/21</b>
<b>Non-depreciable Assets</b>				
Land				
Hospital	\$ 392,005	\$ -	\$ -	\$ 392,005
Morgan Hills	36,000	-	-	36,000
Construction in progress	1,000	492,134	-	493,134
Total non-depreciable assets	<u>429,005</u>	<u>492,134</u>	<u>-</u>	<u>921,139</u>
<b>Depreciable Assets</b>				
Buildings				
Hospital	6,233,558	12,740	-	6,246,298
Morgan Hills	829,098	10,600	-	839,698
Nursing Home	1,101,960	-	-	1,101,960
Equipment	3,466,282	333,435	(6,668)	3,793,049
Vehicles	234,259	-	(17,259)	217,000
Equipment under capital leases	413,431	-	-	413,431
Total depreciable assets	<u>12,278,588</u>	<u>356,775</u>	<u>(23,927)</u>	<u>12,611,436</u>
<b>Accumulated Depreciation and Amortization</b>				
Buildings				
Hospital	3,308,784	182,111	-	3,490,895
Morgan Hills	596,404	25,587	-	621,991
Nursing Home	1,098,549	150	-	1,098,699
Equipment	3,093,670	126,912	(6,668)	3,213,914
Vehicles	155,434	19,707	(8,630)	166,511
Equipment under capital leases	169,607	64,564	-	234,171
Total accumulated depreciation and amortization	<u>8,422,448</u>	<u>419,031</u>	<u>(15,298)</u>	<u>8,826,181</u>
Depreciable assets, net	<u>3,856,140</u>	<u>(62,256)</u>	<u>(8,629)</u>	<u>3,785,255</u>
Property, plant, and equipment, net	<u>\$ 4,285,145</u>	<u>\$ 429,878</u>	<u>\$ (8,629)</u>	<u>\$ 4,706,394</u>

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2021**

**Note 4-Property, Plant, and Equipment (Continued)**

A schedule of changes in the District's property, plant, and equipment during the year ended October 31, 2020 is as follows:

	<u>Balance 10/31/19</u>	<u>Additions</u>	<u>Retirements/ Adjustments</u>	<u>Balance 10/31/20</u>
<b>Non-depreciable Assets</b>				
Land				
Hospital	\$ 392,005	\$ -	\$ -	\$ 392,005
Morgan Hills	36,000	-	-	36,000
Construction in progress	1,000	-	-	1,000
Total non-depreciable assets	<u>429,005</u>	<u>-</u>	<u>-</u>	<u>429,005</u>
<b>Depreciable Assets</b>				
Buildings				
Hospital	6,233,558	-	-	6,233,558
Morgan Hills	818,997	10,101	-	829,098
Nursing Home	1,101,960	-	-	1,101,960
Equipment	3,388,730	77,552	-	3,466,282
Vehicles	198,890	72,637	(37,268)	234,259
Equipment under capital leases	413,431	-	-	413,431
Total depreciable assets	<u>12,155,566</u>	<u>160,290</u>	<u>(37,268)</u>	<u>12,278,588</u>
<b>Accumulated Depreciation and Amortization</b>				
Buildings				
Hospital	3,127,137	181,647	-	3,308,784
Morgan Hills	571,285	25,119	-	596,404
Nursing Home	1,098,398	151	-	1,098,549
Equipment	2,952,558	141,112	-	3,093,670
Vehicles	171,271	21,431	(37,268)	155,434
Equipment under capital leases	104,319	65,288	-	169,607
Total accumulated depreciation and amortization	<u>8,024,968</u>	<u>434,748</u>	<u>(37,268)</u>	<u>8,422,448</u>
Depreciable assets, net	<u>4,130,598</u>	<u>(274,458)</u>	<u>-</u>	<u>3,856,140</u>
Property, plant, and equipment, net	<u>\$ 4,559,603</u>	<u>\$ (274,458)</u>	<u>\$ -</u>	<u>\$ 4,285,145</u>

Depreciation and amortization expense for the years ended October 31, 2021 and 2020 was \$419,031 and \$434,748, respectively.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2021**

**Note 5-Notes Payable**

A schedule of changes in the District's notes payable during the year ended October 31, 2021 is as follows:

	<b>Balance October 31, 2020</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance October 31, 2021</b>	<b>Amount Due within One Year</b>
Notes Payable					
USDA Rural Development	\$ 661,670	\$ -	\$ (13,715)	\$ 647,955	\$ 12,713
Paycheck Protection Program (PPP) Loan	<u>1,648,455</u>	<u>-</u>	<u>(1,648,455)</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,310,125</u>	<u>\$ -</u>	<u>\$ (1,662,170)</u>	<u>\$ 647,955</u>	<u>\$ 12,713</u>

A schedule of changes in the District's note payable during the year ended October 31, 2020 is as follows:

	<b>Balance October 31, 2019</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance October 31, 2020</b>	<b>Amount Due within One Year</b>
Notes Payable					
USDA Rural Development	\$ 671,600	\$ -	\$ (9,930)	\$ 661,670	\$ 11,652
Paycheck Protection Program (PPP) Loan	<u>-</u>	<u>1,648,455</u>	<u>-</u>	<u>1,648,455</u>	<u>1,096,221</u>
	<u>\$ 671,600</u>	<u>\$ 1,648,455</u>	<u>\$ (9,930)</u>	<u>\$ 2,310,125</u>	<u>\$ 1,107,873</u>

Maturities for each of the next five years ending October 31, are as follows:

2022	\$ 12,713
2023	13,871
2024	15,135
2025	16,513
2026	18,018
Thereafter	<u>571,705</u>
	<u>\$ 647,955</u>

Note Payable – USDA Rural Development

Note payable to USDA Rural Development with interest at 8.75% for 50 years with a monthly payment of \$5,735. Note is secured by the Morgan Hills Apartments.

Note Payable – Paycheck Protection Program (PPP) Loan

Small Business Administration Paycheck Protection Program (PPP) Loan payable to First Guaranty Bank with interest at 1.00%. On January 11, 2021, the Small Business Administration approved the District for forgiveness of the PPP loan in full. See Note 13 for additional information.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2021**

**Note 6-Bonds Payable**

A schedule of changes in the District's bonds payable during the year ended October 31, 2021 is as follows:

	<b>Balance October 31, 2020</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance October 31, 2021</b>	<b>Amount Due within One Year</b>
<b>Bonds Payable</b>					
<b>Hospital Revenue Bonds</b>					
25 Year	\$ 697,293	\$ -	\$ (52,910)	\$ 644,383	\$ 56,392
40 Year	<u>1,600,778</u>	<u>-</u>	<u>(31,923)</u>	<u>1,568,855</u>	<u>33,382</u>
Total hospital revenue bonds payable	<u>2,298,071</u>	<u>-</u>	<u>(84,833)</u>	<u>2,213,238</u>	<u>89,774</u>
<b>Limited Tax Bonds</b>					
Series 2016A	241,000	-	(57,000)	184,000	60,000
Series 2016B	<u>61,000</u>	<u>-</u>	<u>(14,000)</u>	<u>47,000</u>	<u>14,000</u>
Total limited tax bonds payable	<u>302,000</u>	<u>-</u>	<u>(71,000)</u>	<u>231,000</u>	<u>74,000</u>
Total bonds payable	<u>\$ 2,600,071</u>	<u>\$ -</u>	<u>\$ (155,833)</u>	<u>\$ 2,444,238</u>	<u>\$ 163,774</u>

A schedule of changes in the District's bonds payable during the year ended October 31, 2020 is as follows:

	<b>Balance October 31, 2019</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance October 31, 2020</b>	<b>Amount Due within One Year</b>
<b>Bonds Payable</b>					
<b>Hospital Revenue Bonds</b>					
25 Year	\$ 747,005	\$ -	\$ (49,712)	\$ 697,293	\$ 52,984
40 Year	<u>1,631,413</u>	<u>-</u>	<u>(30,635)</u>	<u>1,600,778</u>	<u>32,145</u>
Total hospital revenue bonds payable	<u>2,378,418</u>	<u>-</u>	<u>(80,347)</u>	<u>2,298,071</u>	<u>85,129</u>
<b>Limited Tax Bonds</b>					
Series 2016A	296,000	-	(55,000)	241,000	57,000
Series 2016B	<u>75,000</u>	<u>-</u>	<u>(14,000)</u>	<u>61,000</u>	<u>14,000</u>
Total limited tax bonds payable	<u>371,000</u>	<u>-</u>	<u>(69,000)</u>	<u>302,000</u>	<u>71,000</u>
Total bonds payable	<u>\$ 2,749,418</u>	<u>\$ -</u>	<u>\$ (149,347)</u>	<u>\$ 2,600,071</u>	<u>\$ 156,129</u>



**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2021**

**Note 6-Bonds Payable (Continued)**

Hospital Revenue Bonds – 25 Year

Hospital Revenue Bonds of \$1,200,000 due in monthly installments of \$7,916 (principal and interest) for 25 years at an annualized rate of 6.125%. Bonds are secured by a pledge of net revenue from the operations of the District.

Hospital Revenue Bonds – 40 Year

Hospital Revenue Bonds of \$1,900,000 due in monthly installments of \$8,113 (principal and interest) for 40 years at an annualized rate of 4.125%. Bonds are secured by a pledge of net revenue from the operations of the District.

As required by the bond agreement, the District is required to maintain three separate accounts: Sinking Fund, Reserve Fund, and Contingency Fund. The Sinking Fund is required to have an amount sufficient to pay promptly and fully the principal and interest on the bonds. The Reserve Fund must have an amount paid to it equal to 10% of the amount paid to the Sinking Fund each month. The amount shall continue until the Reserve Fund has accumulated a sum equal to the combined principal and interest falling due in any year on the bonds.

The Contingency Fund shall have deposited \$170 per month to cover depreciation, additions, improvements and replacements necessary to properly operate the District. These amounts have been classified as assets limited as to use.

Limited Tax Bonds – Series 2016A

Limited Tax Bonds of \$400,000 due in annual principal installments ranging from \$51,000 to \$63,000 and semi-annual interest installments for seven years at an annualized rate of 2.75%. Bonds are secured by a pledge of the proceeds of a special five mills tax.

Limited Tax Bonds – Series 2016B

Limited Tax Bonds of \$100,000 due in annual principal installments ranging from \$12,000 to \$17,000 and semi-annual interest installments for seven years at an annualized rate of 4.0%. Bonds are secured by a pledge of the proceeds of a special five mills tax.

Bond maturities for each of the next five years ending October 31, are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 163,774	\$ 106,044	\$ 269,818
2023	171,805	99,908	271,713
2024	180,128	93,427	273,555
2025	105,760	86,588	192,348
2026	111,721	80,627	192,348
Thereafter	1,711,050	744,965	2,456,015
	<b>\$ 2,444,238</b>	<b>\$ 1,211,559</b>	<b>\$ 3,655,797</b>

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2021**

**Note 7-Obligations under Capital Leases**

The District has entered into lease agreements for financing the acquisition of equipment. These leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the lower of the present value of the future minimum lease payments or the fair value of the assets. Assets under capital leases at October 31, 2021 and 2020, totaled \$179,260 and \$243,824, respectively, net of accumulated amortization of \$234,171 and \$169,607, respectively.

Interest rates on capitalized leases vary from 2.69% through 6.17% and are imputed based on the lower of the District's incremental borrowing rate at the inception of each lease or the lessor's implicit rate of return.

A schedule of changes in the District's obligations under capital leases during the year ended October 31, 2021 is as follows:

	<b>Balance October 31, 2020</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance October 31, 2021</b>	<b>Amount Due within One Year</b>
Capital Leases					
Omnicecell server	\$ 3,774	\$ -	\$ (3,774)	\$ -	\$ -
Telephone system	39,860	-	(15,779)	24,081	16,693
Optima x-ray	96,692	-	(26,476)	70,216	27,947
Optima portable x-ray	<u>64,763</u>	<u>-</u>	<u>(17,769)</u>	<u>46,994</u>	<u>18,719</u>
Total obligations under capital leases	<u>\$ 205,089</u>	<u>\$ -</u>	<u>\$ (63,798)</u>	<u>\$ 141,291</u>	<u>\$ 63,359</u>

A schedule of changes in the District's obligations under capital leases during the year ended October 31, 2020 is as follows:

	<b>Balance October 31, 2019</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance October 31, 2020</b>	<b>Amount Due within One Year</b>
Capital Leases					
Coag analyzer	\$ 9,027	\$ -	\$ (9,027)	\$ -	\$ -
Omnicecell server	8,192	-	(4,418)	3,774	3,774
Telephone system	54,697	-	(14,837)	39,860	15,698
Optima x-ray	121,774	-	(25,082)	96,692	26,475
Optima portable x-ray	<u>81,564</u>	<u>-</u>	<u>(16,801)</u>	<u>64,763</u>	<u>17,733</u>
Total obligations under capital leases	<u>\$ 275,254</u>	<u>\$ -</u>	<u>\$ (70,165)</u>	<u>\$ 205,089</u>	<u>\$ 63,680</u>

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2021**

**Note 7-Obligations under Capital Leases (Continued)**

The following are the aggregate future maturities of the capital leases:

2022	\$	63,359
2023		56,736
2024		<u>21,196</u>
	\$	<u>141,291</u>

**Note 8-Operating Leases**

The District leases equipment under various operating leases which expire at various times through July 2023. Rent expense on these operating leases was \$9,385 and \$9,185 during the years ended October 31, 2021 and 2020, respectively. Future minimum operating lease payments on non-cancelable leases are as follows:

2022	\$	2,424
2023		<u>1,818</u>
	\$	<u>4,242</u>

**Note 9-Pension Plan**

The District has a 403(b) defined contribution plan. Contributions are matched based on years of service of full-time employees, not to exceed 3% of salary. Contributions to the plan totaled \$120,934 and \$129,879 during the years ended October 31, 2021 and 2020, respectively.

**Note 10-Grant Income included in Other Operating Revenue**

The District (Grantee) entered into a cooperative endeavor agreement with a regional public rural hospital (Grantor) whereby the Grantor awards as an intergovernmental transfer (IGT) grant to be used solely to provide adequate and essential medically necessary and available healthcare services to Grantee’s service population subject to the availability of such grant funds. The aggregate IGT grant income was \$1,488,231 and \$1,331,593 during the years ended October 31, 2021 and 2020, respectively.

The District entered into an IGT agreement with the Louisiana Department of Health (LDH) in order to receive Medicaid supplemental payments for qualifying nursing facilities owned or operated by non-state governmental organizations. The aggregate IGT grant income was \$715,818 and \$628,246 during the years ended October 31, 2021 and 2020, respectively.

The District entered into an IGT agreement with the LDH as part of Louisiana Physician IPA, Inc., which is a physician supplemental program. The aggregate IGT grant income was \$40,109 and \$12,094 during the years ended October 31, 2021 and 2020, respectively.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2021**

**Note 11-Reconciliation of Cash and Cash Equivalents for Consolidated Statements of Cash Flows**

Total cash and cash equivalents as of October 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 13,746,802	\$ 13,652,141
Assets limited as to use	<u>639,609</u>	<u>635,875</u>
Total cash and cash equivalents	<u>\$ 14,386,411</u>	<u>\$ 14,288,016</u>

**Note 12-Concentration of Credit Risk**

The District is located in Greensburg, Louisiana and grants credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements. Revenue from patients and third-party payors was as follows during the years ended October 31, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
Medicare and Medicaid	54%	52%
Commercial	43%	44%
Self-Pay	<u>3%</u>	<u>4%</u>
	<u>100%</u>	<u>100%</u>

**Note 13-Coronavirus Aid, Relief, and Economic Security Act (CARES Act)**

In response to the economic impact of COVID-19, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted by Congress and was subsequently signed into law on March 27, 2020. The CARES Act included a variety of economic assistance, 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 District received the following assistance during the fiscal years ended October 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
CARES Act Program		
Provider Relief Funds	\$ 246,077	\$ 3,992,760
Medicare Accelerated and Advance Payment Program	-	1,384,983
Paycheck Protection Program Loan	<u>-</u>	<u>1,648,455</u>
CARES Act funding received	<u>\$ 246,077</u>	<u>\$ 7,026,198</u>

Funds received through the various CARES Act programs are recognized based on the terms and conditions set forth by the related program. A brief description of the programs the District received funding from during the years ended October 31, 2021 and 2020 are included on the following page.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2021**

**Note 13-Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (Continued)**

*Provider Relief Funds*

Provider Relief Funds were issued by the U.S. Department of Health & Human Services (DHHS) in response to the Coronavirus pandemic to be utilized for healthcare related expenses and lost revenues attributable to COVID-19. These funds are not subject to repayment, provided the District is able to attest and comply with the terms and conditions of the funding, including demonstrating that the funds received have been used for qualifying expenses or lost revenue attributable to COVID-19, as defined by DHHS.

Utilizing the guidelines for reporting the use of those funds as provided in the Consolidated Appropriations Act, 2021, the District is accounting for such payments as conditional contributions. These payments are recognized as non-operating revenue once the applicable terms and conditions required to retain the funds have been met. The unrecognized funds are presented as unearned COVID-19 grants in the consolidated statements of net position for possible recognition in the subsequent fiscal year. Funds received in excess of the reported expenses and lost revenues, if any, will be returned to DHHS.

For the fiscal years ended October 31, 2021 and 2020, unearned COVID-19 grants were as follows:

	<b>2021</b>	<b>2020</b>
Unearned COVID-19 grants, beginning balance	\$ 3,627,935	\$ -
Provider Relief Funds received	246,077	3,992,760
Funds recognized as non-operating revenue due to:		
Lost revenues	(1,591,889)	(137,778)
COVID-19 related expenses	(1,879,152)	(227,047)
Unearned COVID-19 grants, ending balance	\$ 402,971	\$ 3,627,935

Funds expended under the Provider Relief Fund program are subject to single audit for the fiscal year ended October 31, 2021.

*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 (AAPP) to a broader group of Medicare Part A and Part B providers. 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 October 31, 2020, the District received accelerated Medicare payments in the amount of \$1,384,983. The District has classified these advances as advance payments on its consolidated statements of net position.

Through the Continuing Appropriations Act, 2021 and Other Extensions Act (the CA Act) that was enacted October 1, 2020, the District will not be subject to recoupments of their Medicare payments for a period of one year from the date they received their AAPP payments. Beginning on the date that is one year from receipt of the AAPP payments, repayment will be made out of the District's future Medicare payments.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2021**

**Note 13-Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (Continued)**

*Medicare Accelerated and Advance Payment Program*

The schedule for such repayments will be as follows:

- Twenty five percent (25%) of the District's Medicare payments will first offset against the outstanding AAPP balance for the next eleven months.
- Fifty percent (50%) of the District's Medicare payments will first offset against the outstanding AAPP balance for the next six months.
- The District will receive a letter setting forth their remaining balance and will have thirty days to pay the balance in full.
- Any unpaid balance after the thirty days will accrue interest at a rate of four percent (4%).

Based on the terms of repayment, the District classified all advance payments as a current liability as of October 31, 2021. The District classified \$479,941 of advance payments as a current liability and \$905,042 as a long-term liability as of October 31, 2020.

*Paycheck Protection Program*

On May 7, 2020, the District entered into a promissory note through the U.S. Small Business Administration's Paycheck Protection Program (PPP). The purpose of the program was to provide funding for employee salaries and certain limited nonpayroll expenses. The District applied for and was notified on January 11, 2021 that \$1,648,455 in eligible expenditures for payroll and other expenses described in the CARES Act have been forgiven. Upon forgiveness, the District accounted for derecognition of the liability. A gain was recorded on forgiveness of debt as non-operating revenue in the period of forgiveness.

**Note 14-Subsequent Events**

Management evaluated all subsequent events through April 21, 2022, the date the consolidated financial statements were available to be issued. As a result, management noted no subsequent events that required adjustment to, or disclosure in, these consolidated financial statements.

## **Supplementary Information**

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Consolidated Schedules of Net Patient Service Revenue**  
**Years Ended October 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Patient Service Revenue</b>		
Cardiopulmonary	\$ 289,839	\$ 210,182
CT scan	1,160,485	1,075,060
Emergency services	1,063,647	1,205,443
Intensive outpatient psychiatry	113,065	129,535
Laboratory	2,045,500	1,940,564
Medical supplies	239,846	207,410
Nursing home	2,345,352	2,833,907
Nursing services	380,163	284,051
Observation	171,540	106,330
Occupational therapy	143,638	134,161
Ophthalmology	385	-
Pharmacy	1,040,985	590,452
Physical therapy	307,482	280,871
Professional services	1,154,575	1,030,753
Room and board	938,700	897,725
Rural health clinic	391,024	348,100
Speech therapy	24,624	17,997
Ultrasound	76,321	60,397
X-ray	390,513	361,354
Gross patient service revenue	12,277,684	11,714,292
Contractual adjustments and discounts	(407,910)	371,394
Provision for bad debts	(607,434)	(379,301)
 Net patient service revenue	 \$ 11,262,340	 \$ 11,706,385



**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Consolidated Schedules of Operating Expenses**  
**Years Ended October 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Operating Expenses</b>		
Salaries		
Administration	\$ 934,917	\$ 900,246
Business office	270,117	254,602
Cardiopulmonary	174,045	152,578
Central supply	55,092	53,019
Dietary	257,646	270,835
Emergency services	355,581	452,872
Housekeeping	249,891	250,639
Information technology	74,501	76,952
Intensive outpatient psychiatry	143,200	139,463
Laboratory	431,820	439,114
Maintenance	219,272	208,404
Medical records	75,826	77,984
Nursing home	2,013,941	1,935,405
Nursing services	1,206,221	1,077,458
Occupational therapy	154,410	167,963
Pharmacy	136,571	142,436
Physical therapy	424,790	400,313
Radiology	298,163	271,274
Rural health clinic	251,190	228,307
Speech therapy	20,935	17,197
Transportation	44,505	48,100
Total salaries	7,792,634	7,565,161
Outside services		
Professional fees	937,755	939,922
Contract services	694,895	654,305
Other	2,059	1,736
Total outside services	1,634,709	1,595,963
Supplies and other		
Food cost	202,862	230,930
Pharmacy	238,088	130,782
Medical supplies	1,085,179	974,078
Total supplies and other	1,526,129	1,335,790

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Consolidated Schedules of Operating Expenses**  
**Years Ended October 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Operating Expenses (Continued)</b>		
General and administrative		
Advertising	\$ 403	\$ 145
Bank charges	5,457	4,774
Bed tax	201,349	245,007
Dues and subscriptions	32,696	27,956
Education	22,763	4,874
Employee benefits	120,934	129,879
Gas	20,463	14,358
Group insurance	726,622	792,981
Insurance	334,085	346,367
Lease and rental expense	74,253	65,350
Maintenance contracts	56,203	23,481
Other	98,664	86,284
Payroll taxes	560,399	558,177
Penalties and interest	-	24,922
Postage	3,215	3,137
Repairs and maintenance	75,012	88,846
Sewerage	4,501	3,810
Taxes - property	599	1,422
Telephone	26,024	59,805
Travel	3,411	3,766
Utilities	145,221	124,841
Water	1,326	1,140
Total general and administrative	2,513,600	2,611,322
Depreciation and amortization	419,031	434,748
Apartment expense	266,638	236,740
Total operating expenses	\$ 14,152,741	\$ 13,779,724

**St. Helena Parish Hospital Service District No. 1 and Subsidiary  
Schedule of Compensation, Benefits and Other Payments to  
Agency Head or Chief Executive Officer  
Year Ended October 31, 2021**

**Agency Head Name: Naveed Awan, Chief Executive Officer**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 295,179
Benefits - insurance	21,651
Benefits - retirement	35,002
Car allowance	-
Vehicle provided by agency	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	507
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-



**HAWTHORN  
WAYMOUTH  
& CARROLL, L.L.P.**  
Certified Public Accountants

Louis C. McKnight, III, CPA  
Charles R. Pevey, Jr., CPA  
David J. Broussard, CPA  
Brittany B. Thames, CPA  
Kevin M. Rodriguez, CPA

**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***

Mr. Naveed Awan, Chief Executive Officer,  
and the Board of Commissioners of  
St. Helena Parish Hospital Service District No. 1 and Subsidiary  
Greensburg, 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 consolidated financial statements of St. Helena Parish Hospital Service District No. 1, a component unit of St. Helena Parish Police Jury, and Subsidiary, as of and for the years ended October 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise St. Helena Parish Hospital Service District No. 1 and Subsidiary's basic consolidated financial statements and have issued our report thereon dated April 21, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audits of the consolidated financial statements, we considered St. Helena Parish Hospital Service District No. 1 and Subsidiary's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Helena Parish Hospital Service District No. 1 and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Helena Parish Hospital Service District No. 1 and Subsidiary's internal control.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether St. Helena Parish Hospital Service District No. 1 and Subsidiary's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

*Hawthorn, Waymouth & Carroll, L.L.P.*

April 21, 2022



**Independent Auditor's Report on Compliance  
for the Major Federal Program and on Internal Control over  
Compliance Required by the Uniform Guidance**

Mr. Naveed Awan, Chief Executive Officer,  
and the Board of Commissioners of  
St. Helena Parish Hospital Service District No. 1 and Subsidiary  
Greensburg, Louisiana

**Report on Compliance for Major Federal Program**

We have audited St. Helena Parish Hospital Service District No. 1 and Subsidiary's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on St. Helena Parish Hospital Service District No. 1 and Subsidiary's major federal program for the year ended October 31, 2021. St. Helena Parish Hospital Service District No. 1 and Subsidiary'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 St. Helena Parish Hospital Service District No. 1 and Subsidiary's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform 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 St. Helena Parish Hospital Service District No. 1 and Subsidiary'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 the major federal program. However, our audit does not provide a legal determination of St. Helena Parish Hospital Service District No. 1 and Subsidiary's compliance.

***Opinion on Major Federal Program***

In our opinion, St. Helena Parish Hospital Service District No. 1 and Subsidiary, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended October 31, 2021.

## Report on Internal Control over Compliance

Management of St. Helena Parish Hospital Service District No. 1 and Subsidiary, 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 St. Helena Parish Hospital Service District No. 1 and Subsidiary's internal control over compliance with the types of requirements that could have a direct and material effect on its 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of St. Helena Parish Hospital Service District No. 1 and Subsidiary's internal control over compliance.

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

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

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.

*Hawthorn, Waymouth & Carroll, L.L.P.*

April 21, 2022

**St. Helena Parish Hospital Service District No. 1 and Subsidiary  
Schedule of Expenditures of Federal Awards  
Year Ended October 31, 2021**

<u>Grantor/Program Title/ Pass-Through Grantor's Number</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Health and Human Services:</b>		
COVID-19 - Provider Relief Fund*	93.498	\$ 3,835,866
National Bioterrorism Hospital Preparedness <i>Passed -Through Louisiana Hospital Association Research and Education Foundation</i>	93.889	<u>4,446</u>
Total expenditures of federal awards		<u>\$ 3,840,312</u>

\*Denotes major program



**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Schedule of Expenditures of Federal Awards**  
**October 31, 2021**

**Note 1-Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of St. Helena Parish Hospital Service District No. 1 and Subsidiary under programs of the federal government for the year ended October 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of St. Helena Parish Hospital Service District No. 1 and Subsidiary, it is not intended to and does not present the net position, change in net position, or cash flows of St. Helena Parish Hospital Service District No. 1 and Subsidiary.

**Note 2-Summary of Significant Accounting Policies**

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

**Note 3-Indirect Cost Rate**

St. Helena Parish Hospital Service District No. 1 and Subsidiary has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 4-Subrecipients**

St. Helena Parish Hospital Service District No. 1 and Subsidiary did not pass-through any of its federal awards to a subrecipient during the year ended October 31, 2021.

**Note 5-Reconciliation of Provider Relief Fund Grant Revenue Recognized in the Financial Statements to Federal Awards Expended on the Schedule**

During the prior fiscal year, the U.S. Department of Health and Human Services (HHS) began providing COVID-19 related funding under Assistance Listing Number 93.498. The funds are to be utilized to offset eligible COVID-19 expenditures and lost revenues related to COVID-19 as defined in the program regulations. The District recognized amounts received as the program’s requirements were met as shown in the table below. The amounts received and expended are reported in the Schedule according to HHS periods of availability (also known as the “period of performance”). Accordingly, the \$364,825 and \$3,471,041 expended and recognized in the years ended October 31, 2021 and 2020, respectively, are reported on the October 31, 2021 Schedule.

Reporting Period	Total PRF Funding Received	Amount Recognized as Revenue	Amount Recognized as Unearned COVID- 19 Grants	Amount Reported as Federal Expenditures on the Schedule
October 31, 2020	\$ 3,943,299	\$ 364,825	\$ 3,578,474	\$ -
October 31, 2021	146,077	3,471,041	253,510	3,835,866

**St. Helena Parish Hospital Service District No. 1 and Subsidiary  
Schedule of Findings and Questioned Costs  
Year Ended October 31, 2021**

**Section I – Summary of Auditor’s Results**

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

\*Material weakness(es) identified?

\_\_\_\_\_ Yes        X   No

\*Significant deficiency(ies) identified?

\_\_\_\_\_ Yes        X   No

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes        X   No

Federal Awards

Internal control over major federal programs:

\*Material weakness(es) identified?

\_\_\_\_\_ Yes        X   No

\*Significant deficiency(ies) identified?

\_\_\_\_\_ Yes        X   No

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ Yes        X   No

Identification of major federal programs:

Assistance Listing Number

93.498

Assistance Listing Program Title

Provider Relief Fund

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee:

\_\_\_\_\_ Yes        X   No

**Section II – Financial Statement Findings**

No findings were noted.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary  
Schedule of Findings and Questioned Costs  
Year Ended October 31, 2021**

**Section III – Federal Award Findings and Questioned Costs**

No findings were noted.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary  
Schedule of Prior Year Findings and Questioned Costs  
Year Ended October 31, 2021**

**Section II – Financial Statement Findings**

No findings were noted.

**Section III – Federal Award Findings and Questioned Costs**

A single audit in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* was not required for the fiscal year ended October 31, 2020.