

G. B. COOLEY HOSPITAL SERVICE DISTRICT
Monroe, Louisiana

Financial Statements
For the Years Ended June 30, 2021 and 2020

G. B. COOLEY HOSPITAL SERVICE DISTRICT

Monroe, Louisiana

Table of Contents

As of and for the Years Ended June 30, 2021 and 2020

FINANCIAL SECTION

	<u>Page</u>
Independent Auditors' Report	1
Required Supplementary Information	
Management's Discussion & Analysis (unaudited)	4
Basic Financial Statements	
Statements of Net Position	7
Statements of Revenues, Expenses and Changes in Net Position	8
Statements of Cash Flows	9
Notes to the Financial Statements	11
Supplementary Information	
Schedule of Per Diem Paid Board Members	21
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	22
Reports Required by Government Auditing Standards	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	23
Schedule of Findings and Questioned Costs	25
Summary Status of Prior Year Findings	26



1100 North 18th Street, Suite 200
Monroe, LA 71201
T 318.387.2672 F 318.322.8866

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INDEPENDENT AUDITORS' REPORT

**The Board of Commissioners
G. B. Cooley Hospital Service District
Monroe, Louisiana**

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of **G.B. Cooley Hospital Service District** (the Hospital), as of and for the years ended June 30, 2021 and 2020 and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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.

**The Board of Commissioners
G.B. Cooley Hospital Service District
Monroe, Louisiana**

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 Hospital, as of June 30, 2021 and 2020, and the respective changes in financial position, and, where applicable, 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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4–6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our 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 Per Diem Paid Board Members and 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 financial statements.

The Schedule of Per Diem Paid Board Members and the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are the responsibility of management and were 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 Per Diem Paid Board Members and Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Per Diem Paid Board Members and the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer have not been subjected to the

**The Board of Commissioners
G.B. Cooley Hospital Service District
Monroe, Louisiana**

auditing procedures applied un the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2021, on our consideration of the Hospital's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hospital's internal control over financial reporting and compliance.

Woodard & Associates

(A Professional Accounting Corporation)
Monroe, Louisiana

December 28, 2021

REQUIRED SUPPLEMENTARY INFORMATION

G. B. COOLEY HOSPITAL SERVICE DISTRICT

Monroe, Louisiana

Management’s Discussion and Analysis

For the Years Ended June 30, 2021 and 2020

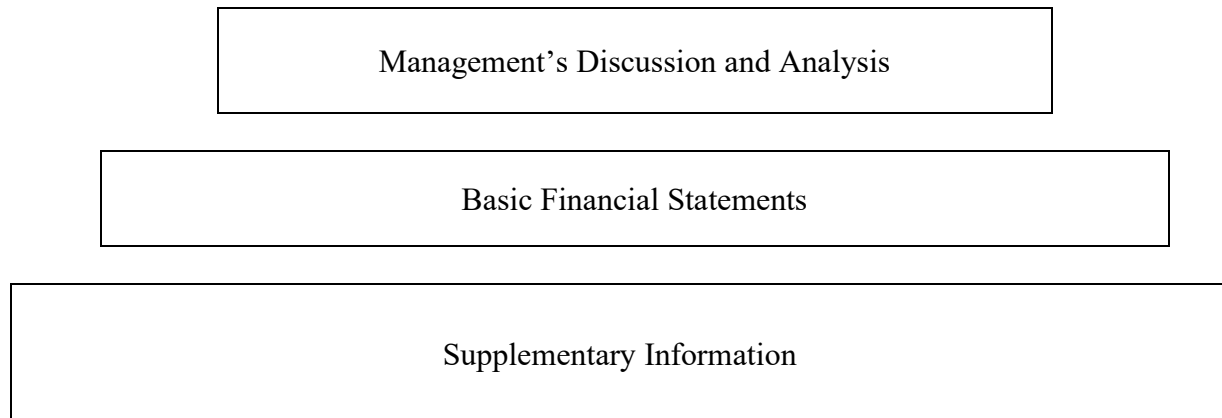
Our discussion and analysis of G. B. Cooley Hospital Service District’s (the Hospital) financial performance provides an overview of the Hospital’s financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the Hospital’s basic financial statements, which begin on page 7.

FINANCIAL HIGHLIGHTS

- The Hospital’s total net position (that is the amount by which total assets exceed liabilities) was in the amount of \$14,572,450 at the close of fiscal year 2021, which represents a \$1,368,539 (or an 10%) increase from last year.
- The Hospital’s operating revenue is generated primarily by state grants and is based on each client’s Inventory for Client and Agency Planning (ICAP) daily rate. Operating revenue is generally subject to the number of residents housed and the level of care required and can fluctuate but is generally consistent from year to year. The Hospital’s operating revenues increased by \$404,534.
- The Hospital’s nonoperating revenues consist primarily of other income (76%), rental income (17%) and interest income (7%). Interest income is based on market rates established by financial institutions.
- The Hospital’s operating expenses increased by \$46,808 (or 0.4%) from \$12,739,938 last fiscal year to \$12,786,746 this fiscal year primarily as a result of increases in salaries and benefits.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



This financial report consists of two sections – Management’s Discussion and Analysis (this section), the basic financial statements (including the related notes to the financial statements), and required supplementary information, as may be applicable. Other than the MD&A, in the Hospital’s case, there is no required supplementary information applicable.

G. B. COOLEY HOSPITAL SERVICE DISTRICT

Monroe, Louisiana

Management's Discussion and Analysis For the Years Ended June 30, 2021 and 2020

Basic Financial Statements

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

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

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

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

FINANCIAL ANALYSIS OF THE HOSPITAL AS A WHOLE

Statement of Net Position

	Total		
	2021	2020	% Change
Current and Other Assets	\$ 10,971,369	\$ 9,343,533	17%
Noncurrent Assets	6,124,276	4,979,521	23%
Total Assets	17,095,645	14,323,054	19%
Current and Other Liabilities	1,258,633	1,008,468	25%
Long-Term Obligations	1,264,562	110,675	1043%
Total Liabilities	2,523,195	1,119,143	125%
Net Position			
Net Investment in Capital Assets	4,337,842	4,709,397	-8%
Restricted - Debt Service	16,700	100	16600%
Unrestricted	10,217,908	8,494,414	20%
Total Net Position	\$ 14,572,450	\$ 13,203,911	10%

G. B. COOLEY HOSPITAL SERVICE DISTRICT

Monroe, Louisiana

Management's Discussion and Analysis For the Years Ended June 30, 2021 and 2020

Unrestricted net position represents excess amounts that do not have any specified limitation on what they may be used for, therefore, the net position is available for future operations. Net Position increased by \$1,368,539 from June 30, 2020 to June 30, 2021. The Board planned for changes in operations through the budget process.

	Total		(\$ Change)	% Change
	2021	2020		
Operating Revenues	\$ 14,130,305	\$ 13,725,771	\$ 404,534	3%
Operating Expenses	12,786,746	12,739,938	46,808	0%
Operating Gain (Loss)	1,343,559	985,833	357,726	36%
Nonoperating Revenues and Expenses	24,980	140,189	(115,209)	-82%
Increase in Net Assets	\$ 1,368,539	\$ 1,126,022	\$ 242,517	22%

Operating revenues increased by \$404,534 while operating expenses increased by \$46,808. Nonoperating revenues and expenses decreased by \$115,209. Operating expenses increased the most in salaries and benefits, \$223,805 and insurance, \$62,692 and decreased the most in depreciation \$102,753, supplies \$54,731 and travel and mileage \$50,077.

CAPITAL ASSETS AND DEBTS

Capital Assets

At June 30, 2021, there was a book balance of \$5,763,347 (that is a balance of \$11,674,371 net of accumulated depreciation of \$5,911,024) invested in capital assets that consisted of land, buildings, vehicles, equipment, and furniture and fixtures. There was \$1,531,221 in additions to construction in progress, buildings, furniture, fixtures and equipment, and vehicles and \$29,128 in disposals of assets.

Debts

The Hospital has outstanding obligations relating to compensated absences (accrued vacation, sick, and compensatory leave), capital leases of vehicles and equipment, and a certificate of indebtedness resulting from the issuance of bonds. All are described in the notes to the financial statements.

CONTACTING THE HOSPITAL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the Hospital's finances and to show the Hospital's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Hospital's executive officer at 211 North Third Street, Monroe, LA 71201.

BASIC FINANCIAL STATEMENTS

G. B. COOLEY HOSPITAL SERVICE DISTRICT

Monroe, Louisiana

Statements of Net Position

	June 30,	
	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 8,969,928	\$ 7,207,262
Investments	778,292	743,513
Receivables	988,084	1,307,514
Prepaid and other assets	235,065	85,244
Total current assets	<u>10,971,369</u>	<u>9,343,533</u>
Restricted assets		
Cash-individuals' fund accounts	344,229	270,024
Cash-debt service funds	16,700	100
Total restricted assets	<u>360,929</u>	<u>270,124</u>
Capital assets, net	<u>5,763,347</u>	<u>4,709,397</u>
Total assets	<u>\$ 17,095,645</u>	<u>\$ 14,323,054</u>
Liabilities and Net Position		
Current liabilities (payable from current assets)		
Accounts payable	\$ 224,908	\$ 186,969
Accrued payroll	234,520	213,120
Withholding and payroll taxes payable	59,787	88,969
Interest payable	13,440	-
Other liabilities	48,677	48,803
Accrued vacation and sick pay, current portion	113,929	103,439
Current portion of long-term obligations	219,143	97,144
Total current liabilities	<u>914,404</u>	<u>738,444</u>
Payable from restricted assets		
Individuals' funds liability	344,229	270,024
Total payable from restricted assets	<u>344,229</u>	<u>270,024</u>
Long-term liabilities		
Accrued vacation and sick pay, net of current portion	58,200	55,883
Long-term obligations, net of current portion	1,240,000	54,792
Less: unamortized debt issuance costs	(33,638)	-
Total long-term liabilities	<u>1,264,562</u>	<u>110,675</u>
Total liabilities	<u>\$ 2,523,195</u>	<u>\$ 1,119,143</u>
Net position		
Net investment in capital assets	\$ 4,337,842	\$ 4,709,397
Restricted for debt service	16,700	100
Unrestricted	10,217,908	8,494,414
Total net position	<u>\$ 14,572,450</u>	<u>\$ 13,203,911</u>

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

G. B. COOLEY HOSPITAL SERVICE DISTRICT

Monroe, Louisiana

**Statements of Revenues, Expenses
and Changes in Net Position**

For the Years Ended

	June 30,	
	2021	2020
Operating revenues		
Charges for services		
Intergovernmental revenues		
Federal		
U.S. HHS Stimulus	\$ 200,120	\$ -
State of Louisiana		
Title XIX residential program	8,737,810	8,616,592
Title XIX waiver program	2,438,229	2,422,481
LA health care	64,460	81,031
Local		
Ad valorem tax revenues	1,712,519	1,693,714
Total intergovernmental revenues	<u>13,153,138</u>	<u>12,813,818</u>
Private revenue		
Residential program	902,982	826,197
Other services revenue		
Employment services	74,185	85,756
Total operating revenues	<u>14,130,305</u>	<u>13,725,771</u>
Operating expenses		
Salaries	7,337,525	7,152,466
Payroll taxes and benefits	1,243,222	1,204,476
Supplies	400,665	455,396
Travel and mileage	49,424	99,501
Food	346,636	358,497
Facility	1,120,725	1,116,012
Insurance	525,916	463,224
Professional fees	1,297,498	1,322,478
Depreciation	465,135	567,888
Total operating expenses	<u>12,786,746</u>	<u>12,739,938</u>
Operating income (loss)	1,343,559	985,833
Nonoperating revenues and expenses		
Interest income	4,923	77,549
Interest expense	(47,040)	(11,109)
Rental income	12,037	12,000
Miscellaneous income	47,317	103,263
Gain on disposal of property and equipment	7,743	2,551
Loss on revenue due to embezzlement	-	(44,065)
Excess of nonoperating revenues	<u>24,980</u>	<u>140,189</u>
Over nonoperating expenses	<u>24,980</u>	<u>140,189</u>
Changes in net position	1,368,539	1,126,022
Net position at beginning of year	<u>13,203,911</u>	<u>12,077,889</u>
Total net position at end of year	<u>\$ 14,572,450</u>	<u>\$ 13,203,911</u>

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

G. B. COOLEY HOSPITAL SERVICE DISTRICT
Monroe, Louisiana

Statements of Cash Flows
For the Years Ended

	June 30,	
	2021	2020
Cash flow from operating activities		
Cash received from intergovernmental agencies	\$ 13,491,837	\$ 12,766,871
Cash received from patients and others	957,900	860,892
Payments to employees for services and benefits	(8,575,848)	(8,245,699)
Payments to suppliers	(3,852,746)	(3,794,472)
Net cash flow used by operating activities	2,021,143	1,587,592
Cash flow from noncapital financing activities		
Miscellaneous income	47,317	54,954
Net cash flow provided by noncapital financing activities	47,317	54,954
Cash flow from capital and related financing activities		
Proceeds from sale of capital assets	7,743	2,551
Insurance recoveries	-	4,243
Purchases of capital assets	(1,531,221)	(187,276)
Retirements of capital assets	10,095	10,829
Proceeds from the issuance of debt	1,500,000	-
Costs of issuance of debt	(37,375)	-
Cash paid for interest	(32,747)	(11,109)
Payment on long term obligations	(192,793)	(101,807)
Net cash flow used by capital and related financing activities	(276,298)	(282,569)
Cash flow from investing activities		
Purchase of investments	(29,856)	(13,012)
Rental income	12,037	12,000
Interest income	4,923	77,549
Net cash flow provided by investing activities	(12,896)	76,537
Increase (decrease) in cash and cash equivalents	1,779,266	1,436,514
Cash and cash equivalents at beginning of year	7,207,362	5,770,848
Cash and cash equivalents at end of year	\$ 8,986,628	\$ 7,207,362

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

Continued

G. B. COOLEY HOSPITAL SERVICE DISTRICT
 Monroe, Louisiana

Statements of Cash Flows (Concluded)
 For the Years Ended

	June 30,	
	2021	2020
Reconciliation of operating loss to net cash provided (used) by operating activities		
Operating income (loss)	\$ 1,343,559	\$ 985,833
Adjustments to reconcile operating loss to		
Net cash used by operating activities		
Depreciation	465,135	567,888
Change in current assets and liabilities		
Accounts receivable	319,432	(98,007)
Prepaid items	(149,821)	8,825
Accounts payable	37,939	11,811
Accrued payroll and related liabilities	(7,783)	80,545
Accrued vacation and sick leave payable	12,808	31,143
Other liabilities	(126)	(446)
Total adjustments	677,584	601,759
Net cash provided (used) by operating activities	\$ 2,021,143	\$ 1,587,592
 Cash and cash equivalents consist of the following:		
Current assets		
Cash and cash equivalents	\$ 8,969,928	\$ 7,207,262
Restricted assets		
Cash-debt service funds	16,700	100
Total cash and cash equivalents	\$ 8,986,628	\$ 7,207,362

The cash in the individuals funds accounts are considered agency accounts being held on behalf of the individuals and therefore are not included on the statements of cash flows

G. B. COOLEY HOSPITAL SERVICE DISTRICT

Monroe, LA

Notes to the Financial Statements

June 30, 2021 and 2020

History

G. B. Cooley Hospital Service District (the Hospital) is a training facility that provides twenty-four hour care for individuals with mental disabilities. The Hospital was created April 11, 1962, by Ordinance Number 7127 of the Ouachita Parish Policy Jury. The Hospital provides all basic needs for each individual, including speech therapy, occupational therapy, physical therapy, psychological services, and vocational training services. The vocational training objective is to teach individuals vocational skills in order that they may be eligible for community employment. There are 134 beds across 17 group homes with 91% occupancy. The Hospital serves residents of Ouachita Parish for the length of their lifespan.

The Hospital is a component unit of the Ouachita Parish Police Jury because the Police Jury appoints the Board, and there is the potential for the Hospital to provide specific financial benefits to or impose specific financial burdens on the Ouachita Parish Police Jury. Each member of the Board of Commissioners must be a qualified voter and resident of the Hospital Service District. The Board of Commissioners consists of seven members, each appointed to a six-year term. The members receive a travel allowance of \$100 per meeting attended.

Note 1 – Summary of Significant Accounting Policies

A. Basis of Accounting and Presentation

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

The Hospital uses the accrual basis of accounting, whereby revenues are recognized in the period in which they are earned, and expenses are recognized in the period incurred. Certain revenue sources are subject to review and audit by state agencies annually; the results of those examinations cannot be known with certainty and can result in the Hospital having to repay the state if certain conditions are not met.

The Hospital distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an entity's principal ongoing operations. The Hospital's operating revenues primarily consist of charges for services rendered under the residential, waiver, and client employment programs. Operating expenses for the Hospital consist of amounts paid for wages and related benefits, contractual services, supplies used, equipment and facility maintenance and operations, client care needs, and other items directly or indirectly required for the provision of services. All revenues and expenses not meeting the previously mentioned definitions are reported as non-operating revenues and expenses.

G. B. COOLEY HOSPITAL SERVICE DISTRICT

Monroe, LA

Notes to the Financial Statements

June 30, 2021 and 2020

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

B. Reporting Entity

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. In conformance with GASB Codification Section 2100, the Hospital is a component unit of the Ouachita Parish Police Jury. The accompanying basic financial statements present only the transactions of G. B. Cooley Hospital Service District of the Parish of Ouachita, Louisiana.

C. Cash Equivalents

For purposes of the Statements of Cash Flows, the Hospital considers all highly liquid investments with a maturity date of three months or less when purchased to be cash equivalents.

D. Accounts Receivable

Receivables are primarily composed of amounts due from the State of Louisiana. The Hospital uses the direct write-off method for recognizing bad debts. Under this method, the receivable is charged to expense when the account is deemed to be uncollectible. The difference between the use of the direct write-off method and the allowance method for accounting for bad debts is not material to the financial statements of the Hospital.

E. Capital Assets

Capital assets are recorded at cost, if purchased, or at fair market value, if donated and are capitalized if the cost is \$5,000 or greater and the expected life is at least two years.

The original land and buildings where the Hospital is operating are owned by the Ouachita Parish Police Jury and are leased to the Hospital. They are not recorded on the books. All improvements are reflected on the books, at cost, under leasehold improvements. The Hospital has acquired additional land and buildings, which are recorded on the books at cost.

The Hospital computes depreciation using the straight-line method over the estimated useful lives of the related assets. The estimated useful lives used to compute depreciation are as follows:

Buildings	7 - 39 Years
Leasehold Improvements	5 - 15 Years
Furniture and Equipment	3 - 15 Years
Vehicles	4 - 4.5 Years

G. B. COOLEY HOSPITAL SERVICE DISTRICT

Monroe, LA

Notes to the Financial Statements

June 30, 2021 and 2020

Maintenance and repairs are generally charged to operations while significant betterments are capitalized. The cost and related accumulated depreciation of assets retired, or otherwise disposed of, are eliminated from the accounts with the resulting gain or loss included in income.

F. Net Position

Net position comprises the various net earnings from operations, nonoperating revenues, expenses, and contributions of capital. Net position is classified in the following three components:

Net Investment in Capital Assets – consists of all capital assets, net of accumulated depreciation, reduced by any debt that is attributable to the acquisition, construction, or improvement of those assets.

Restricted – consists of external constraints placed on net asset use by creditors, grantors, contribution, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – consists of all other net assets that are not included in the other categories previously mentioned.

G. Reclassifications of Prior Year Amounts

Minor reclassifications have been made to the prior year financial statements to make them comparable to the current year presentation.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the Hospital 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

G. B. COOLEY HOSPITAL SERVICE DISTRICT

Monroe, LA

Notes to the Financial Statements

June 30, 2021 and 2020

Note 2 – Cash and Cash Equivalents

Cash and cash equivalents consisted of the following:

	June 30,	
	2021	2020
Current Assets		
Cash on Hand	\$ 3,094	\$ 3,094
Cash in Bank Checking and Savings Deposits	8,966,834	7,204,168
Restricted Cash - Debt Service	16,700	100
Restricted Cash - Individual Funds	344,229	270,024
Cash and Cash Equivalents	<u>\$ 9,330,857</u>	<u>\$ 7,477,386</u>

Custodial credit risk-deposits - At year-end, as reported on the Statements of Net Position, the book balances of the Hospital's deposits were \$9,327,762 and \$7,474,291. The Hospital's bank balances totaled \$9,474,171 at June 30, 2021 and \$7,863,244 at June 30, 2020. State law dictates that all funds maintained in financial institutions be supported by federal depository insurance or collateral held by the trust departments of agents of the pledging financial institutions in the Hospital's name. Of the June 30, 2021, bank balances, \$250,000 were covered by Federal depository insurance. The remaining \$9,224,171 at June 30, 2021, was covered by pledged collateral.

Note 3 – Investments

As dictated by state law, the Hospital may invest in long-term certificates of deposit or bonds, debentures, or other investments guaranteed by the United States government. The Hospital has no policy concerning the maximum amount or length of time that assets may be invested. Investments held by the Hospital at June 30, 2021 and 2020 consisted entirely of certificates of deposit with maturities greater than 90 days. The Hospital had investments of \$778,292 and \$743,513, respectively, stated at cost, which approximates market value. \$674,656 of this amount was covered by Federal depository insurance as of June 30, 2021, while the entire amount was covered by Federal depository insurance as of June 30, 2020.

ASC Section 820 establishes the framework for measuring fair value. That framework provides 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 market prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820-10 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets and liabilities in active markets that the Hospital has the ability to access;

G. B. COOLEY HOSPITAL SERVICE DISTRICT

Monroe, LA

Notes to the Financial Statements

June 30, 2021 and 2020

Level 2 Inputs to the valuation methodology include quoted market prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement. There is no movement in Level 3 year to year.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Hospital's investments at June 30, 2021, are valued at quoted market prices and other relevant information generated by market transactions held by the Hospital at that date and are considered to be level 1 in the fair value hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future value. Furthermore, while the Hospital believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements within the fair value hierarchy.

Note 4 – Receivables

Receivables consisted of the following:

	June 30,	
	2021	2020
State of Louisiana		
Title XIX - Residential	\$ 703,187	\$ 807,471
Contractual Services	168,176	239,776
Individuals Patient Liability	70,939	69,160
Ad Valorem Taxes Receivable	2,187	3,254
Other Receivables	43,595	187,854
Total Receivables	<u>\$ 988,084</u>	<u>\$ 1,307,515</u>

G. B. COOLEY HOSPITAL SERVICE DISTRICT
Monroe, LA

Notes to the Financial Statements
June 30, 2021 and 2020

Note 5 – Capital Assets

Capital Assets consisted of the following on June 30, 2021:

	<u>2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>2021</u>
Buildings	\$ 4,620,668	\$ 92,918	\$ -	\$ 4,713,586
Construction in Progress	-	1,371,723	-	1,371,723
Furniture, Fixtures, and Equipment	1,430,249	44,940		1,475,189
Vehicles	1,340,307	21,640	(29,128)	1,332,819
Leasehold Improvements	2,368,028	-		2,368,028
Total Property and Equipment	9,759,252	1,531,221	(29,128)	11,261,345
Less: Accumulated Depreciation	<u>(5,462,880)</u>	<u>(465,135)</u>	<u>16,993</u>	<u>(5,911,022)</u>
Net Depreciable Assets	4,296,372	1,066,086	(12,135)	5,350,323
Land	413,025	-	-	413,025
Total Property and Equipment	<u>\$ 4,709,397</u>	<u>\$ 1,066,086</u>	<u>\$ (12,135)</u>	<u>\$ 5,763,347</u>

Capital Assets consisted of the following on June 30, 2020:

	<u>2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>2020</u>
Buildings	\$ 4,743,562	\$ 15,576	\$ (138,470)	\$ 4,620,668
Furniture, Fixtures, and Equipment	1,430,249	-	-	1,430,249
Vehicles	1,330,157	30,205	(20,055)	1,340,307
Leasehold Improvements	2,226,533	141,495	-	2,368,028
Total Property and Equipment	9,730,501	187,276	(158,525)	9,759,252
Less: Accumulated Depreciation	<u>(5,042,691)</u>	<u>(567,888)</u>	<u>147,699</u>	<u>(5,462,880)</u>
Net Depreciable Assets	4,687,810	(380,612)	(10,826)	4,296,372
Land	413,025	-	-	413,025
Total Property and Equipment	<u>\$ 5,100,835</u>	<u>\$ (380,612)</u>	<u>\$ (10,826)</u>	<u>\$ 4,709,397</u>

Depreciation expense was \$465,135 and \$567,888, for the years ended June 30, 2021 and June 30, 2020 respectively.

Note 6 – Restricted Cash

Per the terms of its bond agreement, further discussed in Note 8, G.B. Cooley Hospital Service District is required to maintain a sinking fund for the payment of bond principal and interest. The terms of the agreement require the Hospital to deposit the full amount of the principal and interest payment into the sinking fund at least three (3) full days in advance of the date on which the payment is due. As of June 30, 2021, and 2020, the Hospital had deposited \$16,700 and \$100, respectively, into the sinking fund.

Also, the Hospital is required under Title XIX to maintain cash that is the property of the individuals for their personal use. The individuals' cash is reflected in restricted assets as cash-individuals' funds accounts on the statements of net position in the

G. B. COOLEY HOSPITAL SERVICE DISTRICT

Monroe, LA

Notes to the Financial Statements

June 30, 2021 and 2020

amounts of \$344,229 and \$270,024 at June 30, 2021 and 2020 respectively.

Note 7 – Compensated Absences

Employees of the Hospital earn vacation pay in varying amounts ranging from 80 to 160 working hours per year depending upon length of service. Vacation time in excess of 60 hours must be used by December 31st of the year in which it was earned, or it will be forfeited. Employees who have accrued vacation will be allowed to cash in their vacation time. However, employees must cash in at least 24 hours of vacation time. If an employee elects to cash in, he/she will normally receive this vacation compensation by his/her next regularly scheduled payday. Under no circumstances will vacation be accrued on a pro-rate basis. Employees who are denied vacation because of their required presence at work are allowed to carry forward excess vacation upon recommendation of their supervisor and approval by the Director of Human Resources. Subject to the above limitations, unused vacation is paid to an employee upon retirement, separation, or death at hourly rates being earned by that employee upon separation. Both full-time and part-time employees accrue sick leave according to a written formula. Sick leave may be carried forward from year to year with no limit on the number of hours that can be accrued. Upon retirement, an eligible employee is paid vacation and up to 96 hours of sick leave at the employee's hourly rate of pay at the time of retirement. Any excess sick leave at the retirement date is forfeited. Employees are eligible for retirement based on the following:

<u>Years of Service</u>	<u>Age</u>
10	60
25	55
30	Regardless of Age
Any	65

Accrued vacation, including applicable salary-related payments, consisted of the following:

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
Accrued Vacation	\$ 172,129	\$ 159,322
Less: Current Portion	<u>(113,929)</u>	<u>(103,439)</u>
Long-Term Portion	<u>\$ 58,200</u>	<u>\$ 55,883</u>

Note 8 – Debt Obligations

In February 2019, the Hospital entered into a capital lease for the purchase of 10 vans. The original amount of the lease was \$291,280 and bears interest at 4.18%. The lease is to be repaid in 36 monthly payments at \$8,623 a month.

G. B. COOLEY HOSPITAL SERVICE DISTRICT

Monroe, LA

Notes to the Financial Statements

June 30, 2021 and 2020

Future maturities of capital lease obligations are as follows:

<u>Year Ended June 30, 2021</u>	
2022	59,975
	<u>59,975</u>
Less: Amount representing interest	(832)
Present value of future minimum lease payments	<u>\$ 59,143</u>

During the year ended June 30, 2021, the Hospital issued \$1,500,000 of Revenue Bonds, Series 2020 (the revenue bonds) for the purpose of acquiring, constructing, renovating, equipping, and furnishing facilities for the Hospital and paying the costs of issuance of the bonds. The revenue bonds mature over a ten-year period, carry an annual interest rate of 2.880%, and are secured by the Hospital's ad valorem tax.

Future debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 160,000	\$ 40,320	\$ 200,320
2023	165,000	35,712	200,712
2024	170,000	30,960	200,960
2025	175,000	26,064	201,064
2026	175,000	21,024	196,024
2027-29	555,000	32,256	587,256
Total	<u>\$ 1,400,000</u>	<u>\$ 186,336</u>	<u>\$ 1,586,336</u>

Long-term debt consisted of the following:

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
Capital Leases	\$ 59,143	\$ 151,936
Certificate of Indebtedness	<u>1,400,000</u>	<u>-</u>
Total Debt	1,459,143	151,936
Less Current Portion - Capital Lease	(59,143)	(97,144)
Less Current Portion - Certificate of Indebtedness	<u>(160,000)</u>	<u>-</u>
Total Long-Term Portion	<u>\$ 1,240,000</u>	<u>\$ 54,792</u>

G. B. COOLEY HOSPITAL SERVICE DISTRICT

Monroe, LA

Notes to the Financial Statements

June 30, 2021 and 2020

Changes in long-term debt were as follows:

	Balance, <u>7/1/2019</u>	<u>Additions</u>	<u>Retirements</u>	Balance, <u>7/1/2020</u>	<u>Additions</u>	<u>Retirements</u>	Balance, <u>6/30/2021</u>
Capital Lease Obligation	\$ 253,744	\$ -	\$ (101,808)	\$ 151,936	\$ -	\$ (92,793)	\$ 59,143
Certificate of Indebtedness	-	-	-	-	1,500,000	(100,000)	1,400,000
Total Debt	\$ 253,744	\$ -	\$ (101,808)	\$ 151,936	\$ 1,500,000	\$ (192,793)	\$ 1,459,143

Note 9 – Property Taxes

Property taxes are levied on real and business personal property located within the boundaries of Ouachita Parish at a levied millage of 1.42. The Ouachita Parish Tax Assessor, an elected official, determines the fair market value of all property subject to taxation, except public service properties, which are valued by the Louisiana Tax Commission. The fair market values determined by the Assessor are subject to review and approval of the Louisiana Tax Commission.

Property taxes are levied on a portion of fair market value as follows:

Land and Improvements for Residential Purposes -----	10%
Machinery, Industrial and Commercial Improvements -----	15%
Public Service Properties, Excluding Land -----	25%

The Assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

The Sheriff of Ouachita Parish is the official tax collector of property taxes levied by the parish and special districts within the Parish. The 2020 property tax calendar was as follows:

Assessment	January 1, 2020
Levy Date	November 15, 2020
Total Taxes Are Due	December 31, 2020
Lien Date	January 1, 2021

Property taxes are recorded as revenue when they become available and measurable. Property taxes are considered measurable when levied. Generally, the majority of taxes are collected before the end of the Hospital's June 30 fiscal year end.

Note 10 – Concentrations and Uncertainties

In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic resulting in federal, state and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders and advisories and quarantining of people who may have been exposed to the virus. This has caused the Hospital's traveling and hiring to be limited during the fiscal year along

G. B. COOLEY HOSPITAL SERVICE DISTRICT

Monroe, LA

Notes to the Financial Statements

June 30, 2021 and 2020

with changes in procedures due to quarantine. The Hospital has approximately 42 open positions, mostly being part-time. However, relief monies have become available to the Hospital and its clients with the longevity of the virus. At this point, we cannot reasonably estimate the duration and severity of this pandemic. The outbreak presents uncertainty and risk with respect to the Hospital, its performance relating to client care and its financial results. Due to the necessity of the services that the Hospital provides along with the Hospital's continuous care for the clients, the Hospital has not identified a need for an adjustment as of the date of this report.

Note 11 – Commitments

A. Contract and Agreement

On April 1, 2002, the Hospital entered into an agreement with the Ouachita Parish Police Jury to jointly construct, renovate, and provide for the operation and maintenance of the facility then known as the G. B. Cooley Hospital for Retarded Citizens. The agreement requires that the Hospital maintain and operate the facilities for the exclusive purpose of caring for, treating, housing, and otherwise attending to the needs of retarded citizens who are residents of Ouachita Parish and non-residents after the needs of Ouachita Parish residents are fulfilled. Either party may construct improvements to the Hospital, at its own cost, with the improvements subject to the terms of the agreement. The agreement is for a term of 25 years beginning January 1, 2002 and ending December 31, 2026.

B. Leases - Community Homes

The Walnut, Shannon, South Grand, Spurgeon and Texas Street Community Homes are leased from the Monroe Housing Authority. The monthly rental, calculated by the Monroe Housing Authority, is based on the amount of each individual's social security benefits. G. B. Cooley Hospital is billed monthly. The lease was executed on February 16, 1984, and will terminate after 40 years. The minimum future rentals cannot be determined and, therefore, minimum future rentals disclosures for these noncancelable operating leases are not disclosed.

Building rent expenses for the years ended June 30, 2021 and 2020 were \$160,476 and \$165,116, respectively, which was primarily comprised of lease payments to the Monroe Housing Authority.

Note 12 – Subsequent Event

The Hospital has evaluated subsequent events through December 28, 2021, the date which the financial statements were available for issue and noted that there were no events occurring subsequent to the reporting period that require disclosure.

SUPPLEMENTARY INFORMATION

G. B. COOLEY HOSPITAL SERVICE DISTRICT
 Monroe, Louisiana

Schedule of Per Diem Paid Board Members
 For the Years Ended

Board Member	June 30,	
	2021	2020
Dan Sartor	\$ 1,200	\$ 600
Taronda Goodin	1,200	1,300
Jackie Slack	900	1,300
Kenneth Wilson	900	700
Josie C. Roberts	600	1,200
Cindy Johns	800	-
Lynn Wilson	600	-
Dawn Stanfield	200	-
Kyle Coburn	-	700
Owen Moses	-	600
TOTAL	\$ 6,400	\$ 6,400

G. B. COOLEY HOSPITAL SERVICE DISTRICT

Monroe, Louisiana

**Schedule of Compensation, Benefits and Other Payments To
Agency Head or Chief Executive Officer**

For the Years Ended

Benjamin Pitts, Executive Director

<u>Purpose</u>	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
Salary	\$ 136,890	\$ 141,330
Benefits		
Health insurance	22,505	22,505
Life insurance	69	66
Retirement	1,300	1,248
Vehicle provided by government	9,334	9,334
Other		
Vacation time cash-in	13,595	7,874

REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS



1100 North 18th Street, Suite 200
Monroe, LA 71201
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

**Board of Commissioners
G. B. Cooley Hospital Service District
Monroe, 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 **G. B. Cooley Hospital Service District** (the Hospital), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements and have issued our report thereon dated December 28, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hospital's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of 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.

Woodard & Associates

(A Professional Accounting Corporation)
Monroe, Louisiana

December 28, 2021

G. B. COOLEY HOSPITAL SERVICE DISTRICT

Monroe, Louisiana

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2021

There are no findings for the year ended June 30, 2021.

G. B. COOLEY HOSPITAL SERVICE HOSPITAL

Monroe, Louisiana

Summary Status of Prior Year Findings

For the Year Ended June 30, 2021

The following is a summary of the status of the prior year findings included in Woodard & Associates' audit report dated January 7, 2021, of the audit of the financial statements of G.B. Cooley Hospital Service District (the Hospital) as of and for the year ended June 30, 2020.

2020-001 Misappropriation of Assets

First reported in 2019

Criteria or Specific Requirement

Louisiana Constitution of 1974 Article VII Section 14(A) prohibits the donation of public funds to any person. This would be interpreted to include theft of public funds by public servants. Additionally, internal controls should be operating to ensure timely detection and reporting of fraud and/or misappropriation.

Condition Found

The Finance Director, while managing the Accounting department, fraudulently misappropriated Hospital resources by redirecting cash received to personal bank accounts. The level of unpredictability incorporated in the audit and the material amount misappropriated during the year ended June 30, 2019 led the Finance Director, Edward E. Calloway, to turn himself in to the Ouachita Parish Sheriff's Office on October 25, 2019 and confess to misappropriation of Hospital funds prior to discovery. He was arrested, bonded out and the case has not been adjudicated as of the date of the Auditors' report. The Hospital's Executive Director notified the Louisiana Legislative Auditor on October 28, 2019 in accordance with Louisiana Revised Statute 24:523.

For the year ended June 30, 2020, \$44,065 was identified as being transferred to the prior Finance Director's personal bank accounts and was recorded as a loss. A review of records supported the Finance Director's statements that he falsified documents provided to management, governance, and auditors to hide the transfer of monies, primarily from Medicaid revenue, to his personal bank accounts.

Status

This finding has been resolved.