

**St. Helena Parish Hospital Service District No. 1**  
**Greensburg, Louisiana**  
**Financial Report**  
**October 31, 2023**

## Table of Contents

Management's Discussion and Analysis	Page 3
Independent Auditor's Report	Page 8
Basic Financial Statements	
Statements of Net Position	Page 11
Statements of Revenue, Expenses, and Changes in Net Position	Page 12
Statements of Cash Flows	Page 13
Notes to Financial Statements	Page 15
Supplementary Information	
Schedules of Net Patient Service Revenue	Page 32
Schedules of Operating Expenses	Page 33
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	Page 35
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 <i>Government Auditing Standards</i>	Page 36
Schedule of Findings and Responses	Page 38
Schedule of Prior Year Findings and Questioned Costs	Page 39

**St. Helena Parish Hospital Service District No. 1**  
**Management's Discussion and Analysis**  
**October 31, 2023**

This portion of St. Helena Parish Hospital Service District No. 1'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, 2023. This section should be interpreted within the context of the financial statements as displayed in this report.

**Financial Highlights**

- The District's assets exceeded its liabilities by \$22,403,935 at the end of the 2023 fiscal year, which represents an increase of approximately \$2.5 million (or 12.4%) from the end of the 2022 fiscal year. Of this amount, \$17,940,356 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 2023, the District's financial statements reveal an excess of revenue over expenses of \$2,467,813. If depreciation and amortization expense were not included, then an excess of \$2,891,316 would have occurred.
- For fiscal year 2023, the District's net patient revenue increased \$965,070 (or 8.3%); other revenues increased \$470,415 (or 9.5%) and expenses increased \$604,143 (or 4.0%).
- Ad valorem tax for the nursing home and hospital combined to generate \$1,214,380 and \$1,198,923 in revenue during the years ended October 31, 2023 and 2022, respectively.
- 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. The balance was repaid in full as of October 31, 2023.

**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 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 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.

The final required financial statement is the 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.

**St. Helena Parish Hospital Service District No. 1  
Management's Discussion and Analysis  
October 31, 2023**

**Financial Analysis of the Hospital Service District**

The Statements of Net Position and 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 Statements of Net Position as of October 31, 2023, 2022, and 2021 are displayed in the following table:

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Current assets	\$ 20,486,038	\$ 19,543,794	\$ 18,796,666
Assets limited as to use	726,702	698,488	639,609
Property, plant, and equipment, net	<u>6,488,707</u>	<u>4,446,801</u>	<u>4,706,394</u>
Total assets	<u>\$ 27,701,447</u>	<u>\$ 24,689,083</u>	<u>\$ 24,142,669</u>
Current liabilities	\$ 2,762,239	\$ 2,001,251	\$ 2,849,380
Long-term liabilities	<u>2,535,273</u>	<u>2,751,710</u>	<u>2,993,638</u>
Total liabilities	5,297,512	4,752,961	5,843,018
Total net position	<u>22,403,935</u>	<u>19,936,122</u>	<u>18,299,651</u>
Total liabilities and net position	<u>\$ 27,701,447</u>	<u>\$ 24,689,083</u>	<u>\$ 24,142,669</u>

The following table presents the components of the District's net position as of October 31, 2023, 2022, and 2021:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net investment in capital assets	\$ 3,736,877	\$ 1,452,764	\$ 1,472,910
Restricted for debt service	726,702	698,488	639,609
Unrestricted	<u>17,940,356</u>	<u>17,784,870</u>	<u>16,187,132</u>
Total net position	<u>\$ 22,403,935</u>	<u>\$ 19,936,122</u>	<u>\$ 18,299,651</u>

**St. Helena Parish Hospital Service District No. 1  
Management's Discussion and Analysis  
October 31, 2023**

**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, 2023, 2022, and 2021:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Land	\$ 428,005	\$ 428,005	\$ 428,005
Construction in progress	2,945,298	573,945	493,134
Buildings	8,175,199	8,187,956	8,187,956
Equipment	4,138,823	3,998,931	3,793,049
Vehicles	217,000	217,000	217,000
Equipment under leases	<u>235,391</u>	<u>311,793</u>	<u>413,431</u>
	16,139,716	13,717,630	13,532,575
Less accumulated depreciation	<u>9,651,009</u>	<u>9,270,829</u>	<u>8,826,181</u>
Property, plant, and equipment, net	<u>\$ 6,488,707</u>	<u>\$ 4,446,801</u>	<u>\$ 4,706,394</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 Statements of Revenue, Expenses, and Changes in Net Position  
Years Ended October 31,**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net patient service revenue	\$ 12,631,838	\$ 11,666,768	\$ 11,262,340
Other operating revenue	3,012,574	2,215,042	2,292,220
Apartment revenue	<u>301,935</u>	<u>291,020</u>	<u>288,113</u>
Total operating revenue	<u>15,946,347</u>	<u>14,172,830</u>	<u>13,842,673</u>
Salaries	8,368,715	8,018,063	7,792,634
Other operating expenses	6,414,366	6,129,318	5,674,438
Depreciation and amortization	423,503	444,648	419,031
Apartment expense	<u>268,716</u>	<u>277,367</u>	<u>266,638</u>
Total operating expenses	<u>15,475,300</u>	<u>14,869,396</u>	<u>14,152,741</u>
Net non-operating revenue	<u>1,996,766</u>	<u>2,333,037</u>	<u>6,191,030</u>
Change in net position	2,467,813	1,636,471	5,880,962
Net position, at beginning of fiscal year	<u>19,936,122</u>	<u>18,299,651</u>	<u>12,418,689</u>
Net position, at end of fiscal year	<u>\$ 22,403,935</u>	<u>\$ 19,936,122</u>	<u>\$ 18,299,651</u>

**St. Helena Parish Hospital Service District No. 1  
Management’s Discussion and Analysis  
October 31, 2023**

**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, 2023, 2022, and 2021:

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Medicare	14%	15%	22%
Medicaid	35%	37%	32%
Commercial	48%	45%	43%
Self-Pay	3%	3%	3%
	100%	100%	100%

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 \$242,000, or 8.1%, during the year ended October 31, 2023.

**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, 2023, 2022, and 2021.

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Inpatient Days	1,303	1,370	1,553
Outstanding Days in Accounts Receivable	31	34	43

The District’s statistical measure of days in accounts receivable is 31 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 2024**

The 2024 budget was approved by the Board of Commissioners during its regular meeting in October 2023. Highlights and expectations regarding 2024 follow:

Concerning revenue and patient utilization, the District expects an inpatient census of 5, which is consistent with 2023. 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 2024 are budgeted for \$1,075,000.

**St. Helena Parish Hospital Service District No. 1**  
**Management's Discussion and Analysis**  
**October 31, 2023**

**Budget and Strategy for Fiscal Year 2024 (Continued)**

The Board of Commissioners consider many factors during the budget approval process each year. For fiscal year 2024, the primary focus was the status of the economy and health care environment, which takes into account market forces and environmental factors such as:

- 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



## **Independent Auditor's Report**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of St. Helena Parish Hospital Service District No. 1, a component unit of St. Helena Parish Police Jury, as of and for the years ended October 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise St. Helena Parish Hospital Service District No. 1's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of St. Helena Parish Hospital Service District No. 1, as of October 31, 2023 and 2022, and the respective changes in its financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of St. Helena Parish Hospital Service District No. 1 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about St. Helena Parish Hospital Service District No. 1's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an

audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 St. Helena Parish Hospital Service District No. 1's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about St. Helena Parish Hospital Service District No. 1's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***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 financial statements. Such information is the responsibility of management and, 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 audits 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.

### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise St. Helena Parish Hospital Service District No. 1's basic financial statements. The accompanying 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits 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 schedules of net patient service revenue, operating expenses, 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 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 26, 2024, on our consideration of St. Helena Parish Hospital Service District No. 1'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'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's internal control over financial reporting and compliance.

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

April 26, 2024

**St. Helena Parish Hospital Service District No. 1**  
**Statements of Net Position**  
**October 31, 2023 and 2022**

<b>Assets</b>	<b>2023</b>	<b>2022</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$16,175,600	\$14,865,749
Patient accounts receivable (net of estimated uncollectibles of \$491,109 for 2023 and \$644,160 for 2022)	1,150,654	1,052,460
Accounts receivable - other	1,564,875	1,766,361
Estimated third-party payor settlements	954,234	1,220,597
Inventory	435,843	439,226
Prepaid expenses	<u>204,832</u>	<u>199,401</u>
Total current assets	20,486,038	19,543,794
<b>Assets Limited as to Use</b>	726,702	698,488
<b>Property, Plant, and Equipment, Net</b>	<u>6,488,707</u>	<u>4,446,801</u>
 Total assets	 <u>\$27,701,447</u>	 <u>\$24,689,083</u>
<b>Liabilities and Net Position</b>		
<b>Current Liabilities</b>		
Current maturities of note payable	\$ 15,135	\$ 13,871
Current maturities of bonds payable	180,127	171,805
Current maturities of lease liability	21,295	56,651
Advance payments	-	277,151
Accounts payable	1,693,740	687,481
Accrued liabilities	<u>851,942</u>	<u>794,292</u>
Total current liabilities	<u>2,762,239</u>	<u>2,001,251</u>
<b>Long-term Liabilities</b>		
Note payable, less current maturities	606,339	621,680
Bonds payable, less current maturities	1,928,934	2,108,855
Lease liability, less current maturities	<u>-</u>	<u>21,175</u>
Total long-term liabilities	<u>2,535,273</u>	<u>2,751,710</u>
Total liabilities	<u>5,297,512</u>	<u>4,752,961</u>
<b>Net Position</b>		
Net investment in capital assets	3,736,877	1,452,764
Restricted for debt service	726,702	698,488
Unrestricted	<u>17,940,356</u>	<u>17,784,870</u>
Total net position	<u>22,403,935</u>	<u>19,936,122</u>
 Total liabilities and net position	 <u>\$27,701,447</u>	 <u>\$24,689,083</u>

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

**St. Helena Parish Hospital Service District No. 1**  
**Statements of Revenue, Expenses, and Changes in Net Position**  
**Years Ended October 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>Operating Revenue</b>		
Net patient service revenue	\$ 12,631,838	\$ 11,666,768
Other operating revenue	3,012,574	2,215,042
Apartment revenue	<u>301,935</u>	<u>291,020</u>
Total operating revenue	<u>15,946,347</u>	<u>14,172,830</u>
 <b>Operating Expenses</b>		
Salaries	8,368,715	8,018,063
Outside services	2,133,156	1,900,811
Supplies and other	1,505,187	1,581,143
General and administrative	2,776,023	2,647,364
Depreciation and amortization	423,503	444,648
Apartment expense	<u>268,716</u>	<u>277,367</u>
Total operating expenses	<u>15,475,300</u>	<u>14,869,396</u>
Operating income (loss)	<u>471,047</u>	<u>(696,566)</u>
 <b>Non-operating Revenue (Expense)</b>		
Ad valorem taxes	1,214,380	1,198,923
Grant income	7,976	1,096,866
Other income	15,292	18,178
Interest income	871,706	133,419
Interest expense	(103,604)	(114,349)
Loss on sale of property, plant, and equipment	<u>(8,984)</u>	<u>-</u>
Non-operating revenue (expense)	<u>1,996,766</u>	<u>2,333,037</u>
 <b>Change in Net Position</b>	 2,467,813	 1,636,471
 <b>Net Position</b>		
Beginning of year	<u>19,936,122</u>	<u>18,299,651</u>
End of year	<u>\$ 22,403,935</u>	<u>\$ 19,936,122</u>

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

**St. Helena Parish Hospital Service District No. 1**  
**Statements of Cash Flows**  
**Years Ended October 31, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Cash Flows from Operating Activities</b>		
Receipts from patients and third-party payors	\$13,101,942	\$12,446,894
Receipts from other operating revenue	3,244,158	2,155,416
Payments to employees and for employee-related costs	(8,311,065)	(8,163,540)
Payments to suppliers for goods and services	<u>(5,678,871)</u>	<u>(6,040,527)</u>
Net cash provided by operating activities	<u>2,356,164</u>	<u>398,243</u>
<b>Cash Flows from Non-capital Financing Activities</b>		
Ad valorem tax receipts	1,184,282	1,131,191
Grant income	7,976	7,059
Other income	<u>15,292</u>	<u>18,178</u>
Net cash provided by non-capital financing activities	<u>1,207,550</u>	<u>1,156,428</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Purchases of property, plant, and equipment	(2,474,393)	(185,055)
Proceeds from COVID-19 grant	-	686,836
Principal payments on bonds payable	(171,599)	(163,578)
Principal payments on notes payable	(14,077)	(12,404)
Principal payments on lease liability	(56,531)	(63,465)
Repayments of advance payments	(277,151)	(658,249)
Interest paid on long-term debt	<u>(103,604)</u>	<u>(114,349)</u>
Net cash used in capital and related financing activities	<u>(3,097,355)</u>	<u>(510,264)</u>
<b>Cash Flows from Investing Activities</b>		
Interest received	<u>871,706</u>	<u>133,419</u>
Net cash provided by investing activities	<u>871,706</u>	<u>133,419</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>1,338,065</b>	<b>1,177,826</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>		
Including \$698,488 and \$639,609 limited as to use for 2023 and 2022, respectively	<u>15,564,237</u>	<u>14,386,411</u>
<b>Cash and Cash Equivalents, End of Year</b>		
Including \$726,702 and \$698,488 limited as to use for 2023 and 2022, respectively	<u>\$16,902,302</u>	<u>\$15,564,237</u>

(Continued)

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

**St. Helena Parish Hospital Service District No. 1**  
**Statements of Cash Flows**  
**Years Ended October 31, 2023 and 2022**

(Continued)

	<u>2023</u>	<u>2022</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By Operating Activities:</b>		
Operating income (loss)	\$ 471,047	\$ (696,566)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	423,503	444,648
Provision for bad debts	358,215	261,032
(Increase) decrease in assets:		
Patient accounts receivable	(456,409)	(71,198)
Accounts receivable - other	231,584	(59,626)
Estimated third-party payor settlements	266,363	299,272
Inventory	3,383	5,606
Prepaid expenses	(5,431)	4,465
Increase (decrease) in liabilities:		
Accounts payable	1,006,259	356,087
Accrued liabilities	<u>57,650</u>	<u>(145,477)</u>
Total adjustments	<u>1,885,117</u>	<u>1,094,809</u>
Net cash provided by operating activities	<u>\$ 2,356,164</u>	<u>\$ 398,243</u>

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

**St. Helena Parish Hospital Service District No. 1**  
**Notes to Financial Statements**  
**October 31, 2023**

**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. 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.

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.

**St. Helena Parish Hospital Service District No. 1**  
**Notes to Financial Statements**  
**October 31, 2023**

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

C. Basis of Accounting and Presentation (Continued)

- 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 it 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.

D. 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 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.
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.

**St. Helena Parish Hospital Service District No. 1**  
**Notes to Financial Statements**  
**October 31, 2023**

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

E. 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 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 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.

F. Cash and Cash Equivalents

For purposes of the 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.

G. 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.

H. 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.

I. 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.

J. 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. The District maintains a threshold level of \$5,000 or more for capitalizing fixed assets.

**St. Helena Parish Hospital Service District No. 1**  
**Notes to Financial Statements**  
**October 31, 2023**

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

J. Property, Plant, and Equipment (Continued)

Equipment under leases are 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 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

K. Leases

Leases are recorded in accordance with GASB No. 87, *Leases*. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of its useful life or the lease term. Key estimates related to leases include the discount rate used to discount the expected lease payments to present value, lease term and lease payments.

L. Operating Revenue and Expenses

The District's 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**  
**Notes to Financial Statements**  
**October 31, 2023**

**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, 2021.

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, 2017.

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 2023 property tax calendar follows:

Millage rates adopted	April 21, 2023
Tax bills mailed	November 7, 2023
Due date	January 15, 2024
Certified delinquent notice	March 4, 2024

**St. Helena Parish Hospital Service District No. 1**  
**Notes to Financial Statements**  
**October 31, 2023**

**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.

<u>Length of Service</u>	<u>PTO Earned</u>
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, 2023 and 2022 were \$331,371 and \$325,172, respectively. These amounts are included in accrued liabilities on the 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**  
**Notes to Financial Statements**  
**October 31, 2023**

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

S. Recently Adopted Accounting Pronouncement

In May 2020, the GASB issued Statement No. 96, *Subscription Based Information Technology Arrangements*, effective for fiscal years beginning after June 15, 2022. The objective of the Statement is to better meet the informational needs of financial statement users by establishing uniform accounting and financial reporting requirements and improving the comparability of financial statements among governments that have entered into subscription-based information technology arrangements (SBITAs). This Statement: (1) defines a SBITA; (2) establishes that a SBITA results in subscription assets (an intangible asset) and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding SBITA. The study of the District's SBITAs proved to be immaterial; therefore, the implementation of this standard did not require any changes to the District's financial reporting.

**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 \$16,902,302 and \$15,564,237 as of October 31, 2023 and 2022, 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, 2023, the District had \$16,986,512 in deposits (collected bank balances). These deposits were fully secured from risk by federal deposit insurance and pledged securities.

As of October 31, 2022, the District had \$15,747,317 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 under an indenture agreement include cash and cash equivalents of \$726,702 and \$698,488 as of October 31, 2023 and 2022, respectively.

**St. Helena Parish Hospital Service District No. 1**  
**Notes to Financial Statements**  
**October 31, 2023**

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

A schedule of changes in the District's property, plant, and equipment during the year ended October 31, 2023 is as follows:

	<b>Balance 10/31/22</b>	<b>Additions</b>	<b>Retirements/ Adjustments</b>	<b>Balance 10/31/23</b>
<b>Non-depreciable Assets</b>				
Land				
Hospital	\$ 392,005	\$ -	\$ -	\$ 392,005
Morgan Hills	36,000	-	-	36,000
Construction in progress	<u>573,945</u>	<u>2,371,353</u>	-	<u>2,945,298</u>
Total non-depreciable assets	<u>1,001,950</u>	<u>2,371,353</u>	<u>-</u>	<u>3,373,303</u>
<b>Depreciable Assets</b>				
Buildings				
Hospital	6,246,298	-	(52,307)	6,193,991
Morgan Hills	839,698	39,550	-	879,248
Nursing Home	1,101,960	-	-	1,101,960
Equipment	3,998,931	63,490	76,402	4,138,823
Vehicles	217,000	-	-	217,000
Equipment under finance leases	<u>311,793</u>	<u>-</u>	<u>(76,402)</u>	<u>235,391</u>
Total depreciable assets	<u>12,715,680</u>	<u>103,040</u>	<u>(52,307)</u>	<u>12,766,413</u>
<b>Accumulated Depreciation and Amortization</b>				
Buildings				
Hospital	3,673,051	179,401	(43,323)	3,809,129
Morgan Hills	644,925	22,388	-	667,313
Nursing Home	1,098,849	151	-	1,099,000
Equipment	3,483,056	162,314	76,402	3,721,772
Vehicles	184,491	17,981	-	202,472
Equipment under finance leases	<u>186,457</u>	<u>41,268</u>	<u>(76,402)</u>	<u>151,323</u>
Total accumulated depreciation and amortization	<u>9,270,829</u>	<u>423,503</u>	<u>(43,323)</u>	<u>9,651,009</u>
Depreciable assets, net	<u>3,444,851</u>	<u>(320,463)</u>	<u>(8,984)</u>	<u>3,115,404</u>
Property, plant, and equipment, net	<u>\$ 4,446,801</u>	<u>\$ 2,050,890</u>	<u>\$ (8,984)</u>	<u>\$ 6,488,707</u>

Commitments related to the construction contract for a new laundry/storage building totaled \$335,390 at October 31, 2023. Commitments related to the construction contract for a new administrative building totaled \$1,954,408 at October 31, 2023.

**St. Helena Parish Hospital Service District No. 1**  
**Notes to Financial Statements**  
**October 31, 2023**

**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, 2022 is as follows:

	<u>Balance 10/31/21</u>	<u>Additions</u>	<u>Retirements/ Adjustments</u>	<u>Balance 10/31/22</u>
<b>Non-depreciable Assets</b>				
Land				
Hospital	\$ 392,005	\$ -	\$ -	\$ 392,005
Morgan Hills	36,000	-	-	36,000
Construction in progress	493,134	80,811	-	573,945
Total non-depreciable assets	<u>921,139</u>	<u>80,811</u>	<u>-</u>	<u>1,001,950</u>
<b>Depreciable Assets</b>				
Buildings				
Hospital	6,246,298	-	-	6,246,298
Morgan Hills	839,698	-	-	839,698
Nursing Home	1,101,960	-	-	1,101,960
Equipment	3,793,049	104,244	101,638	3,998,931
Vehicles	217,000	-	-	217,000
Equipment under finance leases	413,431	-	(101,638)	311,793
Total depreciable assets	<u>12,611,436</u>	<u>104,244</u>	<u>-</u>	<u>12,715,680</u>
<b>Accumulated Depreciation and Amortization</b>				
Buildings				
Hospital	3,490,895	182,156	-	3,673,051
Morgan Hills	621,991	22,934	-	644,925
Nursing Home	1,098,699	150	-	1,098,849
Equipment	3,213,914	172,520	96,622	3,483,056
Vehicles	166,511	17,980	-	184,491
Equipment under finance leases	234,171	48,908	(96,622)	186,457
Total accumulated depreciation and amortization	<u>8,826,181</u>	<u>444,648</u>	<u>-</u>	<u>9,270,829</u>
Depreciable assets, net	<u>3,785,255</u>	<u>(340,404)</u>	<u>-</u>	<u>3,444,851</u>
Property, plant, and equipment, net	<u>\$ 4,706,394</u>	<u>\$ (259,593)</u>	<u>\$ -</u>	<u>\$ 4,446,801</u>

Depreciation and amortization expense for the years ended October 31, 2023 and 2022 was \$423,503 and \$444,648, respectively.

**St. Helena Parish Hospital Service District No. 1**  
**Notes to Financial Statements**  
**October 31, 2023**

**Note 5-Note Payable**

A schedule of changes in the District's note payable during the year ended October 31, 2023 is as follows:

	<b>Balance October 31, 2022</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance October 31, 2023</b>	<b>Amount Due within One Year</b>
Note Payable					
USDA Rural Development	<u>\$ 635,551</u>	<u>\$ -</u>	<u>\$ (14,077)</u>	<u>\$ 621,474</u>	<u>\$ 15,135</u>

A schedule of changes in the District's note payable during the year ended October 31, 2022 is as follows:

	<b>Balance October 31, 2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance October 31, 2022</b>	<b>Amount Due within One Year</b>
Note Payable					
USDA Rural Development	<u>\$ 647,955</u>	<u>\$ -</u>	<u>\$ (12,404)</u>	<u>\$ 635,551</u>	<u>\$ 13,871</u>

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

2024	\$ 15,135
2025	16,513
2026	18,018
2027	19,659
2028	21,450
Thereafter	<u>530,699</u>
	<u>\$ 621,474</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.

**St. Helena Parish Hospital Service District No. 1**  
**Notes to Financial Statements**  
**October 31, 2023**

**Note 6-Bonds Payable**

A schedule of changes in the District's bonds payable during the year ended October 31, 2023 is as follows:

	<b>Balance October 31, 2022</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance October 31, 2023</b>	<b>Amount Due within One Year</b>
<b>Bonds Payable</b>					
<b>Hospital Revenue Bonds</b>					
25 Year	\$ 588,070	\$ -	\$ (59,935)	\$ 528,135	\$ 63,880
40 Year	<u>1,535,590</u>	<u>-</u>	<u>(34,664)</u>	<u>1,500,926</u>	<u>36,247</u>
Total hospital revenue bonds payable	<u>2,123,660</u>	<u>-</u>	<u>(94,599)</u>	<u>2,029,061</u>	<u>100,127</u>
<b>Limited Tax Bonds</b>					
Series 2016A	124,000	-	(61,000)	63,000	63,000
Series 2016B	<u>33,000</u>	<u>-</u>	<u>(16,000)</u>	<u>17,000</u>	<u>17,000</u>
Total limited tax bonds payable	<u>157,000</u>	<u>-</u>	<u>(77,000)</u>	<u>80,000</u>	<u>80,000</u>
Total bonds payable	<u>\$ 2,280,660</u>	<u>\$ -</u>	<u>\$ (171,599)</u>	<u>\$ 2,109,061</u>	<u>\$ 180,127</u>

A schedule of changes in the District's bonds payable during the year ended October 31, 2022 is as follows:

	<b>Balance October 31, 2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance October 31, 2022</b>	<b>Amount Due within One Year</b>
<b>Bonds Payable</b>					
<b>Hospital Revenue Bonds</b>					
25 Year	\$ 644,383	\$ -	\$ (56,313)	\$ 588,070	\$ 60,020
40 Year	<u>1,568,855</u>	<u>-</u>	<u>(33,265)</u>	<u>1,535,590</u>	<u>34,785</u>
Total hospital revenue bonds payable	<u>2,213,238</u>	<u>-</u>	<u>(89,578)</u>	<u>2,123,660</u>	<u>94,805</u>
<b>Limited Tax Bonds</b>					
Series 2016A	184,000	-	(60,000)	124,000	61,000
Series 2016B	<u>47,000</u>	<u>-</u>	<u>(14,000)</u>	<u>33,000</u>	<u>16,000</u>
Total limited tax bonds payable	<u>231,000</u>	<u>-</u>	<u>(74,000)</u>	<u>157,000</u>	<u>77,000</u>
Total bonds payable	<u>\$ 2,444,238</u>	<u>\$ -</u>	<u>\$ (163,578)</u>	<u>\$ 2,280,660</u>	<u>\$ 171,805</u>

**St. Helena Parish Hospital Service District No. 1**  
**Notes to Financial Statements**  
**October 31, 2023**

**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 monthly principal and interest on the bonds due on the next payment date. 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:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 180,127	\$ 93,428	\$ 273,555
2025	105,760	86,588	192,348
2026	111,721	80,627	192,348
2027	118,031	74,317	192,348
2028	124,709	67,639	192,348
Thereafter	<u>1,468,713</u>	<u>603,011</u>	<u>2,071,724</u>
	<u>\$ 2,109,061</u>	<u>\$ 1,005,610</u>	<u>\$ 3,114,671</u>

**St. Helena Parish Hospital Service District No. 1**  
**Notes to Financial Statements**  
**October 31, 2023**

**Note 7-Lease Liability**

The District has entered into lease agreements for financing the acquisition of equipment. These leases 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 leases at October 31, 2023 and 2022, totaled \$84,068 and \$125,336, respectively, net of accumulated amortization of \$151,323 and \$186,457, respectively.

The terms and due dates of the District's lease liabilities for the fiscal years ended October 31, 2023 and 2022 include:

- Lease liability for a telephone system, due in monthly installments of \$1,483 including interest, through April 2023, with an imputed interest rate of 6.17%.
- Lease liability for an x-ray machine, due in monthly installments of \$2,589 including interest, through March 2024, with an imputed interest rate of 5.42%.
- Lease liability for a portable x-ray machine, due in monthly installments of \$1,727 including interest, through March 2024, with an imputed interest rate of 5.20%.

Interest rates on capitalized leases 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 lease liability during the year ended October 31, 2023 is as follows:

	<b>Balance October 31, 2022</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance October 31, 2023</b>	<b>Amount Due within One Year</b>
Leases					
Telephone system	\$ 7,303	\$ -	\$ (7,303)	\$ -	\$ -
Optima x-ray	42,270	-	(29,500)	12,770	12,770
Optima portable x-ray	28,253	-	(19,728)	8,525	8,525
Total obligations under leases	<u>\$ 77,826</u>	<u>\$ -</u>	<u>\$ (56,531)</u>	<u>\$ 21,295</u>	<u>\$ 21,295</u>

A schedule of changes in the District's lease liability during the year ended October 31, 2022 is as follows:

	<b>Balance October 31, 2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance October 31, 2022</b>	<b>Amount Due within One Year</b>
Leases					
Telephone system	\$ 24,081	\$ -	\$ (16,778)	\$ 7,303	\$ 7,303
Optima x-ray	70,216	-	(27,946)	42,270	29,500
Optima portable x-ray	46,994	-	(18,741)	28,253	19,848
Total obligations under leases	<u>\$ 141,291</u>	<u>\$ -</u>	<u>\$ (63,465)</u>	<u>\$ 77,826</u>	<u>\$ 56,651</u>

**St. Helena Parish Hospital Service District No. 1**  
**Notes to Financial Statements**  
**October 31, 2023**

**Note 8-Lease Expense**

The District leases equipment under various leases in which either the equipment does not meet the capitalization threshold or the leases have a remaining lease term less than twelve months. These leases are set to expire at various times through June 2028. Rent expense on these leases was \$53,514 and \$55,800 during the years ended October 31, 2023 and 2022, respectively. Future minimum lease payments on these non-cancelable leases are as follows:

2024	\$	42,340
2025		22,740
2026		22,740
2027		21,200
2028		<u>10,096</u>
	\$	<u><u>119,116</u></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 \$134,903 and \$124,697 during the years ended October 31, 2023 and 2022, respectively.

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

Effective July 1, 2022, the Louisiana Department of Health transitioned to a Directed Payment Program (DPP), which was approved by the Centers for Medicare and Medicaid (CMS), to reimburse hospitals for uncompensated care. For the years ended October 31, 2023 and 2022, revenue earned under the DPP totaled \$2,072,049 and \$637,000, respectively, which is included in other operating revenue in the accompanying statement of revenue, expenses, and changes in net position.

For the year ended October 31, 2022, 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 \$881,224 during the year ended October 31, 2022, which is included in other operating revenue in the accompanying statement of revenue, expenses, and changes in net position.

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 \$794,962 and \$595,094 during the years ended October 31, 2023 and 2022, 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 \$86,200 and \$50,013 during the years ended October 31, 2023 and 2022, respectively.

**St. Helena Parish Hospital Service District No. 1**  
**Notes to Financial Statements**  
**October 31, 2023**

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

Total cash and cash equivalents as of October 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 16,175,600	\$ 14,865,749
Assets limited as to use	<u>726,702</u>	<u>698,488</u>
Total cash and cash equivalents	<u>\$ 16,902,302</u>	<u>\$ 15,564,237</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, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Medicare and Medicaid	49%	52%
Commercial	48%	45%
Self-Pay	<u>3%</u>	<u>3%</u>
	<u>100%</u>	<u>100%</u>

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

In response to the economic impact of COVID-19, the CARES Act was enacted by Congress and was 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 year ended October 31, 2022:

CARES Act Program	
Provider Relief Funds	\$ 431,639
HRSA Testing and Mitigation	<u>255,197</u>
CARES Act funding received	<u>\$ 686,836</u>

Funds received through the various CARES Act programs were 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 year ended October 31, 2022 follows.

**St. Helena Parish Hospital Service District No. 1**  
**Notes to Financial Statements**  
**October 31, 2023**

**Note 13-Coronavirus Aid, Relief, and Economic Security (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 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 year ended October 31, 2022, unearned COVID-19 grants were as follows:

Unearned COVID-19 grants, beginning balance	\$ 402,971
CARES Act funding received	686,836
Funds recognized as non-operating revenue due to:	
Lost revenues	(685,149)
COVID-19 related expenses	<u>(404,658)</u>
Unearned COVID-19 grants, ending balance	<u>\$ -</u>

Funds expended under the Provider Relief Fund program were subject to single audit for the fiscal year ended October 31, 2022.

*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 classified these advances as advance payments on its statements of net position. Repayment began to be made out of the District's Medicare payments one year from receipt of the AAPP payments. Subsequent to the fiscal year ended October 31, 2022, the District received a demand letter from CMS for the remaining balance, which was paid in full during the year ended October 31, 2023.

**Note 14-Subsequent Events**

Management evaluated all subsequent events through April 26, 2024, the date the financial statements were available to be issued. As a result, management noted no subsequent events that required adjustment to, or disclosure in, these financial statements.

## **Supplementary Information**

**St. Helena Parish Hospital Service District No. 1**  
**Schedules of Net Patient Service Revenue**  
**Years Ended October 31, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Patient Service Revenue</b>		
Cardiopulmonary	\$ 449,103	\$ 286,116
CT scan	1,397,880	1,263,725
Emergency services	1,697,026	1,568,732
Intensive outpatient psychiatry	134,970	180,900
Laboratory	2,120,113	2,128,324
Medical supplies	97,567	139,163
Nursing home	3,284,218	2,411,271
Nursing services	5,570	156,842
Observation	64,398	83,610
Occupational therapy	178,636	179,731
Pharmacy	587,327	506,695
Physical therapy	327,148	328,588
Professional services	1,412,793	1,377,780
Radiology	401,728	400,532
Room and board	812,578	790,800
Rural health clinic	334,354	402,664
Speech therapy	49,883	45,498
Ultrasound	100,949	93,698
Gross patient service revenue	13,456,241	12,344,669
Contractual adjustments and discounts	(466,188)	(416,869)
Provision for bad debts	(358,215)	(261,032)
 Net patient service revenue	 \$12,631,838	 \$11,666,768

**St. Helena Parish Hospital Service District No. 1**  
**Schedules of Operating Expenses**  
**Years Ended October 31, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Operating Expenses</b>		
Salaries		
Administration	\$ 841,715	\$ 829,429
Business office	180,912	200,132
Cardiopulmonary	202,993	195,049
Central supply	81,666	77,961
Dietary	309,835	260,967
Emergency services	409,731	379,618
Housekeeping	323,859	266,542
Information technology	84,972	79,817
Intensive outpatient psychiatry	121,104	147,577
Laboratory	512,398	408,165
Maintenance	216,889	248,717
Medical records	40,926	22,549
Nursing home	2,298,609	2,211,781
Nursing services	1,223,837	1,221,939
Occupational therapy	161,342	159,261
Pharmacy	176,663	165,905
Physical therapy	474,914	462,744
Radiology	371,816	337,932
Rural health clinic	224,256	258,562
Speech therapy	38,608	33,890
Transportation	71,670	49,526
Total salaries	8,368,715	8,018,063
Outside services		
Professional fees	1,018,682	938,894
Contract services	1,112,978	959,353
Other	1,496	2,564
Total outside services	2,133,156	1,900,811
Supplies and other		
Food cost	283,771	227,421
Pharmacy	112,876	130,616
Medical supplies	1,108,540	1,223,106
Total supplies and other	1,505,187	1,581,143

**St. Helena Parish Hospital Service District No. 1**  
**Schedules of Operating Expenses**  
**Years Ended October 31, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Operating Expenses (Continued)</b>		
General and administrative		
Advertising	\$ 243	\$ 511
Bank charges	14,086	9,546
Bed tax	221,547	206,967
Dues and subscriptions	32,457	37,514
Education	24,771	10,350
Employee benefits	134,903	124,697
Gas	46,475	42,516
Group insurance	691,790	696,677
Insurance	356,915	353,070
Lease and rental expense	84,382	79,467
Maintenance contracts	53,658	81,821
Other	87,817	64,772
Payroll taxes	607,431	583,581
Postage	875	3,069
Repairs and maintenance	186,234	104,961
Sewerage	4,200	4,140
Taxes - property	3,317	2,663
Telephone	38,944	39,697
Travel	12,551	3,220
Utilities	171,147	196,710
Water	2,280	1,415
Total general and administrative	2,776,023	2,647,364
Depreciation and amortization	423,503	444,648
Apartment expense	268,716	277,367
Total operating expenses	<b>\$15,475,300</b>	<b>\$14,869,396</b>

**St. Helena Parish Hospital Service District No. 1  
Schedule of Compensation, Benefits and Other Payments to  
Agency Head or Chief Executive Officer  
Year Ended October 31, 2023**

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

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 325,274
Benefits - insurance	24,569
Benefits - retirement	35,002
Car allowance	-
Vehicle provided by agency	-
Per diem	-
Reimbursements	-
Travel	545
Registration fees	300
Conference travel	2,190
Continuing professional education fees	1,950
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  
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 financial statements of St. Helena Parish Hospital Service District No. 1, a component unit of St. Helena Parish Police Jury, as of and for the years ended October 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise St. Helena Parish Hospital Service District No. 1’s basic financial statements, and have issued our report thereon dated April 26, 2024.

**Report on Internal Control over Financial Reporting**

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether St. Helena Parish Hospital Service District No. 1’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 26, 2024

**St. Helena Parish Hospital Service District No. 1**  
**Schedule of Findings and Responses**  
**Year Ended October 31, 2023**

Part I – Summary of Audit Results

- 1) An unmodified opinion has been expressed on the financial statements of St. Helena Parish Hospital Service District No. 1 as of and for the year ended October 31, 2023, and the related notes to the financial statements.
- 2) No deficiencies in internal control over financial reporting that we consider to be material weaknesses were identified.
- 3) No instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* were identified.
- 4) A single audit in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* was not required.
- 5) A management letter was not issued for the year ended October 31, 2023.

Part II – Findings Related to an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

- 1) No findings were noted.

**St. Helena Parish Hospital Service District No. 1  
Schedule of Prior Year Findings and Questioned Costs  
Year Ended October 31, 2023**

**Section II – Financial Statement Findings**

No findings were noted.

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

No findings were noted.

**St. Helena Parish Hospital Service District No. 1  
Statewide Agreed-Upon Procedures Report  
October 31, 2023**



**Independent Accountant’s Report  
on Applying Agreed-Upon Procedures**

To the Board of Directors of St. Helena Parish Hospital Service District No. 1 and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA’s) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period November 1, 2022 through October 31, 2023. St. Helena Parish Hospital Service District No. 1’s management is responsible for those C/C areas identified in the SAUPs.

St. Helena Parish Hospital Service District No. 1 (“the District”) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA’s SAUPs for the fiscal period November 1, 2022 through October 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

**1) *Written Policies and Procedures***

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- A. Obtained and inspected the entity’s written policies and procedures and observed whether they address each of the following categories and subcategories if applicable to public funds and the entity’s operations:
  - i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
  - iii. ***Disbursements***, including processing, reviewing, and approving.
  - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
  - v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
  - vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
  - vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

- viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results:

No exceptions noted.

**2) Board or Finance Committee**

---

- A. Obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
  - i. Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - ii. For those entities reporting on the governmental accounting model, observed whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observed that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
  - iii. For governmental entities, obtained the prior year audit report and observed the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
  - iv. Observed whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results:

No exceptions noted.

**3) Bank Reconciliations**

---

- A. Obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Asked management to identify the entity's main operating account. Selected the entity's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). Randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for each selected account, and observed that:
- i. Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - ii. Bank reconciliations included written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results:

No exceptions noted.

**4) Collections (excluding electronic funds transfers)**

---

- A. Obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly selected 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtained a listing of collection locations and management's representation that the listing is complete. Randomly selected one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that
- i. Employees responsible for cash collections do not share cash drawers/registers;
  - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
  - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results:

No exceptions noted.

- C. Obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observed that the bond or insurance policy for theft was in force during the fiscal period.

Results:

No exceptions noted.

- D. Randomly selected two deposit dates for each of the bank accounts selected for Bank Reconciliations procedure #3A. Obtained supporting documentation for each of the deposits and:

- i. Observed that receipts are sequentially pre-numbered.
- ii. Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Traced the deposit slip total to the actual deposit per the bank statement.
- iv. Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v. Traced the actual deposit per the bank statement to the general ledger.

Results:

No exceptions noted.

**5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)**

- A. Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly selected 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties, and observed that job duties are properly segregated such that
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
  - ii. At least two employees are involved in processing and approving payments to vendors;
  - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
  - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
  - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Results:

No exceptions noted.

- C. For each location selected under procedure #5A above, obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. Randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction, and
- i. Observed whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
  - ii. Observed whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Results:

No exceptions noted.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly selected 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observed that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

Results:

No exceptions noted.

**6) *Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)***

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- A. Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtained management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly selected one monthly statement or combined statement for each card. Obtained supporting documentation, and
- i. Observed whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder; and
  - ii. Observed that finance charges and late fees were not assessed on the selected statements.

Results:

No exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions. For each transaction, observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Results:

No exceptions noted.

**7) *Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

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- A. Obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly selected 5 reimbursements and obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- i. If reimbursed using a per diem, observed that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));
  - ii. If reimbursed using actual costs, observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
  - iii. Observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
  - iv. Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results:

No exceptions noted.

**8) *Contracts***

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- A. Obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtained management's representation that the listing is complete. Randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
- i. Observed whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
  - ii. Observed whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
  - iii. If the contract was amended (e.g., change order), observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

- iv. Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Results:

No exceptions noted.

**9) Payroll and Personnel**

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- A. Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly selected 5 employees or officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtained attendance records and leave documentation for the pay period, and
  - i. Observed that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
  - ii. Observed whether supervisors approved the attendance and leave of the selected employees or officials;
  - iii. Observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
  - iv. Observed the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Results:

No exceptions noted.

- C. Obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly selected two employees or officials and obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agreed the hours to the employee's or official's cumulative leave records, agreed the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agreed the termination payment to entity policy.

Results:

No exceptions noted.

- D. Obtained management's representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.

Results:

No exceptions noted.

## ***10) Ethics***

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtained ethics documentation from management, and
- i. Observed whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
  - ii. Observed whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results:

No exceptions noted for procedure (i). The District did not make any changes to their ethics policy during the period; therefore, procedure (ii) is not applicable.

- B. Inquired and/or observed whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results:

No exceptions noted.

## ***11) Debt Service***

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- A. Obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Selected all debt instruments on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Results:

No bonds/notes were issued during the fiscal period; therefore, this procedure is not applicable.

- B. Obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results:

No exceptions noted.

## ***12) Fraud Notice***

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- A. Obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Results:

There were no misappropriations of public funds or assets identified during the fiscal period; therefore, this procedure is not applicable.

- B. Observed that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results:

No exceptions noted.

***13) Information Technology Disaster Recovery/Business Continuity***

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- A. Performed the following procedures:

- i. Obtained and inspected the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observed evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- ii. Obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
- iii. Obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly selected 5 computers and observed while management demonstrated that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results:

We performed these procedures and discussed the results with management.

- B. Randomly selected 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observed evidence that the selected terminated employees have been removed or disabled from the network.

Results:

We performed these procedures and discussed the results with management.

***14) Prevention of Sexual Harassment***

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtained sexual harassment training documentation from management, and observed that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Results:

No exceptions noted.

- B. Observed that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Results:

No exceptions noted.

- C. Obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed it includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
  - ii. Number of sexual harassment complaints received by the agency;
  - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
  - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - v. Amount of time it took to resolve each complaint.

Results:

No exceptions noted.

We were engaged by St. Helena Parish Hospital Service District No. 1 to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of St. Helena Parish Hospital Service District No. 1 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

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

April 26, 2024