

Bienville Parish Hospital
Service District No. 2
Arcadia, Louisiana

Annual Financial Statements
For the Year Ended December 31, 2023

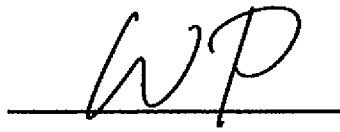
Bienville Parish Hospital
Service District No. 2
Annual Financial Statements
For the Year Ended December 31, 2023
With Supplemental Information Schedules

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Wade & Perry, CPAs
A Professional Accounting Corporation
Members: AICPA/ Society of LCPA's

Independent Auditor's Report

Board of Commissioners
Bienville Parish Hospital District No. 2
Arcadia, Louisiana

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the Bienville Parish Hospital District No. 2 (District) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements 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 the governmental activities and each major fund of the District as of December 31, 2023, 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 (GAAS) 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 the District and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we 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 these 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 the District's ability to continue as a going concern for 12 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 opinions. 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 GAAS 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 GAAS 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 the District'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 the District'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

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 22 through 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation, benefits, and other payments to agency head on page 27 is presented for purposes of additional analysis and is not a required part of the 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 audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 24, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Wade Perry

Ruston, Louisiana
June 24, 2024

Bienville Parish Hospital Service District No. 2
Statement of Net Position
December 31, 2023

	ASSETS	
Cash and cash investments		\$2,427,632
Receivables		4,908,833
Internal balances		0
Other assets		27,908
Capital assets (net)		<u>801,158</u>
TOTAL ASSETS		<u>\$8,165,531</u>
Deferred outflows of resources		0
	LIABILITIES	
Accounts, salaries, and other payables		\$68,922
Unearned revenue		100
Compensated absences liability		<u>36,174</u>
TOTAL LIABILITIES		<u>105,196</u>
Deferred inflows of resources		3,253,697
	NET POSITION	
Net invested in capital assets		801,158
Unrestricted		<u>4,005,480</u>
TOTAL NET POSITION		<u>\$4,806,638</u>

The accompanying notes are an integral part of this statement.

Bienville Parish Hospital Service District No. 2
Statement of Activities
For the Year Ended December 31, 2023

EXPENSES	
Personnel services	\$959,024
Operating services	1,180,684
Materials and supplies	63,797
Depreciation	129,891
Total program expenses	<u>2,333,396</u>
PROGRAM REVENUES	
Charges for services	<u>1,339,553</u>
Net program expense	<u>(993,843)</u>
GENERAL REVENUES	
Property taxes	0
Use of money and property	490,730
ARP grant	0
Operating transfers (net)	0
Total general revenues	<u>490,730</u>
Net Change in Net Position	(503,113)
Net Position – beginning	5,350,115
Prior period adjustment	<u>(40,364)</u>
Net Position – ending	<u><u>\$4,806,638</u></u>

The accompanying notes are an integral part of this statement.

Bienville Parish Hospital Service District No. 2
 Balance Sheet, Governmental Funds
 December 31, 2023

	Major Funds		Non-major	Total
	General Fund	Family Clinic Fund	Wellness Center Fund	
ASSETS				
Cash and cash investments	\$2,314,807	\$68,744	\$44,081	\$2,427,632
Receivables	3,390,459	1,518,374		4,908,833
Due from other funds	194,115			194,115
Other assets		24,949	2,959	27,908
TOTAL ASSETS	\$5,899,381	\$1,612,067	\$47,040	\$7,558,488
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries, and other payables	\$17,517	\$48,091	\$3,314	\$68,922
Unearned revenue		100		100
Due to other funds		189,565	4,550	194,115
Total liabilities	17,517	237,756	7,864	263,137
Deferred inflow of resources	3,253,697			3,253,697
Fund balances:				
Restricted for debt service				0
Unassigned	2,628,167	1,374,311	39,176	4,041,654
TOTAL LIABILITIES AND FUND BALANCES	\$5,899,381	\$1,612,067	\$47,040	\$7,558,488

The accompanying notes are an integral part of this statement.

Bienville Parish Hospital Service District No. 2
 Reconciliation of The Governmental Funds Balance Sheet
 to The Government-Wide Financial Statement of Net Position
 December 31, 2023

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Fund balances, Total governmental funds (Statement C)		\$4,041,654
Long-term liabilities are not due and payable in the current year and therefore are not reported in the governmental funds:		
Compensated absences		(36,174)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Governmental capital assets	5,147,816	
Less accumulated depreciation	<u>(4,346,658)</u>	<u>801,158</u>
Total Net Position of Governmental Activities (Statement A)		<u><u>\$4,806,638</u></u>

The accompanying notes are an integral part of this statement.

Bienville Parish Hospital Service District No. 2
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2023

	Major Funds		Non-major	Total
	General Fund	Family Clinic Fund	Wellness Center Fund	
REVENUES				
Fees and charges for services		\$1,279,031	\$60,522	\$1,339,553
Property taxes				0
Use of money and property	490,730			490,730
Total Revenues	490,730	1,279,031	60,522	1,830,283
EXPENDITURES				
General government:				
Personnel services	57,200	832,061	65,623	954,884
Operating services	147,801	967,150	65,733	1,180,684
Materials and supplies	847	56,420	6,530	63,797
Capital outlay			18,749	18,749
Total Expenditures	205,848	1,855,631	156,635	2,218,114
Excess (Deficiency) of Revenues over	284,882	(576,600)	(96,113)	(387,831)
OTHER FINANCING SOURCES (USES)				
Operating transfers in		600,000	108,000	708,000
Operating transfers out	(708,000)			(708,000)
ARP grant				0
Total Other Financing Sources (Uses)	(708,000)	600,000	108,000	0
Net Change in Fund Balances	(423,118)	23,400	11,887	(387,831)
Fund Balances – beginning	3,051,285	1,350,911	27,289	4,429,485
Prior period adjustment				0
Fund Balances – ending	\$2,628,167	\$1,374,311	\$39,176	\$4,041,654

The accompanying notes are an integral part of this statement.

Bienville Parish Hospital Service District No. 2
 Reconciliation of The Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended December 31, 2023

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total governmental funds (Statement E)	(\$387,831)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds	(4,140)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$18,749) exceeded depreciation (\$129,891) in the current period.	<u>(111,142)</u>
Change in Net Position of Governmental Activities (Statement B)	<u><u>(\$503,113)</u></u>

The accompanying notes are an integral part of this statement.

Bienville Parish Hospital
Service District No. 2
Arcadia, Louisiana
Notes to the Financial Statements
As of and For the Year Ended December 31, 2023

INTRODUCTION

Bienville Parish Hospital Service District No. 2 is controlled by a board of Commissioners who are appointed by the Bienville Parish Police Jury, and is exempt from income taxes. The District owns and operates the Family Clinic and the Wellness Center for the purpose of providing for the medical needs of the citizens of Bienville Parish. The District also contracts with various other health care providers in which the district provides space in return for rent.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As the governing authority of the parish, for reporting purposes, the Bienville Parish Police Jury is the financial reporting entity for Bienville 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.

Governmental Accounting Standards Board (GASB) Statement No. 14 establishes criteria for determining which component units should be considered part of the Bienville Parish Police Jury for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and;
 - a. The ability of the police jury to impose its will on that organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints a voting majority of the District's governing body and has the ability to impose its will, the agency was determined to be a component unit of the Bienville 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.

Bienville Parish Hospital
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Notes to the Financial Statements
As of and For the Year Ended December 31, 2023

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

In June, 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the District's activities, including infrastructure (if any).
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charge to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Bienville Parish Hospital
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Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivables due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources, except those required to be accounted for in another fund. The General fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the District's policy.

The Special revenue funds are used to account for operations of the Family Clinic and the Wellness Center (non-major fund).

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Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. 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 government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the governments enterprise operations. Elimination of those charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Principal operating revenues of the proprietary funds include water and sewer services to the residents of the District. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

C. Deposits and Investments

The District's cash and cash equivalents are considered to be demand deposits, interest-bearing demand deposits, and investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the District to invest in collateralized certificates of deposits, government back securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. Investments for the District are reported at fair value.

Bienville Parish Hospital
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Notes to the Financial Statements
As of and For the Year Ended December 31, 2023

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectives. The District calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis.

The District levies a property tax on all property subject to taxation in the service district. The 6.00 mill tax was reapproved for a period of 10 years, beginning with the year 2016 and ending with the year 2026, to be dedicated and used for acquiring, maintaining, operating, and supporting facilities, equipment and furnishings. Property taxes are collected through the local sheriff’s office and remitted, net of collection fees, to the District. Property tax notices are mailed by November 15 each year, are due by December 31, and become delinquent on January 1 of the following year.

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

F. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

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<u>Description</u>	<u>Estimated Lives</u>
Buildings & improvements	7-40 years
Equipment	3-10 years
Vehicles	5 years
Furniture & fixtures	10-20 years

G. Long-Term Obligations

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

H. Fund Equity

In the government wide statements, net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

Proprietary fund equity is classified in the same manner as in the government-wide statements. In the fund financial statements, governmental fund equity is classified as fund balance.

The District adopted GASB 54 in the year ended December 31, 2012. As such, fund balances of the governmental funds are classified as follow:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors contributors, or laws or regulations of other governments.

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Committed - amounts constrained to specific purpose by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level of action to remove or change the constraint.

Assigned - amounts the government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned - all other spendable amounts.

As of December 31, 2023, fund balances are composed of the following:

	General Fund	Family Clinic	Wellness Center
Nonspendable - prepaid items	\$0	\$0	\$0
Restricted -debt service	0	0	0
Unassigned	<u>2,628,167</u>	<u>1,374,311</u>	<u>39,176</u>
Total fund balances	<u>\$2,628,167</u>	<u>\$1,374,311</u>	<u>\$39,176</u>

I. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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 revenues, expenditures, and expenses during the reporting period. Actual results could differ from the estimates.

J. RISK MANAGEMENT

The district is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the district maintains commercial insurance policies covering its vehicles, professional liability and surety bond coverage. No claims were paid on any of the policies which exceeded to policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2023.

K. VACATION AND SICK LEAVE

All full-time employees of the district earn 10 days of vacation leave after one full year of service, and fifteen days of vacation leave after six years of service. Full-time employees earn 10 days of sick leave after one full year of service. Employees may carry forward a maximum of one year of accrued vacation

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As of and For the Year Ended December 31, 2023

time and unlimited accrued sick leave time. Part-time employees are also eligible for vacation and sick leave at a lower rate of accrual. Upon separation of employment, employees are paid for accrued vacation leave.

L. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

2. CASH AND CASH EQUIVALENTS

At December 31, 2023, the District has cash and cash equivalents (book balances) totaling \$2,427,632 as follows:

Demand deposits	\$119,347
Interest-bearing demand deposits	791,243
Investments	1,516,942
Petty cash	<u>100</u>
Total	<u><u>\$2,427,632</u></u>

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the town that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the District's name.

These deposits are secured as follows:

Bank balances	<u>\$2,438,161</u>
Federal deposit insurance	\$500,000
Pledged securities (uncollateralized)	<u>2,876,818</u>
Total	<u><u>\$3,376,818</u></u>

Bienville Parish Hospital
Service District No. 2
Arcadia, Louisiana
Notes to the Financial Statements
As of and For the Year Ended December 31, 2023

3. RECEIVABLES

The receivables of \$4,908,833 at December 31, 2023, are as follows:

<u>Class of Receivable</u>	
Property taxes	\$94,919
Lease financing	3,284,515
Fees, charges, and commissions for services:	
Patient fees	1,518,374
Utility reimbursements	<u>11,025</u>
Total	<u>\$4,908,833</u>

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2023, for the primary government is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$88,871			\$88,871
Other- Construction in Progress	<u>255,621</u>		(\$255,621)	<u>0</u>
Total capital assets not being depreciated	<u>344,492</u>	<u>0</u>	<u>(255,621)</u>	<u>88,871</u>
Capital assets being depreciated:				
Buildings	3,457,929			3,457,929
Improvements other than buildings	219,712	18,749		238,461
Machinery and equipment	<u>1,106,934</u>	<u>255,621</u>		<u>1,362,555</u>
Total capital assets being depreciated	<u>4,784,575</u>	<u>274,370</u>	<u>0</u>	<u>5,058,945</u>
Less:				
Accumulated depreciation	<u>4,216,767</u>	<u>129,891</u>		<u>4,346,658</u>
Total capital assets being depreciated, net	<u>\$912,300</u>	<u>\$144,479</u>	<u>(\$255,621)</u>	<u>\$801,158</u>

Depreciation expense of \$129,891 for the year ended December 31, 2023, was charged to the general governmental functions.

5. LEASES

The district contracts with various other health care providers to serve the medical needs of the citizens of Bienville Parish. The District provides space for these providers in return for rent. Current leases include:

Bienville Parish Hospital
Service District No. 2
Arcadia, Louisiana
Notes to the Financial Statements
As of and For the Year Ended December 31, 2023

1) Magnolia Home Health with a monthly payment of \$800 monthly payment starting in July, 2022; 2) the Bienville parish health unit with an annual payment of \$12,000; 3) Louisiana Extended Care Hospital with a monthly payment of \$30,000 monthly payment starting in November, 2022; 4) Bienville Medical Center with a monthly payment of \$3,425.

6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2023 is as follows:

Due To/From Other Funds:		
<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund		\$194,115
	Wellness Center	(4,550)
	Family clinic fund	<u>(189,565)</u>
Total		<u><u>\$0</u></u>

The balances consist of allocations for management fees, insurance, payroll and utilities reimbursements. The district's management will determine an action to take in order to reduce the interfunds in approximately 5 years.

Advances From/To Other Funds:		
<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
Wellness center fund		\$108,000
Family clinic fund		600,000
	General fund	<u>(708,000)</u>
Total		<u><u>\$0</u></u>

The transfers consist of allocations for payroll and various operations expenses.

7. PRIOR PERIOD ADJUSTMENT

The government-type financials were adjusted by (\$40,364) for an increase in compensated absences rather than a decrease.

8. MANAGEMENT REVIEW

Subsequent events have been evaluated through June 24, 2024. This date represents the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

Bienville Parish Hospital Service District No. 2
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts GAAP Basis	Favorable (Unfavorable) Variance
	Original	Final		
REVENUES				
Property taxes	\$0	\$0	\$0	\$0
Use of money and property	425,700	463,700	\$490,730	27,030
Other revenue				0
Total Revenues	<u>425,700</u>	<u>463,700</u>	<u>490,730</u>	<u>27,030</u>
EXPENDITURES				
General government:				
Personnel services	104,000	57,000	57,200	(200)
Operating services	311,256	158,437	147,801	10,636
Material & Supplies	1,000	1,000	847	153
Capital outlay		40,000		40,000
Total Expenditures	<u>416,256</u>	<u>256,437</u>	<u>205,848</u>	<u>50,589</u>
Excess (Deficiency) of Revenues over Expenditures	9,444	207,263	284,882	77,619
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	(650,000)	(708,000)	(708,000)	0
Total Other Financing Sources (Uses)	<u>(650,000)</u>	<u>(708,000)</u>	<u>(708,000)</u>	<u>0</u>
Net Change in Fund Balance	(640,556)	(500,737)	(423,118)	77,619
Fund Balance (Deficit) at Beginning of Year	3,060,878	3,051,285	3,051,285	0
Prior period adjustment	0	0	0	0
Fund Balance (Deficit) at End of Year	<u>\$2,420,322</u>	<u>\$2,550,548</u>	<u>\$2,628,167</u>	<u>\$77,619</u>

Notes to the Schedule

(1) method of budgetary accounting - GAAP

Bienville Parish Hospital Service District No. 2
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
Family Clinic Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts GAAP Basis	Favorable (Unfavorable) Variance
	Original	Final		
REVENUES				
Fees and charges for services	\$1,526,000	\$1,326,500	\$1,279,031	(\$47,469)
Use of money and property				0
Total Revenues	<u>1,526,000</u>	<u>1,326,500</u>	<u>1,279,031</u>	<u>(47,469)</u>
EXPENDITURES				
General government:				
Personnel services	812,700	812,700	832,061	(19,361)
Operating services	1,183,901	993,541	967,150	26,391
Materials and supplies	96,000	55,000	56,420	(1,420)
Capital outlay				0
Total Expenditures	<u>2,092,601</u>	<u>1,861,241</u>	<u>1,855,631</u>	<u>5,610</u>
Excess (Deficiency) of Revenues over Expenditures	(566,601)	(534,741)	(576,600)	(41,859)
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	600,000	600,000	600,000	0
ARP grant				0
Total Other Financing Sources (Uses)	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>0</u>
Net Change in Fund Balance	33,399	65,259	23,400	(41,859)
Fund Balance (Deficit) at Beginning of Year	1,418,139	1,350,911	1,350,911	0
Prior period adjustment				0
Fund Balance (Deficit) at End of Year	<u>\$1,451,538</u>	<u>\$1,416,170</u>	<u>\$1,374,311</u>	<u>(\$41,859)</u>

Notes to the Schedule

(1) method of budgetary accounting - GAAP

Bienville Parish Hospital Service District No. 2
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
Wellness Center Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts GAAP Basis	Favorable (Unfavorable) Variance
	Original	Final		
REVENUES				
Fees and charges for services	\$50,630	\$61,138	\$60,522	(\$616)
Use of money and property	0	0	0	0
Total Revenues	50,630	61,138	60,522	(616)
EXPENDITURES				
General government:				
Personnel services	65,800	66,425	65,623	802
Operating services	66,500	84,761	65,733	19,028
Materials and supplies	10,000	12,000	6,530	5,470
Capital outlay			18,749	(18,749)
Total Expenditures	142,300	163,186	156,635	6,551
Excess (Deficiency) of Revenues over Expenditures	(91,670)	(102,048)	(96,113)	5,935
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	100,000	108,000	108,000	0
Total Other Financing Sources (Uses)	100,000	108,000	108,000	0
Net Change in Fund Balance	8,330	5,952	11,887	5,935
Fund Balance (Deficit) at Beginning of Year	25,480	27,289	27,289	0
Fund Balance (Deficit) at End of Year	\$33,810	\$33,241	\$39,176	\$5,935

Notes to the Schedule

(1) method of budgetary accounting - GAAP

OTHER SUPPLEMENTAL SCHEDULES

Bienville Parish Hospital Service District No. 2
Schedule of Compensation Paid Board Members
For the Year Ended December 31, 2023

<u>Board Member</u>	<u>Amount</u>
Dan Madden	\$675
Gary Gantt	675
Randy Wright	750
Shirley Payne	825
John Fontenot	900
Sharon Jackson	675
Moselene Green	900
Total	<u>\$5,400</u>

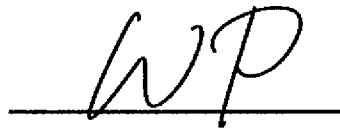
Bienville Parish Hospital Service District No. 2
Schedule of Compensation, Benefits and Other Payments
to Agency Head
For the Year Ended December 31, 2023

Schedule 5

Agency Head Name: Lee Locke

<u>Purpose</u>	<u>Amount</u>
Salary	\$81,200
Benefits-insurance	10,610
Benefits-medicare	1,157
Benefits-social security	4,948
Per diem	340
Continuing education fees	145
Housing and Lodging fees	373

OTHER REPORTS



Wade & Perry, CPAs
A Professional Accounting Corporation
Members: AICPA/ Society of LCPA's

Report on Compliance and Other Matters and on Internal Control
over Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Board of Commissioners
Bienville Parish Hospital District No. 2
Arcadia, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities of Bienville Parish Hospital District No. 2 ("District") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 24, 2024.

Internal Control Over Financial Reporting

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

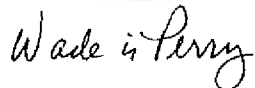
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.



Ruston, Louisiana
June 24, 2024

Bienville Parish Hospital Service District No. 2
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the general purpose financial statements of the District.
2. No instance of noncompliance material to the financial statements of the District was disclosed during the audit.
3. No significant deficiency relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control.

B. Financial Statements Findings

None

Bienville Parish Hospital Service District No. 2
Summary of Prior Year Findings
For the Year Ended December 31, 2023

A. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

None

WP

Wade & Perry, CPAs

A Professional Accounting Corporation
Members: AICPA/ Society of LCPA's

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2023

To the Governing Board of the Bienville Parish Hospital Service District #2 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 January 1, 2023 through December 31, 2023. The Bienville Parish Hospital Service District #2's management is responsible for those C/C areas identified in the SAUPs.

The Bienville Parish Hospital Service District #2 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 January 1, 2023 through December 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

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **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.
 - c) **Disbursements**, including processing, reviewing, and approving.

- d) **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).
- e) **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.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) **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).
- i) **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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **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.
- l) **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.

Written policies and procedures were obtained and address the functions listed above except as otherwise noted. There is no written policy specifically regarding the adoption of the budget. There is no mention of documentation requirements or requires approvers for travel and expense reimbursements. Regarding ethics, the policy does not reference the prohibitions contained in LRS 42:1111-1121. There is also no mention of actions to be taken if an ethics violation occurs. There is no mention in the ethics policy that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. There are no policies and procedures for debt service that address the requirements above.

2) Board or Finance Committee

2. Obtain and inspect 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. Observe 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.
No exceptions
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe 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.*
No exceptions
 - iii. For governmental entities, obtain the prior year audit report and observe 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, observe 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.
No exceptions

- iv. Observe 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.

No exceptions

3) Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

No exceptions

- ii. Bank reconciliations include 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 within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

No exceptions

- 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.

No exceptions

4) Collections (excluding electronic funds transfers)

- A. Obtain 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 select 5 deposit sites (or all deposit sites if less than 5).

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect 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 observe that job duties are properly segregated at each collection location such that
- i. Employees responsible for cash collections do not share cash drawers/registers;
No exceptions
 - 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;
No exceptions
 - 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
No exceptions
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
No exceptions
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
No exceptions
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and
- i. Observe that receipts are sequentially pre-numbered.
Not applicable

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
No exceptions
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
No exceptions
- iv. Observe 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).
No exceptions
- v. Trace the actual deposit per the bank statement to the general ledger.
No exceptions

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

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 9. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe 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;
No exceptions
 - ii. At least two employees are involved in processing and approving payments to vendors;
No exceptions
 - 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;
No exceptions

- 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
No exceptions
 - 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.
No exceptions
10. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
- i. Observe 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
No exceptions
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
No exceptions
11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe 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. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*
No exceptions

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

- A. Obtain 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. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
- a) Observe 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 (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
No exceptions
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
No exceptions
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe 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). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.
- (1) No exceptions
 - (2) 1 invoice did not contain a clear business purpose
 - (3) No exceptions

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

- A. Obtain 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 select 5 reimbursements and obtain 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, observe 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);
No exceptions
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
Not applicable; per diem rates were used
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
No exceptions
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
2 of the 5 disbursements were not reviewed and approved in writing.

8) Contracts

- A. Obtain 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. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
Not required
- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
No exceptions
- iii. If the contract was amended (e.g., change order), observe 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
No changes were made
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.
No exceptions

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
No exceptions
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
No exceptions
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
No exceptions

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exceptions

- C. Obtain 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 select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

Only 1 employee received a termination payment.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

- a. Observe 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

No exceptions

- b. Observe 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.

The policy did change during the year, but there is no documentation that each employee and official were notified of the changes.

- 23. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

An ethics designee has been appointed.

11) Debt Service

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

Not applicable

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree 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).

No exceptions

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe 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.

Management represented the list obtained is complete.

- B. Observe 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.

No exceptions

13) Information Technology Disaster Recovery/Business Continuity

A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- i. Obtain and inspect 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 observe 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.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect 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 observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates 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.

We performed the procedure and discussed the results with management.

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

There is no evidence to show that the one terminated employee in 2023 was removed and disabled from the network.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedure and discussed the results with management.

14) *Prevention of Sexual Harassment*

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe 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.

No exceptions

- B. Observe 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).

No exceptions

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report 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;

13; 100%

- ii. Number of sexual harassment complaints received by the agency;

0

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

0

iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

0

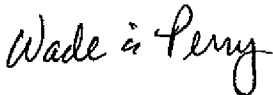
v. Amount of time it took to resolve each complaint.

No complaints were received.

We were engaged by the Bienville Parish Hospital Service District #2 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 the Bienville Parish Hospital Service District #2 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.



Ruston, LA

June 24, 2024

Bienville Parish Hospital Service District #2
PO Box 766
Arcadia, LA 71001

June 24, 2024

Wade & Perry, CPAs
Ruston, LA

The following is Management's Response to the 2023 AUP report submitted for Bienville Parish Hospital Service District #2.

Written policies and procedures

1. a) Management will work toward updating its budgeting policy concerning specifics for adopting the budget.
- g) Management will work toward updating its travel and expense reimbursement policy to include documentation requirements and required approvers.
- 10) Management will work towards updating its ethics policy to include prohibitions contained in LRS 42:1111-1121. They will also update the ethics policy to include actions to be taken when an ethics violation occurs. Lastly, the ethics policy will be updated to require that all employees, including elected officials, will annually attest through signature verification that they have read the entity's ethics policy.
- 11) Management will work toward writing a more detailed policy concerning debt service.

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

- C. 2) Management will work toward including a written business purpose for each card purchase.

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

- A. iv) Management will work toward having all such reimbursements reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Ethics

- A. b) Management will work toward notifying each employee and official of any changes to the entity's ethics policy during the year.

Information Technology Disaster Recovery/Business Continuity

- B. Management will work toward ensuring terminated employees are removed or disabled from the network.