Hospital Service District No. 1

A Component Unit of Iberia Parish, State of Louisiana

(d/b/a Iberia Medical Center)

Independent Auditor’s Reports and Financial Statements

September 30, 2021 and 2020

Hospital Service District No. 1
A Component Unit of Iberia Parish, State of Louisiana
(d/b/a Iberia Medical Center)
September 30, 2021 and 2020

Contents

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Independent Auditor's Report

Board of Commissioners
Hospital Service District No. 1
A Component Unit of Iberia Parish, State of Louisiana
(d/b/a Iberia Medical Center)
New Iberia, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Hospital Service District No. 1, a Component Unit of Iberia Parish, State of Louisiana (d/b/a Iberia Medical Center) (Medical Center), as of and for the years ended September 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Medical Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Medical Center as of September 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Medical Center's basic financial statements. The Schedule of Compensation, Reimbursements, Benefits and Other Payments to Chief Executive Officer and Schedule of Insurance Policies listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The Schedule of Compensation, Reimbursements, Benefits and Other Payments to Chief Executive Officer is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 Schedule of Compensation, Reimbursements, Benefits and Other Payments to Chief Executive Officer is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Insurance Policies has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2022, on our consideration of the Medical Center's internal control over financial reporting and 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 the Medical Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Medical Center's internal control over financial reporting and compliance.

BKD, LLP

Dallas, Texas
February 3, 2022

Hospital Service District No. 1
A Component Unit of Iberia Parish, State of Louisiana
(d/b/a Iberia Medical Center)
Management's Discussion and Analysis
Years Ended September 30, 2021 and 2020

Introduction

This management's discussion and analysis of the financial performance of Hospital Service District No. 1, a component unit of Iberia Parish, State of Louisiana (d/b/a Iberia Medical Center) (Medical Center), provides an overview of the Medical Center's financial activities for the years ended September 30, 2021 and 2020. All amounts described are approximate. It should be read in conjunction with the accompanying financial statements of the Medical Center.

Financial Highlights

- Cash and cash held under bond trust indenture decreased by $8,562,000 or 15.6 percent in 2021 compared to 2020 which increased by $21,773,000 or 65.7 percent in 2020 compared to 2019.
- The Medical Center's net position increased $8,665,000 or 18.8 percent in 2021 and increased $3,816,000 or 9.0 percent in 2020.
- The Medical Center reported operating income in 2021 of $4,377,000 and operating income in 2020 of $3,171,000, an increase in income of $1,206,000 or 38.0 percent. The operating income in 2020 increased by $1,305,000 or 69.9 percent compared to the operating income reported in 2019.
- Net nonoperating revenues increased by $3,643,000 or 565.6 percent in 2021 compared to 2020 and net nonoperating revenues increased $1,176,000 or 221.1 percent in 2020 compared to 2019.

Using This Annual Report

The Medical Center's financial statements consist of three statements – a balance sheet; a statement of revenues, expenses and changes in net position; and a statement of cash flows. These statements provide information about the activities of the Medical Center, including resources held by the Medical Center but restricted for specific purposes by creditors, contributors, grantors or enabling legislation. The Medical Center is accounted for as a business-type activity and presents its financial statements using the economic resources measurement focus and the accrual basis of accounting.

The Balance Sheet and Statement of Revenues, Expenses and Changes in Net Position

One of the most important questions asked about any hospital's finances is, "Is the entity as a whole better or worse off as a result of the year's activities?" The balance sheet and the statement of revenues, expenses and changes in net position report information about the Medical Center's resources and its activities in a way that helps answer this question. These statements include all restricted and unrestricted assets, deferred outflows of resources and all liabilities and deferred inflows of resources using the accrual basis of accounting. Using the accrual basis of accounting means that all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Medical Center's net position and changes in it. The Medical Center's total net position, the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one measure of the Medical Center's financial health or financial position. Over time, increases or decreases in the Medical Center's net position are an indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors, such as changes in the Medical Center's patient base, changes in legislation and regulations, measures of the quantity and quality of services provided to its patients and local economic factors should also be considered to assess the overall financial health of the Medical Center.

The Statement of Cash Flows

The statement of cash flows reports cash receipts, cash payments and net changes in cash and cash equivalents resulting from three defined types of activities. It provides answers to such questions as where cash came from, what was cash used for and what was the change in cash and cash equivalents during the reporting period.

The Medical Center's Net Position

The Medical Center's net position is the difference between its assets and deferred outflows of resources and liabilities and deferred inflows of resources reported in the balance sheet. The Medical Center's net position increased by $8,665,000 or 18.8 percent in 2021 over 2020 and increased by $3,816,000 or 9.0 percent in 2020 over 2019, as shown in *Table 1*. The Medical Center's increase in net position in 2021 as compared to 2020 was due to recognition of additional Provider Relief Funds and a reduction in pension expense due to plan asset performance during 2021.

Hospital Service District No. 1
A Component Unit of Iberia Parish, State of Louisiana
(d/b/a Iberia Medical Center)
Management's Discussion and Analysis
Years Ended September 30, 2021 and 2020

Table 1: Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

	2021	2020	2019
Assets			
Cash and cash held under bond trust indenture	$ 46,360,735	$ 54,922,606	$ 33,149,512
Patient accounts receivable, net	11,680,136	10,786,019	10,700,970
Other current assets	10,659,510	8,792,014	9,849,748
Capital assets, net	44,826,463	41,689,360	39,543,049
Net pension asset	8,102,788	-	-
Other noncurrent assets	482,297	567,782	539,926
Total assets	122,111,929	116,757,781	93,783,205
Deferred Outflows of Resources	7,902,286	6,238,846	18,095,805
Total assets and deferred outflows of resources	$ 130,014,215	$ 122,996,627	$ 111,879,010
Liabilities			
Long-term debt	$ 32,626,948	$ 33,159,558	$ 34,798,482
Net pension liability	-	228,408	20,910,706
Other current and noncurrent liabilities	25,378,517	32,805,186	12,514,589
Total liabilities	58,005,465	66,193,152	68,223,777
Deferred Inflows of Resources	17,147,442	10,606,675	1,273,936
Net Position			
Net investment in capital assets	16,694,254	15,385,929	14,529,268
Restricted expendable	4,832,252	4,899,942	4,616,755
Restricted for pension	8,102,788	-	-
Unrestricted	25,232,014	25,910,929	23,235,274
Total net position	54,861,308	46,196,800	42,381,297
Total liabilities, deferred inflows of resources and net position	$ 130,014,215	$ 122,996,627	$ 111,879,010

The most significant changes in the Medical Center's financial position in 2021 resulted from the change in net pension liability of $228,000 in 2020 to a net pension asset of $8,103,000 in 2021. The change from a net pension liability to a net pension asset in 2021 was primarily due to favorable returns on the plan assets.

The Medical Center's cash and cash held under bond indenture decreased $8,562,000 or 15.6 percent from 2020 to 2021 due to the recoupment of the Medicare Advance Payments received in 2020 and additional incremental costs incurred during 2021 to provide care to patients throughout the COVID-19 pandemic.

The Medical Center's other current and noncurrent liabilities decreased $7,427,000 or 22.6 percent from 2020 to 2021 due to the recognition of Provider Relief Funds of $5,135,000 and payback of $3,084,000 of Medicare Advance Payments in 2021. Provider Relief Funds and Medicare Advance Payments are discussed more fully in *Note 17*.

The deferred inflows of resources increased from the prior year due to the net difference between projected and actual earnings on pension plan investments. Further discussion of pension balances are in *Note 14*.

The most significant changes in the Medical Center's financial position in 2020 was the increase in cash and cash held under bond trust indenture, the increase in other current and noncurrent liabilities. In addition, the net pension liability and deferred outflows of resources decreased significantly and the increase in deferred inflows of resources due to changes in actuarial estimates as of the measurement date of December 31, 2019.

The Medical Center's cash and cash held under bond indenture increased $21,773,000 or 65.7 percent from 2019 to 2020 due to the receipt of Medicare Advance Payments of $14,885,000 (to be recouped through October 2022) and Provider Relief Funds received of $6,328,000.

The Medical Center's other current noncurrent liabilities increased $20,291,000 or 162.1 percent from 2019 to 2020 due to the Medicare Advance Payments of $14,885,000 and Provider Relief Funds received and unearned of $5,035,000 as of September 30, 2020.

The decrease in the net pension liability of $20,682,000, was the result of the pension plan assets performing better than projected. This benefit resulted in a decrease in the deferred outflow of resources of $11,857,000 and an increase in the deferred inflows of resources of $9,333,000.

Hospital Service District No. 1
A Component Unit of Iberia Parish, State of Louisiana
(d/b/a Iberia Medical Center)
Management's Discussion and Analysis
Years Ended September 30, 2021 and 2020

Table 2: Operating Results and Changes in Net Position

	2021	2020	2019
Operating Revenues			
Net patient service revenue	$ 93,177,358	$ 85,810,029	$ 85,458,504
Other operating revenues	18,670,203	19,630,215	17,050,003
Total operating revenues	111,847,561	105,440,244	102,508,507
Operating Expenses			
Pension expense	954,828	4,608,880	8,231,760
Salaries, wages and employee benefits	44,661,151	41,906,597	43,506,051
Total salaries, wages and employee benefits	45,615,979	46,515,477	51,737,811
Supplies, professional fees and purchased services	57,251,498	51,741,324	45,088,109
Depreciation and amortization	4,602,606	4,012,056	3,816,210
Total operating expenses	107,470,083	102,268,857	100,642,130
Operating Income	4,377,478	3,171,387	1,866,377
Nonoperating Revenues (Expenses)			
Interest income	90,982	222,325	247,103
Interest expense	(1,107,509)	(1,108,062)	(846,551)
Income from investments in joint ventures	168,919	213,926	153,581
Provider Relief Funds	5,134,638	1,315,927	-
Bond issue costs	-	-	(85,998)
Total nonoperating revenues (expenses)	4,287,030	644,116	(531,865)
Increase in Net Position	$ 8,664,508	$ 3,815,503	$ 1,334,512

Operating Results

The first component of the overall change in the Medical Center's net position is its operating income – generally, the difference between net patient service and other operating revenues and the expenses incurred to perform those services. In the past 20 years, excluding 2016, the Medical Center has reported an operating gain. The 2016 operating results were impacted by an anticipated increase in expenses due to the acquisition and licensure of a second hospital campus. In 2021, the Medical Center reported operating income of $4,377,000. See below for components that make up operating income in the current year.

Operating income of $4,377,000 increased in 2021 by $1,206,000 or 38.0 percent as compared to the operating income of $3,171,000 in 2020. The primary components of the increase in operating income in the current year are shown below:

- An increase in net patient service revenue of $7,367,000 or 8.6 percent
- A decrease in pension expense of $3,654,000 or 79.3 percent
- An increase in salaries, wages and employee benefits (excluding pension expense) of $2,755,000 or 6.6 percent
- An increase in supplies and other expense of $5,510,000 or 10.6%

Patient care services provided by the Medical Center for the years ended September 30, 2021, 2020, and 2019, are as follows:

	2021	2020	2019
Patient Care Services Provided			
Inpatient days (acute and psych)	21,605	19,401	20,208
Inpatient days (rehab)	2,528	2,509	2,174
Surgery cases	3,927	3,736	5,102
Emergency room visits	33,644	32,858	37,452
Employed physician clinic visits	45,741	44,543	48,344
Outpatient rehab therapy visits	17,975	15,785	17,972
Other outpatient visits	84,411	76,357	88,236
Increase From Prior Year As A Percentage			
Inpatient days (acute and psych)	11.36%	-3.99%	
Inpatient days (rehab)	0.76%	15.41%	
Surgery cases	5.11%	-26.77%	
Emergency room visits	2.39%	-12.27%	
Employed physician clinic visits	2.69%	-7.86%	
Outpatient rehab therapy visits	13.87%	-12.17%	
Other outpatient visits	10.55%	-13.46%	

The increase in various visits and days was largely due to the restoration of elective patient services provided during 2021, as 2020 volumes were impacted significantly by the incidence of COVID-19 as a global pandemic. The shelter-in-place orders and other measures mandated by the state during 2020 resulted in overall reductions in patient volumes during the year ended September 30, 2020.

Below is a summary of operating expenses as a percent of operating revenues for 2021, 2020, and 2019.

	2021	2020	2019
Operating Revenues	100.0%	100.0%	100.0%
Operating Expenses			
Total salaries, wages and employee benefits	40.8%	44.1%	50.5%
Supplies, professional fees and purchased services	51.2%	49.1%	44.0%
Depreciation and amortization	4.1%	3.8%	3.7%
Total operating expenses	96.1%	97.0%	98.2%
Operating Income	3.9%	3.0%	1.8%

Salaries, wages and employee benefits, excluding pension expense, increased $2,755,000 or 6.6 percent due to overall increased wages associated with increased volumes and additional compensation paid to employees during the year. Pension expense decreased largely due to favorable plan asset performance in the current year. The Medical Center's pension expense decreased $3,654,000 or 79.3 percent in 2021, due to the performance of the plan assets compared to actuarily projected amounts during the year. Further discussion about the pension balances are included in *Note 14*.

Supplies, purchased services and professional fees expense increased $5,510,000 from 2020 to 2021 due to an increase in contract labor at higher rates than previous years and overall increase in supplies and drug costs due to the COVID-19 pandemic.

The operating income in 2020 of $3,171,000 increased as compared to the operating income reported in 2019 of $1,866,000, an increase of $1,305,000 or 70 percent. The increase in operating income from 2019 to 2020 was primarily the result of a decrease in pension expense of $3,623,000 or 44.0 percent, due to the performance of the plan assets compared to actuarily projected amounts during the year.

Nonoperating Revenues and Expenses

Nonoperating revenues and expenses consist primarily of interest income, interest expense, income from investments in joint ventures and Provider Relief Fund revenues. The largest change in nonoperating revenues in 2021 as compared to 2020 is recognition of $5,135,000 of Provider Relief Funds received during 2020 associated with COVID-19. Interest expense of $1,108,000 in 2021 remained consistent with interest expense in 2020. Income from investment in joint ventures in 2021 of $169,000 decreased from $214,000 in 2020, or 21 percent due to a decline in volumes and an increase in supply expenses related to the Covid-19 pandemic.

The Medical Center's Cash Flows

Changes in the Medical Center's operating and investing cash flows are consistent with changes in operating income and loss and nonoperating revenues and expenses for 2021, 2020, and 2019, discussed earlier. The change in capital and related financing and noncapital financing activities in 2021 and 2020 was related to the Provider Relief Funds received in 2020.

Capital Assets and Debt Administration

Capital Assets

At the end of 2021 and 2020, the Medical Center had $44,826,000 and $41,689,000, respectively, invested in capital assets, net of accumulated depreciation, as detailed in *Note 9* to the financial statements. In 2021 and 2020, the Medical Center purchased new property and equipment totaling $7,705,000 and $6,130,000, respectively.

Debt

At September 30, 2021 and 2020, the Medical Center had $32,627,000 and $33,160,000, respectively, in revenue bonds and capital lease obligations outstanding. The Medical Center's formal debt issuances and revenue bonds are subject to limitations imposed by state law. The Medical Center continued to make principal payments on outstanding long-term debt and capital lease obligations in 2021 totaling $2,364,000.

Contacting the Medical Center's Financial Management

This financial report is designed to provide the Medical Center's patients, suppliers and creditors with a general overview of the Medical Center's finances and to show the Medical Center's accountability for the money it receives. Questions about this report and requests for additional financial information should be directed to the Medical Center Administration by telephoning 337.364.0441.

Hospital Service District No. 1
A Component Unit of Iberia Parish, State of Louisiana
(d/b/a Iberia Medical Center)
Balance Sheets
September 30, 2021 and 2020

Assets and Deferred Outflows of Resources

	2021	2020
Current Assets		
Cash	$ 36,355,164	$ 42,747,379
Cash held under bond trust indenture, current portion	2,886,509	2,789,491
Patient accounts receivable, net of allowance; 2021 – $8,091,000, 2020 – $9,027,000	11,680,136	10,786,019
Estimated amounts due from third-party payers	760,345	375,146
Supplies	4,099,505	3,179,381
Prepaid expenses and other receivables	5,799,660	5,237,487
Total current assets	61,581,319	65,114,903
Noncurrent Cash		
Held by trustee for debt service	4,832,252	4,899,942
Held by trustee for capital acquisitions	5,173,319	7,275,285
	10,005,571	12,175,227
Less amount required to meet current obligations	(2,886,509)	(2,789,491)
	7,119,062	9,385,736
Capital Assets, Net	44,826,463	41,689,360
Investments in Joint Ventures	482,297	567,782
Net Pension Asset	8,102,788	-
Total assets	122,111,929	116,757,781
Deferred Outflows of Resources - Pension	7,902,286	6,238,846
Total assets and deferred outflows of resources	$ 130,014,215	$ 122,996,627

Liabilities, Deferred Inflows of Resources and Net Position

	2021	2020
Current Liabilities		
Current maturities of long-term debt	$ 2,543,646	$ 2,203,461
Accounts payable and accrued expenses	7,129,474	7,172,584
Accrued salaries, wages and benefits	5,947,196	5,262,500
Estimated amounts due to third-party payers	500,139	450,249
Provider Relief Funds received in advance	-	5,034,638
Medicare advance payments, current portion	9,917,780	3,106,783
Total current liabilities	26,038,235	23,230,215
Medicare Advance Payments, Noncurrent	1,883,928	11,778,432
Net Pension Liability	-	228,408
Long-term Debt	30,083,302	30,956,097
Total liabilities	58,005,465	66,193,152
Deferred Inflows of Resources - Pension	17,147,442	10,606,675
Net Position		
Net investment in capital assets	16,694,254	15,385,929
Restricted expendable	4,832,252	4,899,942
Restricted for pension	8,102,788	-
Unrestricted	25,232,014	25,910,929
Total net position	54,861,308	46,196,800
Total liabilities, deferred inflows of resources and net position	$ 130,014,215	$ 122,996,627

Hospital Service District No. 1
A Component Unit of Iberia Parish, State of Louisiana
(d/b/a Iberia Medical Center)
Statements of Revenues, Expenses and Changes in Net Position
Years Ended September 30, 2021 and 2020

	2021	2020
Operating Revenues		
Net patient service revenue, net of provision for uncollectible accounts; 2021 - $6,968,000 2020 - $9,058,000	$ 93,177,358	$ 85,810,029
Other	18,670,203	19,630,215
Total operating revenues	111,847,561	105,440,244
Operating Expenses		
Salaries and wages	39,487,297	36,573,768
Employee benefits	6,128,682	9,941,709
Purchased services and professional fees	21,180,696	19,254,471
Supplies and other	34,246,672	30,967,794
Insurance	1,824,130	1,519,059
Depreciation and amortization	4,602,606	4,012,056
Total operating expenses	107,470,083	102,268,857
Operating Income	4,377,478	3,171,387
Nonoperating Revenues (Expenses)		
Interest income	90,982	222,325
Interest expense	(1,107,509)	(1,108,062)
Income from investments in joint ventures	168,919	213,926
Provider Relief Funds	5,134,638	1,315,927
Total nonoperating revenues (expenses)	4,287,030	644,116
Increase in Net Position	8,664,508	3,815,503
Net Position, Beginning of Year	46,196,800	42,381,297
Net Position, End of Year	$ 54,861,308	$ 46,196,800

Hospital Service District No. 1
A Component Unit of Iberia Parish, State of Louisiana
(d/b/a Iberia Medical Center)
Statements of Cash Flows
Years Ended September 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Receipts from and on behalf of patients	$ 89,449,273	$ 100,627,976
Payments to suppliers and contractors	(58,862,630)	(50,777,959)
Payments to employees	(48,385,152)	(47,292,173)
Other receipts, net	18,201,123	21,661,856
Net cash provided by operating activities	402,614	24,219,700
Cash Flows from Noncapital Financing Activities		
Noncapital grants	-	22,504
Cash received from Provider Relief Funds	100,000	6,328,061
Net cash provided by noncapital financing activities	100,000	6,350,565
Cash Flows from Capital and Related Financing Activities		
Repayment of amounts due under revenue bonds payable	(1,775,000)	(1,730,000)
Repayments of capital lease obligations	(588,842)	(316,924)
Interest paid on debt and capital lease obligations	(1,296,697)	(861,762)
Purchase of capital assets	(5,614,047)	(6,148,237)
Net cash used in capital and related financing activities	(9,274,586)	(9,056,923)
Cash Flows from Investing Activities		
Interest income	90,982	222,325
Distributions received from joint ventures	119,119	37,427
Net cash provided by investing activities	210,101	259,752
Increase (Decrease) in Cash	(8,561,871)	21,773,094
Cash, Beginning of Year	54,922,606	33,149,512
Cash, End of Year	$ 46,360,735	$ 54,922,606

Hospital Service District No. 1
A Component Unit of Iberia Parish, State of Louisiana
(d/b/a Iberia Medical Center)
Statements of Cash Flows (Continued)
Years Ended September 30, 2021 and 2020

	2021	2020
Reconciliation of Cash to the Balance Sheets		
Cash	$ 36,355,164	$ 42,747,379
Cash held under bond indenture, current portion	2,886,509	2,789,491
Cash held under bond indenture, noncurrent portion	7,119,062	9,385,736
Total cash	$ 46,360,735	$ 54,922,606
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	$ 4,377,478	$ 3,171,387
Depreciation and amortization	4,602,606	4,012,056
Amortization of deferred inflows and outflows related to net pension liability	(2,867,069)	201,202
Provision for uncollectible accounts	6,968,149	9,058,365
Loss on disposal of capital assets	865	-
Changes in operating assets and liabilities		
Patient accounts receivable, net	(7,862,266)	(9,143,414)
Estimated amounts due from and to third-party payers	(335,309)	(195,652)
Accounts payable and accrued expenses	571,352	437,033
Medicare Advance Payment	(3,083,507)	14,885,215
Net pension asset (liability)	(8,331,196)	(20,682,298)
Deferred outflows of resources - pension	(4,929,918)	3,548,183
Deferred inflows of resources - pension	12,674,314	17,440,313
Other assets and liabilities	(1,382,885)	1,487,310
Net cash provided by operating activities	$ 402,614	$ 24,219,700
Supplemental Cash Flows Information		
Capital asset additions in accounts payable	$ 678,580	$ 419,158
Capital lease obligations incurred for capital assets	$ 1,831,232	$ 408,000

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations and Reporting Entity

Hospital Service District No. 1, a component unit of Iberia Parish, State of Louisiana (d/b/a Iberia Medical Center) (Medical Center) is a 166-bed acute care medical center located in New Iberia, Louisiana. The Medical Center is a component unit of Iberia Parish (Parish) and a political subdivision of the State of Louisiana. The Iberia Parish Government Board of Commissioners appoints seven members of a nine-member Board of Commissioners who operate the Medical Center. The additional two members of the Board of Commissioners are appointed by Iberia Medical Center's medical staff. The Medical Center primarily earns revenues by providing inpatient, outpatient and emergency care services to patients in the Parish area.

Iberia Medical Center's opened its initial hospital operations in September 1960. In January 2016, the Medical Center purchased a second hospital building and additional medical office buildings to expand inpatient and outpatient surgical services, behavioral health services, inpatient and outpatient rehabilitation, imaging, laboratory, wound care, physical rehabilitation, cardiac rehabilitation as well as other services to meet the healthcare needs of the Parish. The medical office buildings remained open after the purchase but the hospital building obtained licensure and commenced operations on April 27, 2016.

The Medical Center's financial statements include the operations of Iberia Medical Center Foundation (Foundation). The Foundation is a 501(c)3 nonprofit health organization, established in order to support the Medical Center and is included in the financial statements using the blending method. The financial activity of the Foundation is not significant.

Basis of Accounting and Presentation

The financial statements of the Medical Center have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets, liabilities and deferred inflows and outflows of resources from exchange, and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated or voluntary nonexchange transactions are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions and program-specific, government-mandated or voluntary nonexchange transactions. Government-mandated or voluntary nonexchange transactions that are not program specific (such as investment income and interest on capital asset-related debt) are included in nonoperating revenues and expenses. The Medical Center first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

Use of Estimates

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

Risk Management

The Medical Center 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. Commercial insurance coverage is purchased for claims arising from such matters other than employee health claims. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

The Medical Center is self-insured for a portion of its exposure to risk of loss from employee health claims. An annual estimated provision is accrued for the self-insured portion of employee health claims and includes an estimate of the ultimate costs for both reported claims and claims incurred but not yet reported.

Investments in Joint Ventures

The Medical Center holds a 20 percent interest in New Iberia Surgery Center, which provides outpatient surgery services to the community. This investment is carried on the equity method of accounting. The investment in New Iberia Surgery Center totaled $231,942 and $312,266 as of September 30, 2021 and 2020, respectively, and is included in investments in joint ventures on the accompanying balance sheets.

The Medical Center originally held a 15 percent ownership interest in Acadiana Diagnostic Imaging, LLC, which is a provider of imaging services. On May 1, 2015, the Medical Center purchased an additional 25 percent interest in Acadiana Diagnostic Imaging, LLC for a total of $395,000, increasing the Medical Center's ownership to 40 percent. This transaction resulted in goodwill of $282,536, which is being amortized over 10 years. Unamortized goodwill as of September 30, 2021 and 2020, was $101,242 and $129,496, respectively, and is included in investments in joint ventures on the accompanying balance sheets. Subsequent to the additional purchase of ownership interest in 2015, this investment is accounted for using the equity method of accounting. The investment in Acadiana Diagnostic Imaging, LLC, excluding unamortized goodwill, totaled $130,304 and $83,483 as of September 30, 2021 and 2020, respectively, and is included in investments in joint ventures on the accompanying balance sheets.

As of January 1, 2018, the Medical Center has a 25 percent membership interest in Acadian Homecare of New Iberia, LLC. The investment balance totaled $18,809 and $42,537 as of September 30, 2021 and 2020, respectively.

Using the equity method of accounting, the Medical Center's share of net income (loss) is recognized as nonoperating revenue (expense) in the Medical Center's statements of revenues, expenses and changes in net position and added to the investment account. The investment account is also reduced for any dividends received.

Patient Accounts Receivable

The Medical Center reports patient accounts receivable for services rendered at net realizable amounts from third-party payers, patients and others. The Medical Center provides an allowance for uncollectible accounts based upon a review of outstanding receivables, historical collection information and existing economic conditions.

Supplies

Supply inventories are stated at the lower of cost or market, determined using the first-in, first-out method or market.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation if acquired by gift. Depreciation and amortization is computed using the straight-line method over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are amortized over the shorter of the lease term or their respective estimated useful lives. The following estimated useful lives are being used by the Medical Center:

Land improvements	15 – 25 years
Buildings and leasehold improvements	20 – 40 years
Equipment	3 – 20 years

Cost-Sharing Defined Benefit Pension Plan

The Medical Center participates in a cost-sharing multiple-employer defined benefit pension plan, the Parochial Employees' Retirement System of Louisiana (Plan). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. Benefits payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Compensation Plan

The Medical Center offers a deferred compensation plan through Empower Retirement in accordance with Internal Revenue Code Section 457. The 457 Plan provides employees an option to make pre-tax contributions to their plan. The Medical Center does not have any financial contribution obligations regarding this 457 Plan.

Deferred Outflows/Inflows of Resources

Transactions not meeting the definition of an asset or liability that result in the consumption or acquisition of net position in one period that are applicable to future periods are reported as deferred outflows of resources and deferred inflows of resources.

Compensated Absences

The Medical Center's policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits are earned whether the employee is expected to realize the benefit as time off or in cash. Expense and the related liability for sick leave benefits are recognized when earned to the extent the employee is expected to realize the benefit in cash determined using the termination payment method. Sick leave benefits expected to be realized as paid time off are recognized as expense when the time off occurs, and no liability is accrued for such benefits employees have earned but not yet realized. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the balance sheet date plus an additional amount for compensation-related payments such as social security and Medicare taxes computed using rates in effect at that date.

Net Position

Net position of the Medical Center is classified in four components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Restricted expendable net position is made up of noncapital assets that must be used for a particular purpose, as specified by creditors, grantors or donors external to the Medical Center, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings. Restricted for pension represents assets restricted for providing contributions to the cost-sharing defined benefit pension plan which provides pensions in accordance with the benefit terms of the plan. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

Net Patient Service Revenue

The Medical Center has agreements with third-party payers that provide for payments to the Medical Center at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments and a provision for uncollectible accounts. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such estimated amounts are revised in future periods as adjustments become known.

Charity Care

The Medical Center provides charity care to patients who are unable to pay for services. The amount of charity care is included in net patient service revenue and is not separately classified from the provision for uncollectible accounts.

Income Taxes

As an essential government function of the Parish, the Medical Center is generally exempt from federal and state income taxes under Section 115 of the Internal Revenue Code and a similar provision of state law. The Foundation has been recognized as exempt from income taxes under Section 501 of the Internal Revenue Code and similar provision of state law. However, the Medical Center and the Foundation are subject to federal income tax on any unrelated business taxable income.

Newly Adopted Accounting Pronouncements

GASB released Statement No. 84, *Fiduciary Activities*, and Statement 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32, both of which were effective for the Medical Center's September 30, 2021 fiscal year.

GASB 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

Under GASB 97, Section 457 plans should be accounted for as either a pension plan or other employee benefit plan, if the plan meets the definition of a pension or an other employee benefit plan within GASB 67 or 73. Accounting and financial reporting requirements for 457 plans that meet the definition of pension plan are defined in the Statement.

GASB 97 limits the applicability of the financial burden criterion in GASB 14 regarding contributions to pension and postemployment benefit plans to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts meeting paragraph 3 criteria in GASB 67 or 74. The Statement also changes how the absence of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component units that are pension or OPEB plans. This supersedes certain previous guidance in Statement 84 and Implementation Guide 2019-2.

The Medical Center adopted these standards in fiscal year 2021 and did not identify any fiduciary activities. The effect of the adoption of these standards did not impact the balance sheets, statements of revenues, expenses and changes in net position or cash flows for the years ended September 30, 2021 and 2020.

Note 2: Net Patient Service Revenue

The Medical Center has agreements with third-party payers that provide for payments to the Medical Center at amounts different from its established rates. These payment arrangements include:

Medicare. Inpatient acute care services and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. The Medical Center is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare administrative contractor.

Medicaid. Inpatient services rendered to Medicaid program beneficiaries are paid based on prospectively determined rates. Outpatient services are paid under either a cost reimbursement methodology or using defined allowable charges. The Medical Center is reimbursed for cost reimbursable services at tentative rates with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicaid administrative contractor.

Approximately 59 percent and 62 percent of net patient service revenue is from participation in the Medicare and state sponsored Medicaid programs for the years ended September 30, 2021 and 2020, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

The Medical Center has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Medical Center under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

Note 3: Louisiana Medicaid Enhanced Rates

The Medical Center receives Medicaid payments to provide an opportunity for the Medical Center to receive rates from Medicaid managed care organizations that approximate, based on available data, the rates the Medical Center receives for Medicaid fee-for-service patients. During the year ended September 30, 2021 and 2020, total revenues, net of expenses, recognized by the Medical Center to increase Medicaid managed care payments totaled approximately $6,231,000 and $7,737,000, respectively. As of September 30, 2021 and 2020, outstanding receivables related to these enhanced rates were approximately $2,271,000 and $2,368,000, respectively, which are recorded in prepaid expenses and other receivables in the accompanying balance sheets. These net receipts are recorded as other operating revenues in the accompanying statements of revenue, expenses and changes in net position.

Note 4: Louisiana Supplemental Payment Programs

The Medical Center also ensures the availability of quality healthcare services for the low-income and needy population by making additional transfers to support the Medicaid program. For the years ended September 30, 2021 and 2020, the Medical Center incurred approximately $6,300,000 and $6,200,000, respectively, in costs, which are included in purchased services and professional fees in the accompanying statements of revenues, expenses and changes in net position.

Note 5: Cooperative Endeavor Agreement Program

The Medical Center is party to a cooperative endeavor agreement with other governmental healthcare providers for the purpose of ensuring adequate healthcare services are available for underserved, non-rural populations. The Medical Center receives revenues regarding these services. During the years ended September 30, 2021 and 2020, total revenues recognized by the Medical Center related to this agreement totaled approximately $4,568,000 and $4,215,000, respectively. As of September 30, 2021 and 2020, outstanding receivables related to this agreement was approximately $1,788,000 and $1,152,000, respectively, which are recorded in prepaid expenses and other receivables in the accompanying balance sheets. These receipts are recorded as other operating revenues in the accompanying statements of revenue, expenses and change in net position.

Note 6: Quality and Outcome Improvement Network

The Medical Center became a participant in the Quality and Outcome Improvement Network, Inc. (QIN) during the year ended September 30, 2020. QIN works with hospitals in the state and the Healthy Louisiana Medicaid managed care organizations to improve the availability and quality of care to high-risk Medicaid populations in Louisiana in exchange for supplemental payments for meeting certain quality metrics. Total amounts received associated with the Medical Center's participation in QIN during the years ended September 30, 2021 and 2020 totaled approximately $3,159,000 and $2,979,000, respectively, and is recorded as other operating revenues in the accompanying statements of revenue, expenses and change in net position.

Note 7: Deposits

Custodial credit risk is the risk that in the event of a bank failure a government's deposits may not be returned to it. The Medical Center's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance or other qualified investments in the state of Louisiana. At September 30, 2021 and 2020, the Medical Center's deposits were either insured or collateralized in accordance with state law.

Note 8: Patient Accounts Receivable

The Medical Center grants credit without collateral to its patients, many of whom are area residents and are insured under third-party payer agreements. Patient accounts receivable at September 30, 2021 and 2020, consisted of:

	2021	2020
Medicare	$ 5,607,989	$ 5,250,829
Medicaid	1,442,716	1,799,687
Other third-party payers	4,765,178	4,220,107
Patients	7,955,413	8,542,854
	19,771,296	19,813,477
Less allowance for uncollectible accounts	8,091,160	9,027,458
	$ 11,680,136	$ 10,786,019

Note 9: Capital Assets

Capital assets activity for the years ended September 30, 2021 and 2020, was:

	2021				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land	$ 1,896,704	$ -	$ -	$ -	$ 1,896,704
Land improvements	377,299	33,168	-	4,805	415,272
Buildings and leasehold improvements	57,675,281	245,822	-	2,608,018	60,529,121
Equipment	40,438,146	4,100,806	(45,292)	537,815	45,031,475
Construction in progress	1,659,763	3,324,905	-	(3,150,638)	1,834,030
	102,047,193	7,704,701	(45,292)	-	109,706,602
Less accumulated depreciation	(60,357,833)	(4,566,733)	44,427	-	(64,880,139)
Capital assets, net	$ 41,689,360	$ 3,137,968	$ (865)	$ -	$ 44,826,463

	2020				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land	$ 1,896,704	$ -	$ -	$ -	$ 1,896,704
Land improvements	377,299	-	-	-	377,299
Buildings and leasehold improvements	57,008,133	294,116	-	373,032	57,675,281
Equipment	35,304,957	3,088,700	-	2,044,489	40,438,146
Construction in progress	1,329,987	2,747,297	-	(2,417,521)	1,659,763
	95,917,080	6,130,113	-	-	102,047,193
Less accumulated depreciation	(56,374,031)	(3,983,802)	-	-	(60,357,833)
Capital assets, net	$ 39,543,049	$ 2,146,311	$ -	$ -	$ 41,689,360

As of September 30, 2021, the Medical Center had construction commitments outstanding of $1,071,757 for various construction projects.

Note 10: Medical Malpractice Claims

The Medical Center has joined together with other providers of health care services to form the Louisiana Hospital Association Medical Malpractice and General Liability Trust Fund, a risk pool (Pool) currently operating as a common risk management and insurance program for its members. The Medical Center purchases medical malpractice insurance from the Pool under a claims-made policy. The Medical Center pays an annual premium to the Pool for its torts insurance coverage. The Pool's governing agreement specifies that the Pool will be self-sustaining through member premiums and will reinsure through commercial carriers for claims in excess of stop-loss amounts.

Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon the Medical Center's claims experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

Note 11: Employee Health Claims

Substantially all of the Medical Center's employees and their dependents are eligible to participate in the Medical Center's employee health insurance plan. The Medical Center is self-insured for health claims of participating employees and dependents up to an annual stop-loss limit of $100,000 per employee. Commercial stop-loss insurance coverage is purchased for claims in excess of this amount. A provision is accrued for self-insured employee health claims, including both claims reported, and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims experience, recently settled claims, frequency of claims and other economic and social factors. It is reasonably possible that the Medical Center's estimate will change by a material amount in the near term.

Activity in the Medical Center's accrued employee health claims liability during 2021 and 2020, is summarized as follows:

	2021	2020
Balance, beginning of year	$ 429,586	$ 618,480
Current year claims incurred and changes in estimates for claims incurred in prior years	3,852,329	3,820,262
Claims and expenses paid	(3,733,514)	(4,009,156)
Balance, end of year	$ 548,401	$ 429,586

Note 12: Long-term Obligations

The following is a summary of long-term obligation transactions for the Medical Center for the years ended September 30, 2021 and 2020:

	2021				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Long-term debt					
Revenue bonds payable	$ 31,920,000	$ -	$ 1,775,000	$ 30,145,000	$ 1,920,000
Capital lease obligations	1,239,558	1,831,232	588,842	2,481,948	623,646
Total long-term debt	33,159,558	1,831,232	2,363,842	32,626,948	2,543,646
Other long-term liabilities					
Medicare Advance Payments - *Note 17*	14,885,215	-	3,083,507	11,801,708	9,917,780
Total long-term obligations	$ 48,044,773	$ 1,831,232	$ 5,447,349	$ 44,428,656	$ 12,461,426

	2020				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Long-term debt					
Revenue bonds payable	$ 33,650,000	$ -	$ 1,730,000	$ 31,920,000	$ 1,775,000
Capital lease obligations	1,148,482	408,000	316,924	1,239,558	428,461
Total long-term debt	34,798,482	408,000	2,046,924	33,159,558	2,203,461
Other long-term liabilities					
Medicare Advance Payments - *Note 17*	-	14,885,215	-	14,885,215	3,106,783
Total long-term obligations	$ 34,798,482	$ 15,293,215	$ 2,046,924	$ 48,044,773	$ 5,310,244

Revenue Bonds Payable

Revenue bonds payable consist of the various series of the Iberia Parish, State of Louisiana Hospital Revenue Bonds, as shown below:

Bond Series	Original Issue Amount	Interest Rate	Final Maturity	Balance September 30, 2021	Balance September 30, 2020
Series 2013A	$ 8,265,000	2.48%	November 2023	$ 3,130,000	$ 4,125,000
Series 2013B	$ 3,520,000	2.24%	November 2023	1,310,000	1,730,000
Series 2015A	$ 6,000,000	2.75%	November 2034	4,920,000	5,150,000
Series 2015B	$ 5,180,000	3.48%	November 2035	4,880,000	4,940,000
Series 2015C	$ 5,215,000	4.75%	November 2035	4,905,000	4,975,000
Series 2019	$ 11,000,000	3.15%	November 2034	11,000,000	11,000,000
				$ 30,145,000	$ 31,920,000

During 2013, the Series 2013A and 2013B bonds were issued to refinance the Series 2005C, 2005D, 2005E, 2008, 2009A and 2009B bonds at lower interest rates. The bonds are payable in semi-annual installments of principal and interest through final maturity.

The Series 2013A bonds are payable in annual installments ranging from $1,015,000 to $1,070,000 through November 2023. The Series 2013B bonds are payable in annual installments ranging from $430,000 to $445,000 through November 2023.

During 2016, the Medical Center issued the Series 2015A tax-exempt Hospital Revenue Bonds of $6,000,000, Series 2015B tax-exempt Hospital Revenue Bonds of $5,180,000 and Series 2015C taxable Hospital Revenue Bonds of $5,215,000 for the purpose of making improvements, extensions, additions, renewals, replacements or repairs to the Medical Center.

The Series 2015A bonds are payable in annual installments ranging from $240,000 to $435,000 through November 2034. The Series 2015B bonds are payable in annual installments ranging from $65,000 to $470,000 through November 2035. The Series 2015C bonds are payable in annual installments ranging from $70,000 to $500,000 through November 2035.

During 2019, the Medical Center issued Series 2019 tax-exempt Hospital Revenue Bond of $11,000,000 for the purpose of making purchases of capital equipment, improvements, extensions, additions, renewals, replacements or repairs to the Medical Center.

The Series 2019 bonds are payable in annual installments ranging from $100,000 to $1,170,000 through November 2034.

The bonds are secured by the net revenues of the Medical Center, a mortgage on the Medical Center's property and assets restricted under the bond agreement. The bonds are also secured by a pledge of the general revenues of the Parish should the Medical Center's revenues and other security not be sufficient to pay obligations under the bond agreements.

The bond agreements require that certain funds be established to pay debt service on the bonds. Accordingly, these funds are included as restricted expendable assets under bond agreements. The indenture agreement also requires the Medical Center to comply with certain restrictive covenants, including minimum insurance coverage and maintaining a historical debt-service coverage ratio of at least 1.20 to 1.00. The agreements also require the Parish to maintain days cash on hand in excess of 90 days of expense.

The revenue bonds payable requirements as of September 30, 2021, are as follows:

Year Ending September 30,	Total to be Paid	Principal	Interest
2022	$ 2,886,510	$ 1,920,000	$ 966,510
2023	2,885,396	1,970,000	915,396
2024	2,883,472	2,020,000	863,472
2025	2,475,182	1,725,000	750,182
2026	2,542,644	1,795,000	747,644
2027-2031	12,853,811	10,105,000	2,748,811
2032-2036	11,468,124	10,610,000	858,124
	$ 37,995,139	$ 30,145,000	$ 7,850,139

Capital Lease Obligations

The Medical Center has entered into lease agreements for equipment, which are accounted for as capital leases. Property and equipment include the following property under capital leases at September 30, 2021 and 2020:

	2021	2020
Equipment	$ 3,872,226	$ 2,040,994
Less accumulated depreciation	(1,456,954)	(849,955)
	$ 5,329,180	$ 2,890,949

The following is a schedule by year of future minimum lease payments under capital lease, discounted using interest at rates of 2.74 percent to 7.00 percent, together with the present value of the future minimum lease payments as of September 30, 2021:

Year ending September 30,	
2022	$ 721,041
2023	610,505
2024	429,965
2025	416,045
2026	285,407
Thereafter	274,255
Total minimum lease payments	2,737,218
Less amount representing interest	255,270
Present value of minimum lease payments	$ 2,481,948

Note 13: Operating Leases

Operating leases for medical and office equipment expire in various years through 2023. These leases generally contain renewal options for periods ranging from one to three years and require the Medical Center to pay all executory costs (property taxes, maintenance, and insurance). Rental payments include minimum rentals, plus contingent rentals based on revenues.

Future minimum lease payments at September 30, 2021, were:

2022	$ 80,898
2023	6,741
	$ 87,639

Minimum future rentals receivable under noncancelable sub-operating leases at September 30, 2021, were:

2022	$ 179,354
2023	104,546
2024	26,137
	$ 310,037

Rental expense (income) for all operating subleases consisted of:

	2021	2020
Minimum rentals	$ 758,156	$ 1,158,936
Sublease rental income	(1,181,176)	(1,391,191)
	$ (423,020)	$ (232,255)

Note 14: Pension Plan

Plan Description

The Medical Center contributes to the Parochial Employees' Retirement System (PERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the state of Louisiana (State). PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS is comprised of two distinct plans – Plan A and Plan B – with separate assets and benefit provisions. Employees of the Medical Center are members of Plan A. Benefit provisions are established by state law and may be amended only by the State Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information for PERS that can be obtained at http://www.persla.org/.

Benefits Provided

The Plan provides retirement, disability and death benefits to plan members and their beneficiaries. Retirement benefits for employees are calculated as 3 percent of the plan member's final average compensation multiplied by their years of service. Death benefits are equal to 100 percent of benefits if member is eligible for normal retirement or 60 percent of final compensation if not eligible for normal retirement. Disability retirement benefits are calculated to be equal to the lesser of an amount equal to 3 percent of the member's final average compensation multiplied by their years of services, not to be less than 15, or 3 percent multiplied by years of service assuming continued service to age 60.

For plan members hired prior to January 1, 2007, a member may obtain retirement benefits if any of the following are reached: (a) any age with 30 or more years of creditable service, (b) age 55 with 25 years of creditable service, (c) age 60 with minimum of 10 years of creditable service, (d) age 65 with a minimum of 7 years of creditable service.

For plan members hired after January 1, 2007, a member may obtain retirement benefits if any of the following are reached: (a) age 55 with 30 or more years of service, (b) age 62 with 10 years of service, (c) age 67 with 7 years of service.

The terms of the Plan provide for annual cost of living allowance for the retirees who retired prior to July 1973. The adjustment cannot exceed 2 percent of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Plan may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to 2 percent of the member's benefit paid on October 1, 1977 (or the member's retirement date, if later). Also, the Plan may provide a cost of living increase up to 2.5 percent for retirees 62 and older. Lastly, Act 270 provided for further reduced actuarial payments to provide an annual 2.5 percent cost of living adjustment commencing at age 55.

Contributions

State statute has the authority to establish and amend the contribution requirements of the Medical Center and active employees. According to state statute, the Plan also receives ¼ of 1 percent of ad valorem taxes collected within the respective Parishes, except for Orleans and East Baton Rouge Parishes. The Plan also receives revenue sharing funds each year as appropriated by the State Legislature. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities. As of September 30, 2021 and 2020, employees were required to contribute 9.5 percent of their annual pay.

Contractually required contribution rates for the Medical Center during the years ended September 30, 2021 and 2020 was 12.25 percent.

The employer contribution is actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the years ended September 30, 2021 and 2020, contributions to the Plan from the Medical Center were $4,134,654 and $3,656,081, respectively. The State also made on-behalf contributions to the Plan, of which $388,513 and $392,642 were recognized by the Medical Center for the years ended September 30, 2021 and 2020, respectively; these on-behalf payments did not meet the criteria of a special funding situation.

Pension Assets, Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2021 and 2020, the Medical Center reported an asset of ($8,102,788) and a liability of $228,408, respectively, for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2020 and 2019, respectively. The Medical Center's proportion of the net pension liability (asset) was based on the Medical Center's actual contributions to the plan during the measurement period as compared to the total of all employers' contributions to the Plan during the measurement period.

At December 31, 2020, the Medical Center's proportion of the net pension asset was 4.62 percent, which was a decrease of 0.23 percent from its proportion measured as of December 31, 2019. At December 31, 2019, the Medical Center's proportion was 4.85 percent, which was an increase of 0.14 percent from its proportion measured as of December 31, 2018.

During the 2015 Regular Session of the Louisiana Legislature, Act 370 was approved to allow the Plan to provide a cost-of-living increase from the balance in the system's funding deposit account.

For the years ended September 30, 2021 and 2020, the Medical Center recognized pension expense of $954,828 and $4,608,880, respectively. This expense is included in employee benefits in the accompanying statements of revenues, expenses and changes in net position. At September 30, 2021 and 2020, the Medical Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,972,753	$ 967,114
Changes of assumptions	2,650,978	-
Net difference between projected and actual earnings on pension plan investments	-	15,814,287
Changes in proportion	165,237	366,041
Medical Center's contributions subsequent to the measurement date	3,113,318	-
Total	$ 7,902,286	$ 17,147,442

	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 2,044,746
Changes of assumptions	3,190,004	-
Net difference between projected and actual earnings on pension plan investments	-	8,561,929
Changes in proportion	289,976	-
Medical Center's contributions subsequent to the measurement date	2,758,866	-
Total	$ 6,238,846	$ 10,606,675

At September 30, 2021 and 2020, the Medical Center reported $3,113,318 and $2,758,866, respectively, as deferred outflows of resources related to pensions resulting from the Medical Center's contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the years ended September 30, 2022 and 2021, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources at September 30, 2021, related to pensions will be recognized in pension expense as follows:

2022	$ (3,370,666)
2023	(1,189,344)
2024	(5,120,582)
2025	(2,677,882)
	$ (12,358,474)

Actuarial Assumptions

The total pension liability actuarial valuation was determined using the following actuarial assumptions and applied to all periods included in the measurement:

December 31, 2020	
Inflation	2.30%
Salary increases	4.75% including inflation
Investment rate of return	6.40% net of pension plan investment expense
Mortality rates	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

December 31, 2019	
Inflation	2.40%
Salary increases	4.75% including inflation
Investment rate of return	6.50% net of pension plan investment expense
Mortality rates	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

The actuarial assumptions used in the December 31, 2020 and 2019 valuations were based on the results of actuarial experience studies for the period of January 1, 2013 through December 31, 2017.

Long-term Expected Rate of Return

The long-term expected rate of return used in the December 31, 2020 and 2019 valuations on pension plan investments was determined using a tri-angulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2 percent and an adjustment for the effect of rebalancing/diversification.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	2020 Long-term Expected Real Rate of Return	2019 Long-term Expected Real Rate of Return
Fixed income	33%	0.86%	1.05%
Equity	51%	3.36%	3.41%
Alternatives	14%	0.67%	0.61%
Real assets	2%	0.11%	0.11%
	100%		

Discount Rate

The discount rate used to measure the total pension liability was 6.40 percent and 6.50 percent for the years ended December 31, 2020 and 2019, respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Medical Center's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The Medical Center's proportionate share of the net pension asset at September 30, 2021, has been calculated using a discount rate of 6.40 percent. The following presents the Medical Center's proportionate share of the net pension asset calculated using a discount rate 1 percent higher and 1 percent lower than the current rate.

	1% Decrease (5.40%)	Current Discount Rate (6.40%)	1% Increase (7.40%)
Medical Center's proportionate share of net pension liability (asset)	$ 16,989,178	$ (8,102,788)	$ (29,116,781)

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued PERS' financial report.

Payable to the Pension Plan

At September 30, 2021 and 2020, the Medical Center reported a payable of $1,343,613 and $1,246,335, respectively, for the outstanding amount of the Medical Center's contributions to the Plan required for the years ended September 30, 2021 and 2020. These amounts are included in accounts payable and accrued expenses in the accompanying balance sheets at September 30, 2021 and 2020.

Note 15: Significant Estimates and Contingencies

Litigation

In the normal course of business, the Medical Center is, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by the Medical Center's self-insurance program (discussed elsewhere in these notes) or by commercial insurance; for example, allegations regarding employment practices or performance of contracts. The Medical Center evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of legal counsel, management records an estimate of the amount of ultimate expected loss, if any, for each. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

Self-insured Employee Health Care

Estimates related to the accrual for self-insured employee health claims are discussed in *Note 11*.

Note 16: Related Party Transactions

The Medical Center leases office space to New Iberia Surgery Center, Acadiana Diagnostic Imaging, LLC and Acadian Homecare under operating leases with original expiration dates of November 30, 2021, October 28, 2021 and November 30, 2019, respectively. The leases have automatic month to month or annual renewal options upon expiration. The Acadian Homecare lease space was not renewed upon expiration of November 30, 2019. The New Iberia Surgery Center and Acadiana Diagnostic Imaging lease space were renewed subsequent to September 30, 2021 with extended expiration dates of November 30, 2026 and October 28, 2026, respectively. Amounts received under the lease agreements for during years ended September 30, 2021 and 2020, totaled approximately $74,000 and $77,000, respectively.

The Iberia Parish Council, by a resolution adopted in November 2006, provides the Medical Center use of a building in Jeanerette, Louisiana, for the purpose of providing rural health clinic services. The resolution originally expired October 31, 2018, but was renewed for an additional 3-year period through October 31, 2021. The lease was not extended after October 31, 2021 and the land and building were donated to the Medical Center at the end of the lease in fiscal 2022. Rent expense recorded for the years ended September 30, 2021 and 2020, totaled approximately $1,000 and $1,100, respectively.

The Medical Center purchased diagnostic imaging services from Acadiana Diagnostic Imaging, LLC during 2021 and 2020 totaling approximately $104,000 and $77,000, respectively.

The Medical Center paid sales tax associated with cafeteria sales to the Iberia Parish Government for both years ended 2021 and 2020 totaling approximately, $13,000.

Note 17: COVID-19 Pandemic and CARES Act Funding

On March 11, 2020, the World Health Organization designated the SARS-CoV-2 virus and the incidence of COVID-19 (COVID-19) as a global pandemic. Patient volumes and the related revenues were significantly affected by COVID-19 as various policies were implemented by federal, state, and local governments in response to the pandemic that led many people to remain at home and forced the closure of or limitations on certain businesses, as well as suspended elective procedures by health care facilities.

The Medical Center's pandemic response plan has multiple facets and continues to evolve as the pandemic unfolds. The Medical Center has taken precautionary steps to enhance its operational and financial flexibility and react to the risks the COVID-19 pandemic presents to its business.

In addition, in 2020 and 2021, the Medical Center received approximately $14,885,000 of accelerated Medicare payments and approximately $6,428,000 in general and targeted Provider Relief Fund distributions, both as provided for under the *Coronavirus Aid, Relief, and Economic Security* ("CARES") *Act*.

The extent of the COVID-19 pandemic's adverse effect on the Medical Center's operating results and financial condition has been and will continue to be driven by many factors, most of which are beyond the Medical Center's control and ability to forecast. Such factors include, but are not limited to, government-imposed or recommended suspensions of elective procedures, fluctuations in patient volumes, incremental expenses required for supplies and personal protective equipment, and changes in professional and general liability exposure.

Because of these and other uncertainties, the Medical Center cannot estimate the length or severity of the effect of the pandemic on the Medical Center's business. Potential future decreases in cash flows and results of operations may have an effect on debt covenant compliance and on the inputs and assumptions used in significant accounting estimates, including estimated bad debts and contractual adjustments related to uninsured and other patient accounts.

Provider Relief Fund

During the years ended September 30, 2021 and 2020, the Medical Center received approximately $100,000 and $6,328,000, respectively, related to distributions from the CARES Act Provider Relief Fund. These distributions from the Provider Relief Fund are not subject to repayment, provided the Medical Center is able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for qualifying expenses or lost revenue attributable to COVID-19, as defined by the Department of Health and Human Services (HHS).

The Medical Center is accounting for such payments as conditional contributions. Payments are recognized as contribution revenue once the applicable terms and conditions required to retain the funds have been met. Based on an analysis of the compliance and reporting requirements of the Provider Relief Fund and the effect of the pandemic on the Medical Center's operating revenues and expenses through September 30, 2021 and 2020, the Medical Center recognized $5,134,638 and $1,315,927, respectively, related to the Provider Relief Fund, and these payments are recorded as nonoperating revenue in the statements of revenues, expenses and changes in net position.

The Medical Center will continue to monitor compliance with the terms and conditions of the Provider Relief Fund and the effect of the pandemic on the Medical Center's revenues and expenses. The terms and conditions governing the Provider Relief Funds are complex and subject to interpretation and change. These funds are subject to government oversight, including potential audits, which could impact the Medical Center's ability to retain all of the distributions received.

Subsequent to September 30, 2021, the Medical Center received approximately $1,297,000 of additional Provider Relief Fund distributions.

Medicare Accelerated and Advanced Payment Program

During the year ended September 30, 2020, the Medical Center requested accelerated Medicare payments as provided for in the CARES Act, which allows for eligible health care facilities to request up to six months of advance Medicare payments for acute care hospitals or up to three months of advance Medicare payments for other health care providers. These amounts are expected to be recaptured by CMS according to the payback provisions.

Effective September 30, 2020, the payback provisions were revised and extended the payback period to begin one year after the issuance of the advance payment through a phased payback period approach. The first 11 months of the payback period will be at 25 percent of the remittance advice payment followed by a six-month payback period at 50 percent of the remittance advice payment. After 29 months, CMS expects any amount not paid back through the withhold amounts to be paid back in a lump sum or interest will begin to accrue subsequent to the 29 months at a rate of 4 percent.

During the year ended September 30, 2020, the Medical Center received approximately $14,885,000 from these accelerated Medicare payment requests. During the year ended September 30, 2021, the Medical Center repaid approximately $3,084,000 of the accelerated Medicare payments to CMS. The unapplied amount of accelerated Medicare payment requests of $11,802,000 and $14,885,000 as of September 30, 2021 and 2020, respectively, are recorded in Medicare Advance Payments in the accompanying balance sheets as a liability.

Required Supplementary Information

Hospital Service District No. 1
A Component Unit of Iberia Parish, State of Louisiana
(d/b/a Iberia Medical Center)
Schedule of Medical Center's Proportionate Share of the Net Pension Liability (Asset)
Last 10 Fiscal Years*

	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Medical Center's proportion of net pension liability (asset)	4.621149%	4.852052%	4.711360%	4.348857%	4.283340%	3.723066%	3.932805%
Medical Center's proportionate share of the net pension liability (asset)	$ (8,102,788)	$ 228,408	$ 20,910,706	$ (3,227,924)	$ 8,821,596	$ 9,800,182	$ 1,075,262
Medical Center's covered - employee payroll	$ 30,826,378	$ 30,733,343	$ 28,948,106	$ 28,273,034	$ 25,363,474	$ 21,333,750	$ 21,683,688
Medical Center's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-26.3%	0.7%	72.2%	-11.4%	34.8%	45.9%	5.0%
Plan fiduciary net position as a percentage of the total pension liability	104.00%	99.89%	88.86%	101.98%	94.15%	92.23%	99.15%

Note to Schedule: This schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

Changes of Assumptions:

December 31, 2020
1) Discount rate reduced to 6.40%
2) Inflation rate decreased to 2.30%

December 31, 2019
There were no changes of assumptions since measurement date December 31, 2018.

December 31, 2018
3) Discount rate reduced to 6.50%
4) Inflation rate decreased to 2.40%
5) Projected salary increases decreased to 4.75% (2.40% inflation, 2.35% merit)
6) Mortality table updated based on January 1, 2013 through December 31, 2017 experience study performed on plan data

December 31, 2017
1) Discount rate reduced to 6.75%

December 31, 2016
There were no changes of assumptions since measurement date December 31, 2015.

Hospital Service District No. 1
A Component Unit of Iberia Parish, State of Louisiana
(d/b/a Iberia Medical Center)
Schedule of Medical Center's Proportionate Share of the Net Pension Liability (Asset) Continued
Last 10 Fiscal Years*

December 31, 2015
1) Discount rate reduced to 7.00%
2) Inflation rate decreased to 2.50%
3) Projected salary increases decreased to 5.25% (2.50% inflation, 2.75% merit)
4) Mortality table updated based on January 1, 2010 through December 31, 2014 experience study performed on plan data

Changes in Plan Provisions:

December 31, 2020, 2019, 2018, 2017 and 2016
There were no changes in plan provisions since measurement date December 31, 2015.
December 31, 2015
1) Act 370 was approved in the 2015 Louisiana Legislative Regular Session to allow the Plan to provide a cost-of-living increase from the balance in the system's funding deposit account

* The amounts presented for each fiscal year are determined as of the Medical Center's measurement date of December 31.

Hospital Service District No. 1
A Component Unit of Iberia Parish, State of Louisiana
(d/b/a Iberia Medical Center)
Schedule of Medical Center's Contributions
Last 10 Fiscal Years*

	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015
Actuarially determined contribution	$ 4,134,654	$ 3,656,081	$ 3,519,746	$ 3,323,989	$ 3,327,170	$ 3,219,198	$ 3,166,385
Contribution in relation to the actuarially determined contribution	4,134,654	3,656,081	3,519,746	3,323,989	3,327,170	3,219,198	3,166,385
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Medical Center's covered-employee payroll	$ 33,752,279	$ 30,326,691	$ 30,606,488	$ 28,273,034	$ 26,351,908	$ 24,139,449	$ 21,283,259
Contributions as a percent of covered-employee payroll	12.25%	12.06%	11.50%	11.76%	12.63%	13.34%	14.88%

Note to Schedule: This schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

Changes of Assumptions:

December 31, 2020
1) Discount rate reduced to 6.40%
2) Inflation rate decreased to 2.30%

December 31, 2019
There were no changes of assumptions since measurement date December 31, 2018.

December 31, 2018
3) Discount rate reduced to 6.50%
4) Inflation rate decreased to 2.40%
5) Projected salary increases decreased to 4.75% (2.40% inflation, 2.35% merit)
6) Mortality table updated based on January 1, 2013 through December 31, 2017 experience study performed on plan data

December 31, 2017
1) Discount rate reduced to 6.75%

Hospital Service District No. 1
A Component Unit of Iberia Parish, State of Louisiana
(d/b/a Iberia Medical Center)
Schedule of Medical Center's Contributions (Continued)
Last 10 Fiscal Years*

December 31, 2016
There were no changes of assumptions since measurement date December 31, 2015.
December 31, 2015
1) Discount rate reduced to 7.00%
2) Inflation rate decreased to 2.50%
3) Projected salary increases decreased to 5.25% (2.50% inflation, 2.75% merit)
4) Mortality table updated based on January 1, 2010 through December 31, 2014 experience study performed on plan data

* The amounts presented are determined as of the Medical Center's most recent fiscal year-end.

Other Information

Hospital Service District No. 1
A Component Unit of Iberia Parish, State of Louisiana
(d/b/a Iberia Medical Center)
Schedule of Compensation, Reimbursements, Benefits and Other Payments to Chief Executive Officer
Year Ended September 30, 2021

Agency Head Name: Dionne Viator

Purpose	Amount
Salary	$ 380,569
Benefits-insurance	1,014
Benefits-retirement	39,960
Incentive compensation	22,044
Reimbursements	410
Travel	486
Registration fees	1,756

Hospital Service District No. 1
A Component Unit of Iberia Parish, State of Louisiana
(d/b/a Iberia Medical Center)
Schedule of Insurance Policies
September 30, 2021

Covered Risks	Insurer	Coverage Description	Coverage Amount	Expiration Date
Malpractice and General Liability	Louisiana Hospital Association	Professional Liability	$ 2,500,000	1/1/2022
		Umbrella	9,500,000	1/1/2022
		General Liability	2,500,000	1/1/2022
Louisiana Patient Compensation	Louisiana Hospital Association	Louisiana Patient Compensation	500,000	1/1/2022
Professional Liability	Louisiana Hospital Association	Physicians and Surgeons	300,000	1/1/2022
Workers' Compensation	Louisiana Hospital Association	Coverage A	Statutory	1/1/2022
		Coverage B	1,000,000	1/1/2022
Directors, Officers and Employment Practices	Traveler's Casualty & Surety Company	Liability	4,000,000	1/1/2022
Property	Lloyd's of London	Property Damage	228,080,697	1/1/2022
Crime	Traveler's Casualty & Surety Company	Crime	1,000,000	1/1/2022
Cyber	Houston Casualty Company	Liability	5,000,000	1/1/2022
Auto	Houston Specialty Company	Liability	1,000,000	1/1/2022
Flood	Wright Flood	Building	44,100-500,000	8/2/2022
		Contents	21,000-500,000	8/2/2022

Hospital Service District No. 1
A Component Unit of Iberia Parish, State of Louisiana
(d/b/a Iberia Medical Center)
Schedule of Board Members
September 30, 2021

Name	Office	Residence
Mr. Larry Hensgens, Jr.	Chairman	New Iberia, Louisiana
Kurt O'Brien, M.D.	Vice-Chairman	New Iberia, Louisiana
Ms. Catherine DeBlanc Reaves	Member	New Iberia, Louisiana
Mr. Brock Romero	Member	New Iberia, Louisiana
Dr. Jose Mata	Member	New Iberia, Louisiana
Mr. Lynn Minvielle	Member	New Iberia, Louisiana
Mr. Ronald Jeanlouis	Member	New Iberia, Louisiana
Ms. Aquicline Rener-Arnold	Member	New Iberia, Louisiana
Mr. Rory Romero	Member	New Iberia, Louisiana

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

Independent Auditor's Report

Board of Commissioners
Hospital Service District No. 1
A Component Unit of Iberia Parish, State of Louisiana
(d/b/a Iberia Medical Center)
New Iberia, 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 Hospital Service District No. 1, a Component Unit of Iberia Parish, State of Louisiana (d/b/a Iberia Medical Center) (the Medical Center), which comprise the balance sheet as of September 30, 2021, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated
February 3, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Medical Center'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 the Medical Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Medical Center's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Medical Center'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.

BKD, LLP

Dallas, Texas
February 3, 2022