

HOSPITAL SERVICES DISTRICT NO. 1  
OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL

FINANCIAL REPORT

JUNE 30, 2023 and 2022

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## INDEPENDENT AUDITOR’S REPORT

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Board of Commissioners  
Hospital Services District No. 1  
of the Parish of Avoyelles  
d/b/a Bunkie General Hospital  
Bunkie, Louisiana

### Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Hospital Services District No. 1 of the Parish of Avoyelles d/b/a Bunkie General Hospital (Hospital), a component unit of the Avoyelles Parish Police Jury, as of June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Hospital’s basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Hospital, as of June 30, 2023 and 2022, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Hospital, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Management is responsible for the preparation and fair presentation of 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hospital’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hospital's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hospital's basic financial statements. The supplementary information as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023, on our consideration of the Hospital's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to 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 Hospital'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 Hospital's internal control over financial reporting and compliance.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
December 21, 2023

**BASIC FINANCIAL STATEMENTS**

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a Bunkie General Hospital  
Bunkie, Louisiana

Statement of Net Position  
June 30, 2023 and 2022

	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 3,324,168	\$ 7,510,600
Investments	10,202,068	2,004,729
Accounts receivables, net of allowance for bad debt \$882,113 and \$625,742, for 2023 and 2022, respectively	2,447,646	2,592,242
Due from third party payors	663,706	944,306
Other receivables	446,109	1,056,887
Inventories	487,162	463,219
Prepaid expenses	122,256	105,176
<b>Total current assets</b>	<b>17,693,115</b>	<b>14,677,159</b>
<b>NONCURRENT ASSETS</b>		
Property, plant and equipment, net	4,434,637	3,133,824
<b>Total assets</b>	<b>22,127,752</b>	<b>17,810,983</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	553,545	419,930
Accrued salaries and related withholdings	599,534	323,278
Accrued compensated absences	346,213	363,635
Current portion of long-term debt	264,045	148,039
Due to third party payors	602,161	63,227
Interest payable	2,911	2,911
Unearned revenues	-	831,224
<b>Total current liabilities</b>	<b>2,368,409</b>	<b>2,152,244</b>
<b>NONCURRENT LIABILITIES</b>		
Lease liability	523,522	203,557
<b>Total liabilities</b>	<b>2,891,931</b>	<b>2,355,801</b>
<b>NET POSITION</b>		
Net investment in capital assets	3,644,159	2,779,317
Unrestricted	15,591,662	12,675,865
<b>Total net position</b>	<b>\$ 19,235,821</b>	<b>\$ 15,455,182</b>

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

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a Bunkie General Hospital  
Bunkie, Louisiana

Statement of Revenues, Expenses, and Changes in Net Position  
For the Years Ended June 30, 2023 and 2022

	2023	2022
Operating revenues:		
Net patient service revenues (before provision for bad debts)	\$ 17,170,890	\$ 15,524,369
Less: provisions for bad debts	(1,510,478)	(1,487,586)
Net patient service revenue after provision for bad debts	15,660,412	14,036,783
Intergovernmental transfers - operating revenue	172,597	1,478,618
Medicaid supplemental payments	2,048,891	-
Other operating revenue	542,563	488,883
Total operating revenues	18,424,463	16,004,284
Operating expenses:		
Professional services	9,737,282	9,838,260
Payroll taxes and employee benefits	1,892,794	1,640,938
General and administrative	5,336,605	4,765,129
Depreciation and amortization	542,437	533,149
Total operating expenses	17,509,118	16,777,476
Operating income (loss)	915,345	(773,192)
Non-operating revenues (expenses)		
Ad valorem Taxes	146,772	144,402
Grant revenue	2,524,203	2,923,151
Interest income	214,223	11,669
Interest expense	(19,904)	(9,456)
Total non-operating revenues (expenses)	2,865,294	3,069,766
Change in net position	3,780,639	2,296,574
Net position, beginning	15,455,182	13,158,608
Net position, ending	\$ 19,235,821	\$ 15,455,182

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

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a Bunkie General Hospital

Statements of Cash Flows  
For the Years Ended June 30, 2023 and 2022

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from and on behalf of patients	\$ 16,624,542	\$ 15,260,811
Payments to suppliers and contractors	(6,929,978)	(7,001,667)
Payments to employees	(9,644,254)	(9,388,242)
Other receipts and payments, net	3,333,806	1,650,786
Net cash provided in operating activities	3,384,116	521,688
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Grant revenue	1,696,979	2,455,452
Ad valorem taxes	146,772	144,402
Net cash provided in noncapital financing activities	1,843,751	2,599,854
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Accelerated Medicare payment recoupments	-	(1,505,240)
Payments for the purchase of property and equipment	(1,247,671)	(478,068)
Payments for capital related debt/lease liability	(179,512)	(150,030)
Net cash used in financing activities	(1,427,183)	(2,133,338)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	210,223	11,669
Purchase of investments	(8,197,339)	-
Net cash provided (used) by investing activities	(7,987,116)	11,669
Net increase (decrease) in cash and cash equivalents	(4,186,432)	999,873
Cash and cash equivalents, beginning of year	7,510,600	6,510,727
Cash and cash equivalents, end of year	\$ 3,324,168	\$ 7,510,600

(Continued)

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOUELLES  
d/b/a Bunkie General Hospital

Statements of Cash Flows (Continued)  
For the Years Ended June 30, 2023 and 2022

	2023	2022
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED IN OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 915,345	\$ (773,192)
Adjustments to reconcile operating income (loss) to net cash flows provided by operating activities:		
Depreciation and amortization	542,437	533,149
Provision for bad debts	1,510,478	1,487,586
(Increase) decrease in assets-		
Patient accounts receivable	(1,365,882)	(1,738,895)
Inventories	(23,943)	(109,526)
Prepaid expenses	(17,080)	(13,030)
Estimated third-party payor settlements	280,600	1,530,942
Other receivables	610,778	(316,715)
Increase (decrease) in liabilities-		
Accounts payable	133,615	(97,690)
Accrued expenses	258,834	74,664
Estimated third-party payor settlements	538,934	(55,605)
Net cash provided in operating activities	\$ 3,384,116	\$ 521,688
 Noncash investing, capital, and financing activities:		
Equipment lease financing	\$ 595,579	\$ 270,026

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

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements

(1) Organization and Significant Accounting Policies

The Hospital Services District No. 1 of the Parish of Avoyelles, d/b/a Bunkie General Hospital (Hospital) was created by an ordinance of the Avoyelles Parish Police Jury on February 14, 1968. The Hospital is comprised of and embraces the territory contained within the Parish of Avoyelles, State of Louisiana, as constituted as of the date of the ordinance.

A. Reporting Entity

As the governing authority of the Parish, for reporting purposes, the Avoyelles Parish Police Jury is the financial reporting entity for the Hospital. Accordingly, the Hospital was determined to be a component unit of the Avoyelles Parish Police Jury. The accompanying financial statements present only the Hospital.

B. Basis of Accounting

The accompanying basic financial statements of the Hospital have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and reporting policies and practices used by the Hospital are described below.

The Hospital utilizes the proprietary fund method of accounting whereby all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenses, gains, and losses are measured and reported using the economic resources measurement focus and the accrual basis of accounting. The Hospital's accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:514 and to the guide set forth in the *Louisiana Governmental Audit Guide*, and the *AICPA Audits of Providers of Health Care Services* published by the American Institute of Certified Public Accountants.

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

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The Hospital reports three components as follows:

- (1) Net investment in capital assets - This component consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements (Continued)

- (2) Restricted net position - This component is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Hospital Service District's bonds. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.
- (3) Unrestricted net position - This component of net position consists of net position that does not meet the definition of the above two components and is available for general use.

C. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

D. Cash and Cash Equivalents

Cash includes amounts in demand deposits and on hand. For purposes of the statement of cash flows, highly liquid investments with an original maturity of three months or less are considered to be cash equivalents.

E. Investments

In accordance with professional standards, investments meeting the criteria specified in the standards are stated at fair value, which is either quoted market prices or the best estimate available. Investments which do not meet the requirements are stated at cost. Interest, dividends, and gains and losses, both realized and unrealized, are included in non-operating revenue.

F. Trade Receivables and Allowance for Uncollectible Accounts

Trade receivables are carried at the original billed amount less an estimate made for contractual adjustments and uncollectible accounts based on a historical experience. Management determines the allowance for uncollectible accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Trade receivables are written-off when deemed uncollectible. Recoveries of trade receivables previously written-off are recorded when received.

G. Inventories

Inventories are valued at the latest invoice price which approximates the lower of cost (first-in, first-out method) or market.

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements (Continued)

H. Net Patient Service Revenues

The Hospital has agreements with third-party payors, which includes government programs which the Hospital is paid based upon established charges, the cost of providing services, predetermined diagnosis rates, fixed per diem rates or discounts from established charges. Revenues are recorded at established charges. Revenues are recorded at estimated amounts due from patients and third-party payors for the services provided.

Net patient service revenues are reported at the estimated amounts realizable from patients, the third-party payer, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. The Hospital provides care to patients even though they are covered by contractual payment arrangements that do not pay full charges or may lack adequate insurance. As a result, the Hospital is exposed to credit risks. The Hospital manages such risks by providing appropriate allowances. The allowances are evaluated on a regular basis and are based upon management's periodic review of the collectability of the accounts considering historical experience, the nature and volume of the accounts and the agreement with the prospective third-party payor.

I. Capital Assets

The Hospital records all capital asset acquisitions at historical cost, except for assets donated to the Hospital. Donated assets are recorded at fair market value at the date of donation. The Hospital maintains a threshold level of \$5,000 or more for capitalizing fixed assets.

Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation expense in the financial statements. Depreciation of property and equipment is computed using the straight-line method over the expected service lives of the assets as follows:

Building and improvements	5-50 years
Equipment	3-20 years

J. Compensated Absences

Employees of the Hospital are entitled to paid time off depending on their length of service and other factors. Accrued compensated absences was \$346,213 and \$363,635 for 2023 and 2022, respectively.

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements (Continued)

K. Grants and Donations

Revenues from grants and donations (including capital contributions of assets) are recognized when all eligibility requirements, including time requirements, are met. Grants and donations may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as other operating revenues. Amounts restricted to capital acquisitions are reported after non-operating revenues and expense.

L. Operating Revenues and Expenses

The Hospital's statements of revenues, expenses and changes in net position distinguish between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services, the Hospital's principal activity. Non-exchange revenues, including taxes, grants and contributions received for purposes other than capital asset acquisition, are reported as non-operating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

M. Unearned Revenue

Unearned revenue on the statement of net position represents funding received as a result of CARES Act subsidies and consist of \$678,358 from Provider Relief Funds and \$152,866 from other grant funding as of June 30, 2022. There were no unearned revenues reported as of June 30, 2023.

N. Advertising

The Hospital expenses advertising cost as incurred. There were no advertising expenses for the years ended June 30, 2023 and 2022.

O. Risk Management

The Hospital is exposed to various risks of loss from tort; theft of, damage to and destruction of assets; business interruption; errors or omissions; employee injuries and illnesses; natural disasters; and medical malpractice. Commercial insurance coverage is purchased for claims arising from such matters.

P. Restricted Resources

When the Hospital Service District has both restricted and unrestricted resources available to finance a particular program, it is the Hospital's policy to use restricted resources before unrestricted resources.

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements (Continued)

Q. Environmental Matters

The Hospital is subject to laws and regulations relating to the protection of the environment. The Hospital's policy is to accrue environmental and cleanup related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty, the potential financial impact of the Hospital's continuing compliance efforts, management believes any future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of the Hospital Service District. At June 30, 2023 and 2022, management is not aware of any liability resulting from environmental matters.

(2) Deposits and Investments

Under state law the Hospital Service District may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Hospital Service District may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2023 and 2022, the Hospital had demand deposits (book balances) totaling \$3,324,168 and \$7,510,600, respectively.

Custodial credit risk is the risk that in the event of a bank failure of a depository financial institution, the Hospital's deposits may not be recovered or the collateral securities that are in the possession of the outside party will not be recovered. These deposits are stated at cost, which approximates fair value. Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Hospital Service District or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at June 30, 2023 and 2022, are secured as follows:

	<u>2023</u>	<u>2022</u>
Bank balances	<u>\$ 3,301,849</u>	<u>\$ 7,712,911</u>
Federal deposit insurance	\$ 493,649	\$ 500,000
Pledged securities/letter of credit	<u>2,808,200</u>	<u>7,212,911</u>
Total federal deposit insurance and pledged securities	<u>\$ 3,301,849</u>	<u>\$ 7,712,911</u>

Deposits in the amount of \$2,808,200 and \$7,212,911 at June 30, 2023 and 2022, respectively, were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Hospital's name. The Hospital does not have a policy for custodial credit risk.

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
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Bunkie, Louisiana

Notes to Financial Statements (Continued)

The Hospital participates in the Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The financial statements for LAMP may be accessed on their website (<https://www.lamppool.com>). The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

The investment in LAMP is not exposed to custodial credit risk. LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required. Credit risk is the risk that an issuer or other counterparty to an investment will be unable to meet its obligations. LAMP is rated AAAM by Standard & Poor's. Interest rate risk is the risk that changes in interest rates will adversely affect the estimated fair value of an investment. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM of LAMP's total investments is 56 days as of June 30, 2023.

LAMP's financial statements can be obtained by contacting LAMP at 650 Poydras Street, Suite 200 New Orleans Louisiana 70130 or by contacting the administrative office at 800-249-5267, and the financial statements are also available on the Louisiana Legislative Auditors website at <https://lla.la.gov/>.

As of June 30, 2023 and 2022, the Hospital had investments in LAMP in the amount of \$10,202,068 and \$2,004,729, respectively.

(3) Patient Accounts Receivable

Patient accounts receivable at June 30, 2023 and 2022 consisted of the following:

	2023	2022
Gross patient accounts receivable	\$ 5,104,759	\$ 5,411,547
Less: Contractual allowances/doubtful accounts	<u>(2,657,113)</u>	<u>(2,819,305)</u>
Patient accounts receivable, net	<u>\$ 2,447,646</u>	<u>\$ 2,592,242</u>

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements (Continued)

(4) Capital Assets

Capital asset activity for the years ended June 30, 2023 and 2022 were as follows:

	7/1/2022	Additions	Retirements	6/30/2023
Capital assets, not being depreciated:				
Land	\$ 121,857	\$ -	\$ -	\$ 121,857
Construction in progress	157,300	1,009,709	930,436	236,573
Total	279,157	1,009,709	930,436	358,430
Capital assets, being depreciated:				
Buildings and improvements	6,612,947	966,211	-	7,579,158
Equipment	3,742,333	202,187	2,895	3,941,625
	10,355,280	1,168,398	2,895	11,520,783
Less accumulated depreciation:	7,853,860	379,636	2,895	8,230,601
Total capital assets, being depreciated, net	2,501,420	788,762	-	3,290,182
Intangible right-of-use assets:				
Equipment	827,142	595,579	397,528	1,025,193
Less accumulated amortization:	473,895	162,801	397,528	239,168
Intangible right-of-use assets, net	353,247	432,778	-	786,025
Capital assets, net	\$ 3,133,824	\$ 2,231,249	\$ 930,436	\$ 4,434,637
	7/1/2021	Additions	Retirements	6/30/2022
Capital assets not being depreciated:				
Land	\$ 121,857	\$ -	\$ -	\$ 121,857
Construction in progress	10,250	255,268	108,218	157,300
Total	132,107	255,268	108,218	279,157
Capital assets, being depreciated:				
Buildings and improvements	6,412,275	200,672	-	6,612,947
Equipment	3,616,615	125,718	-	3,742,333
	10,028,890	326,390	-	10,355,280
Less accumulated depreciation	7,457,286	396,574	-	7,853,860
Total capital assets, being depreciated, net	2,571,604	(70,184)	-	2,501,420
Intangible right-of-use assets:				
Equipment	557,117	270,025	-	827,142
Less accumulated amortization:	337,320	136,575	-	473,895
Intangible right-of-use assets, net	219,797	133,450	-	353,247
Capital assets, net	\$ 2,923,508	\$ 318,534	\$ 108,218	\$ 3,133,824

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements (Continued)

Depreciation expense for the years ended June 30, 2023 and 2022 amounted to \$379,636 and \$396,574, respectively. Amortization expense for the year ended June 30, 2023 and 2022 amounted to \$162,801 and \$133,450, respectively.

Leased assets (see Note 5) will be amortized over the lease term. Unamortized leased assets to be amortized in future periods are as follows:

Year Ending June 30,	
2023	\$ 189,430
2024	186,308
2025	174,220
2026	147,970
2027	88,097
	<u>\$ 786,025</u>

(5) Changes in Noncurrent Liabilities

During the fiscal year ended June 30, 2022, the Hospital implemented GASB No. 87, *Leases*. At the commencement of a lease, the Hospital initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of its useful life or the lease term. The following is a summary of leases for the year ended June 30, 2023 and 2022:

June 30, 2023:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance 6/30/2023
Equipment	9/5/2018	60 months	\$ 1,770	5.25%	\$ 93,653	\$ 3,518
Equipment	8/11/2020	60 months	1,230	3.25%	65,937	29,693
Equipment	9/1/2021	60 months	2,190	3.25%	121,128	77,003
Equipment	5/1/2022	60 months	2,782	4.75%	148,897	116,780
Equipment	3/1/2023	60 months	7,744	3.87%	421,834	396,177
Equipment	6/1/2023	18 months	10,000	4.50%	173,745	164,396
Total lease agreements						<u>\$ 787,567</u>

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements (Continued)

June 30, 2022:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance 6/30/2022
Equipment	2/1/2018	60 months	\$ 7,018	2.29%	\$ 397,528	\$ 40,078
Equipment	9/5/2018	60 months	1,770	5.25%	93,653	23,990
Equipment	8/11/2020	60 months	1,230	3.25%	65,937	43,249
Equipment	9/1/2021	60 months	2,190	3.25%	121,128	100,367
Equipment	5/1/2022	60 months	2,782	4.75%	148,897	143,912
Total lease agreements						<u>\$ 351,596</u>

The following is a summary of noncurrent liabilities transactions for the year ended June 30:

June 30, 2023:

	Balance 7/1/2022	Additions	Reductions	Balance 6/30/2023	Due Within One Year
Lease liability	<u>\$ 351,596</u>	<u>\$ 595,579</u>	<u>\$ 159,608</u>	<u>\$ 787,567</u>	<u>\$ 264,045</u>

June 30, 2022:

	Balance 7/1/2021, as restated	Additions	Reductions	Balance 6/30/2022	Due Within One Year
Notes payable	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ -
Lease liability	<u>222,144</u>	<u>270,026</u>	<u>140,574</u>	<u>351,596</u>	<u>148,039</u>
Total	<u>\$ 1,222,144</u>	<u>\$ 270,026</u>	<u>\$ 1,140,574</u>	<u>\$ 351,596</u>	<u>\$ 148,039</u>

Scheduled maturities of noncurrent liabilities are as follows:

June 30, 2023:

	Principal	Interest
2024	\$ 264,045	\$ 26,846
2025	200,767	16,583
2026	143,591	10,229
2027	118,101	4,835
2028	<u>61,063</u>	<u>890</u>
	<u>\$ 787,567</u>	<u>\$ 59,383</u>

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements (Continued)

June 30, 2022:

	Principal	Interest
2023	\$ 148,039	\$ 11,049
2024	58,280	7,383
2025	54,627	5,035
2026	56,893	2,769
2027	33,757	632
	\$ 351,596	\$ 26,868

(6) Net Patient Service Revenues

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from established rates. Payment arrangements include prospectively determined rates-per-discharge, reimbursed costs, discounted charges and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in a future period as final settlements are determined.

The primary third-party programs include Medicare and Medicaid, which account for a significant amount of the Hospital's revenue. The laws and regulations under which Medicare and Medicaid programs operate are complex, and subject to interpretation and frequent changes. As part of operating under these programs, there is a possibility that government authorities may review the Hospital's compliance with these laws and regulations. Such review may result in adjustments to program reimbursement previously received and subject the Hospital to fines and penalties. Although no assurance can be given, management believes it has complied with the requirements of these programs.

A summary of the payment arrangements with major third-party payors follows:

*Medicare* – The Hospital is paid for inpatient and outpatient services rendered to Medicare program beneficiaries under cost-based reimbursement methodology. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. The retrospectively determined classification of patients and the appropriateness of the patients' admissions are subject to validation reviews by a Medicare peer review organization, which is under contract with the Hospital to perform such reviews.

The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been settled by the Medicare fiscal intermediary through June 30, 2022. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as settlements are determined.

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
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Notes to Financial Statements (Continued)

*Medicaid* – Inpatient care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per day. Certain outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid fiscal intermediary. The Hospital’s Medicaid cost reports have been settled by the Medicaid fiscal intermediary through June 30, 2015. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as settlements are determined.

The Louisiana Legislature, through the Healthcare Reform Act of 2007 and Act 1 of 2010, tasked the Department of Health and Hospitals (the DHH) to create a new system of care. In response, the DHH reformed its reimbursement methodology for Medicaid patients from a fee-for-service system to the use of a Coordinated Care Network (CCN). During 2011, the DHH enabled certain third-party payor companies to contract with providers under the CCN methodology. The Hospital is currently contracted and enrolled with payors participating in the Coordinated Care Network. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the fiscal intermediary.

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

The Hospital recognizes revenue at its standard rates for services provided for uninsured patients that do not qualify for charity care. Based on historical experience, a significant portion of the Hospital’s uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for bad debts related to uninsured patients in the period the services are provided.

The following is a summary of the Hospital’s net patient service revenue:

	2023	2022
Gross patient service revenue	\$ 30,760,269	\$ 31,149,772
Less: Contractual adjustments	<u>(13,589,379)</u>	<u>(15,625,403)</u>
Net patient service revenue before		
provision for uncollectible accounts	17,170,890	15,524,369
Less: provision for uncollectible accounts	<u>(1,510,478)</u>	<u>(1,487,586)</u>
Net patient service revenue	<u>\$ 15,660,412</u>	<u>\$ 14,036,783</u>

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
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Notes to Financial Statements (Continued)

(7) Cooperative Endeavor

The Hospital has voluntarily agreed to a cooperative endeavor (CEA) with other like-minded Louisiana hospitals, per Louisiana’s Rural Hospital Preservation Act (RHPA). The intent of this arrangement is to pool hospital resources across the State to support access to healthcare in rural Louisiana. Under the CEA, the Hospital deposits an amount, determined annually by the Rural Hospital Coalition (RHC), into an account, from which the RHC is permitted to withdraw funds and make distributions to participating hospitals using a predetermined formula. Although the payments are formulaic in nature, they are not guaranteed, nor are they directly related to Medicaid reimbursement for the provision of goods and healthcare services to patients. Accordingly, the receipts under this program (net of required fund by the Hospital) are included in operating revenues on the accompanying statements of revenues, expenses and changes in net position. For the fiscal year ended June 30, 2023, the Hospital didn’t deposit any funds with the RHC and received \$2,048,891, resulting in a recorded net amount of \$2,048,891.

The following is a summary of the CEA activity described above:

CEA funds received to promote access to care	\$ 2,048,891
Less CEA hospital funds paid	-
CEA impact on hospital operations	<u>\$ 2,048,891</u>

(8) Ad Valorem Taxes

The Hospital’s property tax is levied by the parish on the taxable real property in the district at a rate enacted by the Board of Commissioners as recommended by the local tax assessor. The taxes are based on assessed values determined by the Tax Assessor and are collected by the Sheriff. The Hospital levied 4.90 mills for the fiscal years ended 2023 and 2022. For the years ended June 30, 2023 and 2022, property tax revenues, net of pension deductions, totaled \$146,772 and \$144,402, respectively.

(9) Concentration of Credit Risks

The Hospital grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at June 30, 2023 and 2022 was as follows:

	2023	2022
Medicare	41%	41%
Medicaid	19%	18%
Other third-party payors	16%	20%
Patients	<u>24%</u>	<u>21%</u>
	<u>100%</u>	<u>100%</u>

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements (Continued)

(10) Deferred Compensation/Retirement Plan

The Hospital offers employees a deferred compensation plan (Plan), which all employees are eligible to participate. The Plan was adopted under the provisions of Internal Revenue Code Section 457, and is administered by Nationwide Retirement Solutions. The Hospital does not have managerial or financial responsibility for plan assets. The Hospital contributes 3% of the employee's salary for full-time employees who work 60 or more hours per pay period and have completed a ninety-day probationary period. If an employee elects to participate, the employee will be required to contribute a minimum of 3% of their base pay toward the program. Employees will become 100% vested in the Hospital's contributions after three full years of employment. Pension cost amounted to \$143,015 and \$167,371 for the year ended June 30, 2023 and 2022, respectively. Forfeitures of \$31,098 and \$8,467 were applied to pension expense as a reduction of employer contributions for the years ended June 30, 2023 and 2022, respectively.

(11) Employee Hospitalization Plan

The Hospital maintains a medical benefits trust. Employees with more than 90 days of service can participate. The trust pays all claims from funds provided from the Hospital. The trust agreement provides that should it not have sufficient funds to cover its obligations, the Hospital is obligated to fund the shortfall. The Hospital purchases "excess" insurance coverage that provides for payment of individual claims in excess of \$40,000 or aggregate annual claims in excess of \$1,000,000.

Changes in the balances of claims liabilities (all due in one year) during the fiscal years ended June 30, 2023 and 2022 are as follows:

	2023	2022
Claims liability, beginning	\$ 60,000	\$ 28,043
Current year claims and changes in estimates	771,830	634,789
Claims paid	(781,830)	(602,832)
Claims liability, ending	\$ 50,000	\$ 60,000
<div style="text-align: center; border-bottom: 1px solid black; margin-bottom: 5px;">Paid as of</div>		
July 2023	\$ 44,866	
August 2023	3,570	\$ 48,436
Provision for claims incurred but not reported		1,564
Total claims payable		\$ 50,000

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
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Notes to Financial Statements (Continued)

(12) Professional and General Liability Risk

The Hospital participates in the Louisiana Patient's Compensation Fund established by the State of Louisiana to provide medical professional coverage to healthcare providers. The fund provides for \$400,000 in coverage per occurrence above the first \$100,000 for which the Hospital is at risk. The fund places no limitation on the number of occurrences covered. In connection with the establishment of the Patient's Compensation Fund, the State of Louisiana enacted legislation limiting the amount of healthcare provided settlement for professional liability to \$100,000 per occurrence and limiting the Patient's Compensation Fund's exposure to \$400,000 per occurrence.

The Hospital has acquired additional coverage for professional medical malpractice and general liability through the Louisiana Hospital Association Trust Fund by purchasing a claims-made policy. Losses on medical malpractice and general liability claims are estimated based on deductibles and claims in excess of per-claim or aggregate coverage and incurred but not reported during the claim year. These estimates reflect the Hospital's best estimates of the ultimate costs of reported and unreported claims, using the Hospital Service District's past experience, industry experience and identified asserted claims and reported incidents. No provision for losses on medical malpractice and general liability claims are recorded based on management's estimates that these matters will be resolved without material adverse effect on the Hospital's future financial position or results from operations. There have been no significant reductions in insurance coverage during the fiscal year, nor have settlements exceeded coverage in the past three years.

(13) Contingencies

The Hospital evaluates contingencies based upon the best available evidence. The Hospital believes that no loss contingencies are considered necessary. To the extent that resolution of contingencies results in amounts which vary from the Hospital's estimates, future earning will be charged or credited.

The principle contingencies are described below:

Third-party Government Revenues (Note 6) – Cost reimbursements are subject to examination by agencies administering the programs. The Hospital is contingently liable for retroactive adjustments made by the Medicare and Medicaid programs as the result of their examinations as well as retroactive changes in interpretations applying statutes, regulations and general instructions of those programs. The amount of such adjustments cannot be determined.

The healthcare industry is subject numerous laws and regulations of Federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government program participating requirements, reimbursement for patient services and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements (Continued)

Management believes that the Hospital is in compliance with fraud and abuse statues as well as other applicable governmental laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

(14) Grant Revenue

The Hospital entered into a cooperative endeavor agreement (CEA) with a regional public rural hospital (Grantor) whereby the Grantor awards as an intergovernmental transfer (IGT) to be used solely to provide adequate and essential medically necessary and available healthcare services to the Hospital's service population subject to the availability of such grant funds. The aggregate IGT grant income is \$172,597 and \$1,478,618 for the years ended June 30, 2023 and 2022, respectively.

(15) CARES Act Subsidies

In response to the economic fallout of the COVID-19 pandemic in the United States, the 116<sup>th</sup> U.S. Congress passed an economic stimulus bill that was signed into law by the President on March 27, 2020. The Coronavirus Aid, Relief, and Economic Security (CARES) Act authorized \$2.2 trillion to combat COVID-19 and its economic effects, including providing loan programs for small businesses, support for hospitals and other medical providers, and various types of economic relief for impacted businesses and industries. As a result of the CARES Act, the Hospital received funding from the following programs:

*Provider Relief Funds* – The Hospital received \$991,160 in Phase 4 stimulus funding during the fiscal year ending June 30, 2022. This payment was issued by the U.S. Department of Health & Human Services (HHS) in response to the Coronavirus pandemic to be utilized for healthcare related expenses and lost revenues attributable to coronavirus. The Hospital had \$678,358 of unspent funds that were included in unearned revenue on the statement of net position for fiscal year ending June 30, 2022. During the fiscal year ending June 30, 2023, the Hospital submitted their final report to HHS, recognizing grant revenue in the amount of \$678,358 for eligible healthcare related expenses attributable to the coronavirus.

*Paycheck Protection Program* – On March 29, 2021, the Hospital entered into a promissory note in the amount of \$1,000,000 through the U.S. Small Business Administration's Paycheck Protection Program (Program). The purpose of the Program was to provide funding for employee salaries and certain limited nonpayroll expenses. In accordance with the Program, the loan can be partially or completely forgiven if certain criteria are met. Any amounts not forgiven will be repaid bearing an interest rate of 1 percent. On December 15, 2021, the Hospital received notice that the loan was completely forgiven and the amount was recorded as grant income on the statement of activities.

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements (Continued)

(16) Schedule of Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation and benefits paid to Linda Deville, Chief Executive Officer, for the year ended June 30, 2023 and 2022 follows:

<u>Purpose</u>	<u>2023</u>	<u>2022</u>
Salary	\$ 155,498	\$ 150,203
Benefits - insurance	1,380	1,203
Benefits - retirement	4,665	4,506
Benefits - life insurance	157	152
Travel	-	1,496
Cell phone	1,225	-
Reimbursements	2,930	-

**SUPPLEMENTARY INFORMATION**

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a Bunkie General Hospital  
Bunkie, Louisiana

Schedules of Net Patient Service Revenues  
For the Years Ended June 30, 2023 and 2022

	2023	2022
Inpatient service revenues:		
Daily patient services-		
Adult and pediatric	\$ 113,163	\$ 330,222
Dietary	9,650	9,150
Swing-bed	1,086,193	1,403,017
Total	1,209,006	1,742,389
Other nursing services-		
Emergency service	10,597	31,542
Professional Services-		
Blood	9,000	16,500
EKG	5,855	7,425
Inhalation Therapy	403,163	829,951
Intravenous Therapy	450	886
Laboratory	260,639	340,214
Pharmacy	506,991	687,459
Physical/Speech Therapy	1,354,363	1,447,475
Professional Fees	173,211	169,325
Radiology	110,492	186,103
Total	2,824,164	3,685,338
Total inpatient service revenues	4,043,767	5,459,269

(continued)

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a Bunkie General Hospital  
Bunkie, Louisiana

Schedules of Net Patient Service Revenues (Continued)  
For the Years Ended June 30, 2023 and 2022

	2023	2022
Outpatient service revenues:		
Nursing services-		
Adult and Pediatric	517	1,912
Dietary	1,100	700
Emergency Service	4,519,500	4,566,614
Hospitalist	5,317	4,970
Observation	<u>1,800,571</u>	<u>1,825,881</u>
Total	<u>6,327,005</u>	<u>6,400,077</u>
Professional services-		
Blood	38,215	23,520
Cardiac rehab	75,500	46,905
Clinic - Family Care Center	943,774	806,103
Clinic - Rural Health	719,005	680,247
EKG	314,795	291,885
Endoscopy	153,950	131,955
Inhalation therapy	469,732	455,911
Intensive psychiatric therapy	1,457,000	1,193,150
Intravenous therapy	3,472	3,893
Laboratory	6,863,103	6,610,765
Pharmacy	530,513	726,963
Physical therapy	1,263,628	897,380
Professional fees	247,807	284,692
Radiology	6,929,858	6,587,681
Wound care	<u>379,145</u>	<u>549,378</u>
Total	<u>20,389,497</u>	<u>19,290,428</u>
Total outpatient service revenues	<u>26,716,502</u>	<u>25,690,505</u>
Gross patient service revenue	30,760,269	31,149,774
Contractual adjustments	<u>(13,589,379)</u>	<u>(15,625,405)</u>
Net patient service revenue	<u>\$ 17,170,890</u>	<u>\$ 15,524,369</u>

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a Bunkie General Hospital  
Bunkie, Louisiana

Schedules of Other Operating Revenues  
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cafeteria and vendor sales	\$ 74,830	\$ 63,693
Joint venture	186,581	213,122
Pharmacy sales - employees	69,625	60,113
340B Outside pharmacy sales	101,985	51,906
Rental income	15,650	17,425
Other	<u>93,892</u>	<u>82,624</u>
Total other operating revenues	<u>\$ 542,563</u>	<u>\$ 488,883</u>

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a Bunkie General Hospital  
Bunkie, Louisiana

Schedules of Professional Services  
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Salaries:</b>		
Cardiac rehab / fitness	\$ 90,197	\$ 87,224
Central supply	55,413	57,920
Clinic - Family Care Center	711,059	788,846
Clinic - Rural Health	663,902	686,097
Emergency room	749,097	768,343
Endoscopy	10,637	1,547
Inhalation therapy	401,736	398,114
Laboratory	475,395	440,420
Nursing	1,391,850	1,365,193
PT/OT/ST	543,546	498,374
Radiology	456,483	407,087
Other	<u>102,989</u>	<u>73,656</u>
Total salaries	<u>5,652,304</u>	<u>5,572,821</u>
<b>Supplies and other expenses:</b>		
Blood	23,408	35,660
Central supply	25,060	20,071
Clinic - Family Care Center	71,204	87,713
Clinic - Rural Health	57,700	77,485
Emergency room	1,279,289	1,288,323
Endoscopy	6,152	17,941
Inhalation therapy	30,140	56,763
IOP	454,246	401,248
Laboratory	677,533	715,473
Nursing	396,615	234,817
Pharmacy	737,003	927,221
PT/OT/ST	31,874	29,692
Radiology	181,304	191,126
Wound care	91,421	157,662
Other	<u>22,029</u>	<u>24,244</u>
Total supplies and other expenses	<u>4,084,978</u>	<u>4,265,439</u>
Total professional services	<u>\$ 9,737,282</u>	<u>\$ 9,838,260</u>

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a Bunkie General Hospital  
Bunkie, Louisiana

Schedules of General and Administrative Services  
For the Years Ended June 30, 2023 and 2022

	2023	2022
Salaries:		
Administrative	\$ 1,628,832	\$ 1,580,095
Dietary	181,904	182,468
Housekeeping	195,233	161,909
Maintenance	180,372	167,869
Medical records	171,649	156,806
Total Salaries	2,357,990	2,249,147
Supplies and other expenses:		
Administrative	2,145,546	1,715,653
Dietary	144,278	139,689
Housekeeping	82,012	71,301
Maintenance	569,159	561,771
Medical records	36,175	27,568
Total supplies and other expenses	2,978,615	2,515,982
Total general and administrative services	\$ 5,336,605	\$ 4,765,129

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a Bunkie General Hospital  
Bunkie, Louisiana

Schedules of Board Fees  
For the Years Ended June 30, 2023 and 2022

GOVERNING BOARD COMPENSATION

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The Board of Commissioners received no compensation for the years ended June 30, 2023 and 2022.

**INTERNAL CONTROL,  
COMPLIANCE  
AND OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD\*  
Gerald A. Thibodeaux, Jr., CPA\*  
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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners  
Hospital Services District No. 1  
of the Parish of Avoyelles  
d/b/a Bunkie General Hospital  
Bunkie, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Hospital Services District No. 1 of the Parish of Avoyelles d/b/a Bunkie General Hospital (Hospital), a component unit of the Avoyelles Parish Police Jury, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements, and have issued our report thereon dated December 21, 2023.

### Internal Control Over Financial Reporting

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

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Hospital's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
December 21, 2023

# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners  
Hospital Services District No. 1  
of the Parish of Avoyelles  
d/b/a Bunkie General Hospital  
Bunkie, Louisiana

### Report on Compliance for Each Major Federal Program

We have audited the Hospital Services District No. 1 of the Parish of Avoyelles d/b/a Bunkie General Hospital (Hospital), a component unit of the Avoyelles Parish Police Jury, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Hospital's major federal program for the year ended June 30, 2023. The Hospital's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### *Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of the Hospital's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Hospital's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Hospital's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Hospital complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2023.

### **Report on Internal Control Over Compliance**

Management of the Hospital is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Hospital's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Hospital's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
December 21, 2023

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a Bunkie General Hospital  
Bunkie, Louisiana

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2023

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Federal Assistance I.D. Number</u>	<u>Pass-through Identifying Number</u>	<u>Federal Expenditures</u>
Direct Programs:				
U. S. Department of Health and Human Services -				
COVID 19 - Provider Relief Fund	93.498	N/A	N/A	\$ 556,160
COVID 19 - Testing for Rural Health Clinics	93.697	N/A	N/A	<u>122,198</u>
Total direct programs				<u>678,358</u>
Indirect Programs:				
Louisiana Department of Health -				
COVID 19 - Rural Health Research Centers	93.155	N/A	H3LRH42241-01-00	<u>152,866</u>
TOTAL FEDERAL AWARDS				<u>\$ 831,224</u>

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2023

(1) General

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of the Hospital Services District No. 1 of the Parish of Avoyelles d/b/a Bunkie General Hospital (Hospital), a component unit of the Avoyelles Parish Police Jury. The Hospital's reporting entity is defined in Note 1 to the financial statements for the year ended June 30, 2023. All federal financial assistance received directly from federal agencies is included in the schedule as well as federal financial assistance passed through other government agencies.

(2) Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting, which is described in Note 1 to the Hospital's financial statements for the year ended June 30, 2023.

(3) Indirect Cost Rate

The Hospital has elected not to use the 10% de minimis indirect cost rate.

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2023

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the Hospital were prepared in accordance with GAAP.
2. There were no significant deficiencies in internal control over financial reporting that were disclosed during the audit of the financial statements. There were no material weaknesses reported.
3. No instances of noncompliance material to the financial statements of the Hospital, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. There were no significant deficiencies in internal control over the major federal award program disclosed during the audit. No material weaknesses are reported.
5. The auditor's report on compliance for the major federal award program for the Hospital expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) in this schedule.
7. The program tested as a major program was: COVID 19 - Provider Relief Fund (93.498).
8. The threshold used to distinguish between Type A and Type B programs was \$750,000.
9. The Hospital did not qualify as a low-risk auditee.

Part II. Findings – Financial Statements Audit:

Internal Control Findings –

There were no findings reported under this section.

Compliance Findings –

There were no findings reported under this section.

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2023

Part III. Findings – Findings and questioned costs – Major Federal Programs Audit:

A. Internal Control Findings -

There are no findings to report under this section.

B. Compliance Findings -

There are no findings to report under this section.

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL

Summary Schedule of Prior Year Audit Findings  
Year Ended June 30, 2023

A. Internal Control Findings -

There are no findings to report under this section.

B. Compliance Findings -

There are no findings to report under this section.

**HOSPITAL SERVICES DISTRICT NO. 1  
OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL**

**Agreed-Upon Procedures Report**

Year Ended June 30, 2023

# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners  
Hospital Services District No. 1  
of the Parish of Avoyelles  
d/b/a Bunkie General Hospital  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. Hospital Services District No. 1 of the Parish of Avoyelles d/b/a Bunkie General Hospital (The Hospital) management is responsible for those C/C areas identified in the SAUPs.

The Hospital has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### Written Policies and Procedures

1. We obtained and inspected the Hospital's written policies and procedures and observed that they address each of the following categories and subcategories if applicable to public funds and the Hospital's operations:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving.
  - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections

for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

### ***Board or Finance Committee***

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- 2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
  - c) Obtained the prior year audit report and observed the unassigned fund balance in the General Fund. If the General Fund had a negative ending unassigned fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period reference or include a formal plan to eliminate the negative unassigned fund balance in the General Fund.
  - d) Observed whether the board/finance committee received written updates of the progress of resolving audit findings, according to management's corrective action plan at each meeting until the findings are considered fully resolved.

### ***Bank Reconciliations***

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

### ***Collections (excluding electronic fund transfers)***

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4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed the bond or insurance policy for theft was enforced during the fiscal period.

7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* We obtained supporting documentation for each of the 10 deposits and:
  - a) Observed that receipts are sequentially pre-numbered.
  - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Traced the deposit slip total to the actual deposit per the bank statement.
  - d) Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - e) Traced the actual deposit per the bank statement to the general ledger.

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

---

8. We obtained a listing of locations that process payments for the fiscal period and management’s representation that the listing was complete. We randomly selected 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, we inquired of employees about their job duties), and we observed that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
  - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
10. For each location selected under #8 above, we obtained the Hospital’s non-payroll disbursement transaction population (excluding cards and travel reimbursements) and we obtained management’s representation that the population is complete. We randomly selected 5 disbursements for each location, we obtained supporting documentation for each transaction and:
  - a) We observed whether by paper or electronic means, the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
  - b) We observed that the disbursement documentation includes evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

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

---

12. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
13. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, we randomly selected one monthly bank statement), we obtained supporting documentation, and:
  - a) We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
  - b) We observed that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, we observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, we described the nature of the transaction and noted whether management had compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

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15. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. We randomly selected 5 reimbursements, we obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
  - a) If reimbursed using a per diem, we observed the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) We observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1g).

- d) We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

### ***Contracts***

---

- 16. We obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* We obtained management's representation that the listing is complete. We randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
  - a) We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) We observed that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g., change order), we observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
  - d) We randomly selected one payment from the fiscal period for each of the 5 contracts, we obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

### ***Payroll and Personnel***

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- 17. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees/officials, we obtained related paid salaries and personnel files, and we agreed paid salaries to authorized salaries/pay rates in the personnel files.
- 18. We randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #17 above, we obtained attendance records and leave documentation for the pay period, and:
  - a) We observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - b) We observed that supervisors approved the attendance and leave of the selected employees or officials.
  - c) We observed that any leave accrued or taken during the pay period is reflected in the Hospital's cumulative leave records.
  - d) We observed the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- 19. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two employees or officials, we obtained related documentation of the hours and pay rates used in management's termination payment calculations and the Hospital's policy on termination payments. We agreed the hours to the employee or officials' cumulate leave records, agreed the pay rates to the employee/officials' authorized pay rates in the employee or officials' personnel files, and agreed the termination payment to entity policy.
- 20. We obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

### ***Ethics***

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21. Using the 5 randomly selected employees/officials from procedure #17 under “Payroll and Personnel” above, we obtained ethics documentation from management, and:
  - a) We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
  - b) We observed whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.
22. We inquired and/or observed whether the agency has appointed an ethics designee as required by R.S. 42:1170.

### ***Debt Service***

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**(The following procedures were not applicable to the Hospital.)**

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management’s representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued as required by Article VII Section 8 of the Louisiana Constitution.
24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

### ***Fraud Notice***

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25. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing was complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Hospital reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Hospital is domiciled as required by R.S. 24:523.

**The Hospital represented that there were no misappropriations of public funds and assets during the fiscal year.**

26. We observed that the Hospital has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

### ***Information Technology Disaster Recovery/Business Continuity***

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27. We performed the following procedures, **verbally discussed the results with management, and reported “We performed the procedure and discussed the results with management.”**
  - a) We obtained and inspected the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observed that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) if backups are stored on a physical medium (e.g., tapes, CDs), we observed evidence that backups are encrypted before being transported.
  - b) We obtained and inspected the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible

for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.

- c) We obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. We randomly selected 5 computers and observed while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

28. We randomly selected 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19 above and:

- a) We observed evidence that the selected terminated employees have been removed or disabled from the network.

### ***Prevention of Sexual Harassment***

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29. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, we obtained sexual harassment training documentation from management, and observed the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

30. We observed the Hospital has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

31. We obtained the Hospital's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

### **Exceptions:**

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No exceptions were found as a result of applying the procedures listed above.

We were engaged by the Hospital to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent from the Hospital and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
December 21, 2023