

**CATAHOULA PARISH HOSPITAL  
SERVICE DISTRICT NO. 2**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

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June 28, 2022

INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Catahoula Parish Hospital Service District No. 2

**Report on the Audited Financial Statements**

**Opinions**

We have audited the accompanying financial statements of the business-type activities of the Catahoula Parish Hospital Service District No. 2, a component unit of the Catahoula Parish Police Jury, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District, as of December 31, 2021, and the respective changes in financial position and cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

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 District 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 opinions.

**Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material



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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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

**Required Supplementary Information**

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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplemental information listed in the table of contents, including the 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*, is 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 other supplemental information listed in the table of contents is 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 a report dated June 28, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



ROZIER, MCKAY, & WILLIS

Certified Public Accountants

# **Catahoula Parish Hospital Service District No. 2**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2021**

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This section of the annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended December 31, 2021.

### **OVERVIEW OF FINANCIAL STATEMENTS**

The basic financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. These financial statements report all revenues and expenses regardless of when cash is received or paid. Furthermore, the basic financial statements include all of the District's assets and all of the District's liabilities (including long-term debt).

### **FINANCIAL ANALYSIS OF THE DISTRICT**

This portion of management's discussion and analysis provides a comparative financial analysis.

#### **Net Position**

A condensed version of the District's Balance Sheet is presented as follows:

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b><u>Assets:</u></b>		
Current and Other Assets	\$ 7,173,385	\$ 5,871,819
Capital Assets	2,982,917	2,101,430
<b>Total Assets</b>	<b>10,156,302</b>	<b>7,973,249</b>
<b><u>Liabilities:</u></b>		
Current and Other Liabilities	407,552	158,327
Long-term Liabilities	100,301	95,362
<b>Total Liabilities</b>	<b>507,853</b>	<b>253,689</b>
<b><u>Net Position:</u></b>		
Invested in Capital Assets (net)	2,982,917	2,101,430
Unrestricted	6,665,532	5,618,130
<b>Total Net Position</b>	<b>\$ 9,648,449</b>	<b>\$ 7,719,560</b>

As the presentation appearing above demonstrates, a portion of the net position (30.9%) is invested in capital assets. Capital assets are used by the District to provide medical needs for their patients.

The remaining balance of unrestricted assets may be used to meet the District's ongoing obligations to citizens and creditors.

# **Catahoula Parish Hospital Service District No. 2**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2021**

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### **Changes in Net Position**

A condensed version of the Statement of Revenues, Expenses, and Changes in Net Position is presented as follows:

	<b>For the Year Ended</b>	
	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b><u>Revenues:</u></b>		
Program Revenues		
Charges for Service	\$ 2,846,353	\$ 2,360,741
Operating Grants and Contributions	4,429,710	3,691,720
Capital Grants and Contributions	----	193,045
General Revenues	42,029	188,039
<b>Total Revenues</b>	<b>7,318,092</b>	<b>6,433,545</b>
<b>Program Expenses</b>	<b>5,389,203</b>	<b>5,011,718</b>
<b>Change in Net Position</b>	<b>1,928,889</b>	<b>1,421,827</b>
<b>Net Position Beginning</b>	<b>7,719,560</b>	<b>6,297,733</b>
<b>Net Position Ending</b>	<b>\$ 9,648,449</b>	<b>\$ 7,719,560</b>

The District's net position has increased by \$1,928,889. This increase is due to an increase in operating grant revenues and prudent use of the Districts resources.

### **CAPITAL ASSET ADMINISTRATION**

Capital asset administration for the year ended December 31, 2021, consisted of new equipment to better serve the patients during pandemics and natural disasters. The District has also began remodeling the administrative offices.

### **FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS**

At the present time, no factors have been identified that are expected to have a significant effect on future operations.

## **CATAHOULA PARISH HOSPITAL DISTRICT NO 2.**

### **Statement of Net Position December 31, 2021**

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
<b><u>ASSETS</u></b>	
Current Assets:	
Cash and cash equivalents	\$ 6,354,082
Receivables (net)	817,686
Total current assets	<u>7,171,768</u>
Non Current Assets:	
Non-Depreciable Assets	
Construction in Process	139,836
Land	152,677
Depreciable capital assets, net	2,690,404
Other Assets	1,617
<b>Total assets</b>	<b><u><u>10,156,302</u></u></b>
<b><u>LIABILITIES</u></b>	
Current Liabilities:	
Accounts and other payables	267,962
Accrued Expenses	139,590
Total Current Liabilities	<u>407,552</u>
Long-term debt due in more than one year	
Compensated Absences	100,301
Total Long-Term Liabilities	<u>100,301</u>
<b>Total liabilities</b>	<b><u>507,853</u></b>
<b><u>NET POSITION</u></b>	
Invested in Capital Assets (Net)	2,982,917
Unrestricted	6,665,532
<b>Total Net Position</b>	<b><u>9,648,449</u></b>
<b>Total Liabilities and Net Position</b>	<b><u><u>\$ 10,156,302</u></u></b>

See accompanying notes and accountants' report



## **CATAHOULA PARISH HOSPITAL DISTRICT NO 2.**

### **Statement of Revenues, Expenses and Changes in Fund Net Position**

#### **Proprietary Funds**

**Year Ended December 31, 2021**

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
<b><u>Operating Revenues:</u></b>	
Net patient revenues	\$ 2,846,353
<b>Total Operating Revenues</b>	<u>2,846,353</u>
<b><u>Operating Expenses:</u></b>	
Salaries	3,073,963
Payroll taxes and related benefits	653,690
Insurance	58,260
Medical supplies	185,164
Contract labor	697,183
Utilities and telephone	125,843
Depreciation	188,988
Repairs and maintenance	90,700
Office Supplies	164,218
Rent and lease expense	43,149
Travel and Training	95,684
Other expenses	12,361
<b>Total Operating Expenses</b>	<u>5,389,203</u>
<b>Operating Income (Loss)</b>	(2,542,850)
<b><u>Nonoperating Revenues (Expenses):</u></b>	
Grant proceeds	4,429,710
Interest revenue	18,512
Ad Valorem taxes	9,564
Other revenues	13,953
<b>Change in Net Position</b>	1,928,889
<b>Net Position - beginning</b>	<u>7,719,560</u>
<b>Total net position - ending</b>	<u>\$ 9,648,449</u>

See accompanying notes and accountants' report

## **CATAHOULA PARISH HOSPITAL DISTRICT NO 2.**

### **Statement of Cash Flows**

#### **Proprietary Funds**

**Year Ended December 31, 2021**

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
<b><u>Cash flow from operating activities:</u></b>	
Cash received from patients	\$ 2,728,127
Cash payments to suppliers of goods and services	(2,143,237)
Cash payments to employees for services	(3,043,736)
<b>Net cash provided (used) by operating activities</b>	<u>(2,458,846)</u>
<b><u>Cash flows from non-capital financing activities:</u></b>	
Operating grants received	4,041,677
Ad Valorem taxes received	9,564
<b>Net cash provided (used) by non-capital financing activities</b>	<u>4,051,241</u>
<b><u>Cash flows from capital and related financing activities:</u></b>	
Acquisition of capital assets	(836,328)
Capital Grant Proceeds	749,919
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(86,409)</u>
<b><u>Cash flows from investing activities:</u></b>	
Interest and other income	32,465
<b>Net cash provided (used) by investing activities</b>	<u>32,465</u>
<b>Net increase (decrease) in cash</b>	1,538,451
<b>Beginning cash balance</b>	<u>4,815,631</u>
<b>Ending cash balance</b>	6,354,082
<b>Restricted cash</b>	-
<b>Cash and cash equivalents</b>	<u>\$ 6,354,082</u>
<b><u>Reconciliation of operating income (loss) to net cash</u></b>	
Operating income (loss)	\$ (2,542,850)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	188,988
(Increase) decrease in operating accounts receivable	(118,226)
(Increase) decrease in prepaid expenses	225
(Decrease) increase in operating accounts payable	(17,210)
(Decrease) increase in accrued expenses	25,288
(Decrease) increase in compensated absences	4,939
<b>Net cash provided (used) by operating activities</b>	<u>\$ (2,458,846)</u>

#### Supplemental Disclosure of Cash Flow Information:

During the year ended December 31, 2021, there were no investing, capital, or financing activities that did not result in cash receipts or payments.

# **Catahoula Parish Hospital Service District No. 2**

## **Notes to Financial Statements**

**December 31, 2021**

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Organization and Basis of Presentation**

The Catahoula Parish Hospital Service District No. 2 (the District) is a political subdivision of the Catahoula Parish Police Jury. The District was organized pursuant to an ordinance adopted by the Catahoula Parish Police Jury on April 5, 1976. The hospital district has a service area that includes Catahoula Parish, Concordia Parish, and parts of Franklin and Tensas Parishes. The District has four medical clinics, a school-based health center, and a dental clinic. The District is governed by a board of commissioners appointed for terms of various years by the Catahoula Parish Police Jury.

The following is a summary of the more significant accounting policies.

#### **Financial Reporting Entity**

Governmental Accounting Standards Board (GASB) established criteria for determining which component units should be considered part of a financial reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

Based on the previous criteria, the District is a component unit of the Catahoula Parish Police Jury. The accompanying component unit financial statements present information only on the fund maintained by the District and do not present information on the police jury, the general government service provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

#### **Basis of Presentation**

The District uses an enterprise fund for financial reporting purposes. Enterprise funds are proprietary funds used to account for business-like activities. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

#### **Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The District's enterprise fund utilizes an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with their activities are reported. Proprietary fund equity is classified as net position.

In addition, the District's enterprise fund utilizes the accrual basis of accounting. Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations.

#### **Use of Estimates**

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Cash and Cash Equivalents**

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit, and highly liquid investments. Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law. Furthermore, interest rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

# **Catahoula Parish Hospital Service District No. 2**

## **Notes to Financial Statements**

**December 31, 2021**

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### **Statement Of Cash Flows**

For the purpose of reporting cash flows, cash and cash equivalents includes all cash on hand, cash in banks, and certificates of deposit.

### **Restricted Assets**

Any amounts reported as restricted assets, represent resources that must be expended in a specific manner. Restrictions of this nature can be imposed by tax propositions and various contractual obligations including grant agreements and bond covenants. Whenever restricted assets can be used to satisfy an obligation, the restricted assets are typically consumed before utilizing any unrestricted resources.

### **Compensated Absences**

Accumulated unpaid vacation and compensatory pay have been accrued when incurred.

### **Capital Assets**

Capital assets, which include all property and equipment, are reported as assets in the financial statements.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value when received by the District.

Capital assets are depreciated using the straight-line method and estimated useful lives ranging from 4 to 50 years. Useful lives are selected depending on the expected durability of the particular asset.

### **NOTE 2 - CASH AND CASH EQUIVALENTS**

Deposits are stated at cost, which approximates market value. Under state law, these deposits 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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2021, the District has \$6,440,762 in deposits (collected bank balance). These deposits are secured from risk by \$6,160,394 of federal deposit insurance and pledged securities with a market value of \$777,086. The pledged securities are held by a custodial bank in the name of the pledging institution (fiscal agent). However, State Law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

### **NOTE 3 - AD VALOREM TAXES**

Ad valorem taxes are assessed by the Catahoula Parish Assessor and collected for the District by the Catahoula Parish Sheriff's Office. The following is the levied millage:

	<u>Millage</u>	<u>Expiration Date</u>
Ad valorem taxes levied for general corporate purposes	1.00	2033

### **NOTE 4 - RECEIVABLES**

The receivables at December 31, 2021, are as follows:

<u>Accounts Receivable</u>	
Medicare	\$ 2,513,143
Medicaid	539,121
Insurance	1,209,949
Other	39,101
<u>Total Accounts Receivable</u>	<u>4,301,314</u>
 <u>Due from Other Governmental Units</u>	
Health and Human Services	323,475
 <u>Total Accounts Receivable</u>	 <u>4,624,789</u>
<u>Allowance for Contractual Adjustment</u>	<u>(3,807,103)</u>
<u>Total Receivables</u>	<u>\$ 817,686</u>

The allowance is due to the District experiencing contractual adjustments from most of its revenue sources. There were no bad debts recorded for the current year.

# **Catahoula Parish Hospital Service District No. 2**

## **Notes to Financial Statements**

**December 31, 2021**

### **NOTE 5 – CAPITAL ASSETS**

Changes in governmental and business-type capital assets are presented as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Non Depreciable Capital Assets				
Land	\$ 152,677	\$ ----	\$ ----	\$ 152,677
Construction in Process	1,500	138,336	----	139,836
Depreciable Capital Assets				
Buildings and Improvements	\$ 2,775,992	\$ 490,915	\$ ----	\$ 3,266,907
Medical Equipment	509,389	440,749	----	950,138
Office Equipment	603,389	----	----	603,389
Vehicles	162,647	----	----	162,647
Accumulated Depreciation	(2,103,688)	(188,989)	----	(2,292,677)
<b>Total Depreciable Capital Assets</b>	<b>\$ 1,947,729</b>	<b>\$ 742,675</b>	<b>\$ ----</b>	<b>\$ 2,690,404</b>

Depreciation expense for the year ended December 31, 2021, is \$188,989.

### **NOTE 6 – LONG-TERM LIABILITIES**

Changes in the District’s long-term debt for the year ended December 31, 2021, are presented as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Compensated Absences	\$ 95,362	\$ 4,939	\$ ----	\$ 100,301

### **NOTE 7- RISK MANAGEMENT**

The District is exposed to various risk of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

### **NOTE 8- RETIREMENT PLAN**

The District participates in a Section 457 defined contribution retirement plan for its employees. This plan allows for elective deferrals for participants with an employer match. The amount of pension expense for the current year is \$26,180.

### **NOTE 9- CONTINGENCIES**

Existing conditions that may have future financial consequences are referred to as contingencies. Contingencies existing at December 31, 2021 are described as follows:

#### **Grant Contingencies - General**

Grant funds received from the grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed expenditures, including amounts already collected, may constitute a liability. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time.

#### **Third-Party Reimbursements**

The District is reimbursed for medical services from Medicare and Medicaid. The District is liable for retroactive adjustments made by Medicare and Medicaid programs as a result of their examinations as well as retroactive changes in interpretations of applying statutes, regulations and general instructions of those programs. The amount of funds the District could incur cannot be determined at this time.

### **NOTE 10 – ACCOUNTS AND OTHER PAYABLES**

Details related to amounts reported as accounts and other payables are provided as follows:

<b><u>Accounts Payable</u></b>	
Vendors	\$ 249,727
Construction payable	20,235
Other	7,000
<b>Total</b>	<b>\$ 276,962</b>



June 28, 2022

**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  
Catahoula Parish Hospital Service District No. 2

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 activity of the Catahoula Parish Hospital Service District No. 2 (the District) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated June 28, 2022.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect, and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entities 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 District’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an



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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.



ROZIER, MCKAY, & WILLIS  
Certified Public Accountants



June 28, 2022

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

Board of Commissioners  
Catahoula Parish Hospital Service District No. 2

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Programs**

We have audited the Catahoula Parish Hospital Service District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended December 31, 2021. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Catahoula Parish Hospital Service District No. 2 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs for the year ended December 31, 2021.

**Basis for Opinion on Each Major Federal Program**

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 Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

**Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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



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- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



ROZIER, MCKAY, & WILLIS  
Certified Public Accountants

**Catahoula Parish Hospital Service District No. 2**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2021**

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**PART I – SUMMARY OF AUDITORS’ RESULTS:**

**Financial Statements**

- The Independent Auditor’s Report on the financial statements for the Catahoula Parish Hospital Service District No. 2 as of December 31, 2021, and for the year then ended expressed an unmodified opinion.
- No deficiencies in internal control over financial reporting were reported in connection with the audit.
- No instances of noncompliance material to the financial statements were disclosed during the audit.

**Federal Awards**

- No control deficiencies involving major federal award programs were disclosed during the audit. Accordingly, there were no material weaknesses applicable to major federal award programs.
- The Independent Auditor’s Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with the Uniform Circular expressed an unmodified opinion on compliance for major programs
- The audit did not disclose any audit findings which are required to be reported as findings and questioned costs.
- Major programs for the year ended December 31, 2021 are presented as follows:

UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CFDA No. 93.224 and 93.527 – Health Centers Cluster  
CFDA No. 93.498 – Provider Relief Funds and American Rescue Plan

- A threshold of \$750,000 was used for distinguishing between Type A and Type B programs for purposes of identifying major programs.
- The Catahoula Parish Hospital Service District No. 2 is considered to be a low risk auditee as defined by Uniform Guidance.

**PART II**  
**FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH**  
**ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY**  
**ACCEPTED GOVERNMENTAL AUDITING STANDARDS:**

- There are no matters to report.

**PART III**  
**FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS WHICH SHALL**  
**INCLUDE AUDIT FINDINGS AS DEFINED BY UNIFORM GUIDANCE:**

- There are no matters to report.

**Catahoula Parish Hospital Service District No. 2**  
**Managements Corrective Action Plan**  
**For the Year Ended December 31, 2021**

<b>SECTION I</b>	
<b>Internal Control and Compliance Material to the Financial Statements</b>	
There are no matters to report.	Not Applicable
<b>SECTION II</b>	
<b>Internal Control and Compliance Material to Federal Awards</b>	
There are no matters to report.	Not Applicable.
<b>SECTION III</b>	
<b>Management Letter</b>	
There are no matters to report.	Not Applicable.

**Catahoula Parish Hospital Service District No. 2**  
**Schedule of Prior Year Findings and Questioned Costs**  
**For the Year Ended December 31, 2021**

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<b>SECTION I</b> <b>Internal Control and Compliance Material to the Financial Statements</b>	
<p><b><u>Finding 2020-001 – Uncollateralized Cash</u></b>  The District is required to have pledged securities adequate to cover any cash balance in excess of the Federal Deposit Insurance limit of \$250,000. This ensures that the public funds held by the institution are protected in the even of a bank failure. The funds at one local bank were in excess of the FDIC limit by \$162,387. Management realized the overage during the latter portion of the current year and had adequate pledged securities in the early portion of the subsequent period. We recommend that management review all bank statements carefully each month to ensure that funds are not uncollateralized.</p>	<p><b><u>Resolved:</u></b>  We have worked with our bank to ensure that funds are not under collateralized.</p>
<b>SECTION II</b> <b>Internal Control and Compliance Material to Federal Awards</b>	
There are no matters to report.	Not Applicable.
<b>SECTION III</b> <b>Management Letter</b>	
There are no matters to report.	Not Applicable.

# **CATAHOULA PARISH HOSPITAL DISTRICT NO. 2**

## ***Schedule of Expenditure of Federal Financial Awards For the year ended December 31, 2021***

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<u>FEDERAL GRANTOR / Pass-through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures/ Lost Revenue</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Direct Program - Community Health Center	93.224	\$ 2,173,531
Direct Program - Grants for New and Expanded Service under the Health Center Program	93.527	<u>1,800,622</u>
Total Health Center Cluster		<u>3,974,153</u>
COVID-19 Direct Program - Provider Relief Fund and American Rescue Plan	93.498	<u>677,236</u>
Total Department of Health and Human Services		<u>4,651,389</u>
Total Expenditure of Federal Awards		<u>\$ 4,651,389</u>

### **Note**

The schedule of expenditures of federal awards was prepared in conformity with generally accepted accounting principles for Governmental Units. The District does not use any cost allocation and has not used the 10% de minimis indirect cost rate. See notes to the accompanying financial statements for further details. The lost revenue presented for the Provider Relief Funds is based on the Provider Relief Fund Report for the calendar year ending December 31, 2020 as filed the HRSA website.

## **CATAHOULA PARISH HOSPITAL DISTRICT NO. 2**

### ***Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer Year ended December 31, 2021***

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Agency Head Name	<u>Debra Miesch</u>
<b>Purpose</b>	
Salary	146,518
<b>Benefits</b>	
Health Insurance	8,322
Life, Accidental Death, Long-term	4,221
Reimbursements	124

**APPENDIX A**  
**Statewide Agreed-Upon Procedures**



Independent Accountant's Report  
On Applying Agreed-Upon Procedures

To the Catahoula Parish Hospital Service District No. 2 and  
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Catahoula Parish Hospital Service District No. 2 (the Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Entity's management is responsible for those C/C areas identified in the SAUPs.

The entity 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 described above. 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.

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

We are required to be independent of the entity 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.

Rozier, McKay & Willis  
Certified Public Accountants  
Alexandria, Louisiana  
June 28, 2022



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**Catahoula Parish Hospital Service District No. 2**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Written Policies and Procedures</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>1 Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories.</p> <ul style="list-style-type: none"> <li>• Budgeting</li> <li>• Purchasing</li> <li>• Disbursements</li> <li>• Receipts</li> <li>• Payroll/Personnel</li> <li>• Contracting</li> <li>• Credit Cards</li> <li>• Travel and expense reimbursements</li> <li>• Ethics</li> <li>• Debt Service</li> <li>• Disaster Recovery / Business Continuity</li> <li>• Sexual Harassment</li> </ul>	<p>The District maintains a comprehensive set of policies necessary to comply with their federal grantor agency that covers each of the categories with the following exceptions:</p> <ul style="list-style-type: none"> <li>• The sexual harassment policy does not cover annual training or annual reporting.</li> <li>• Debt is not applicable to the District, therefore the District does not have a policy.</li> </ul>	<p>We continually review and revise our policies. We will revise our sexual harassment policy to cover each of the required items.</p>

**Catahoula Parish Hospital Service District No. 2**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
<p>2 Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:</p> <p>a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.</p> <p>b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. <i>Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.</i></p>	<p>Board minutes were obtained and reviewed for the fiscal period.</p> <p>The board meets monthly with a quorum.</p> <p>The board information includes financial statements.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>

**Catahoula Parish Hospital Service District No. 2**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

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<b>Board (or Finance Committee)</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.	There were no deficient fund balances on the previous report.	<i>The results did not include findings or criticisms.</i>

**Catahoula Parish Hospital Service District No. 2**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Bank Reconciliations</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>3 Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:</p> <p>a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);</p> <p>b) Bank reconciliations include 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</p> <p>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.</p>	<p>A listing was obtained and a month was selected for each location.</p> <p>All reconciliations were prepared within 2 months of the related statement closing date.</p> <p>The bank reconciliations include evidence that a member of management reviewed them.</p> <p>There were no reconciling items outstanding for more than 12 months.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>



## **Catahoula Parish Hospital Service District No. 2**

### **Statewide Agreed-Upon Procedures**

#### **Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Collections (excluding EFTs)</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
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.	The employee collecting cash at each location may deposit the small amounts collected but a member of management at the administrative offices reconciles the collection documentation each day.	<i>The results did not include findings or criticisms.</i>
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.	The CFO posts collection entries to the general ledger. The CFO does not collect any cash.	<i>The results did not include findings or criticisms.</i>
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.	The CFO posts collections to the general ledger and does not collect any cash.	<i>The results did not include findings or criticisms.</i>
6 Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.	Coverage of theft is maintained.	<i>The results did not include findings or criticisms.</i>
7 Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day) . Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as	Two deposit date were chosen at random for each deposit site.	<i>The results did not include findings or criticisms.</i>

**Catahoula Parish Hospital Service District No. 2**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
<p>a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:</p> <p>a. Observe that receipts are sequentially pre-numbered.</p> <p>b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.</p> <p>c. Trace the deposit slip total to the actual deposit per the bank statement.</p> <p>d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).</p> <p>e. Trace the actual deposit per the bank statement to the general ledger.</p>	<p>No currency was collected at the sites.</p> <p>Information appearing on the deposit slip was fully supported by documentation.</p> <p>Deposits matched the bank statement.</p> <p>Deposits were made within one business day of receipt.</p> <p>Deposits agreed with amounts reported on the general ledger.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>

## **Catahoula Parish Hospital Service District No. 2**

### **Statewide Agreed-Upon Procedures**

#### **Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>8 Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).</p> <p>9 For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:</p> <p>a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.</p> <p>b) At least two employees are involved in processing and approving payments to vendors.</p> <p>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.</p>	<p>All disbursements are processed at the administrative offices in Sicily Island.</p> <p>Request for purchases are made to the supervisor who requests a PO from the accounts payable associate. The PO is approved by the CEO who then gives approval to the department supervisor for purchase.</p> <p>Payments to vendors are processed by the accounts payable clerk, the CEO, and a board member.</p> <p>Due to the limited size of the staff, it is not practical to limit access to components of the computerized accounting system.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>



**Catahoula Parish Hospital Service District No. 2**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>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.</p> <p>10 For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:</p> <p>a. Observe that the disbursement matched the related original invoice/billing statement.</p> <p>b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.</p>	<p>Due to the limited size of the staff, it is not practical to limit access to components of the computerized accounting system.</p> <p>Disbursements are supported by documentation.</p> <p>The CEO documents approval of every invoice. Also a board member reviews invoices and signs each check.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>

**Catahoula Parish Hospital Service District No. 2**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Credit Cards/Debit Cards/Fuel Cards/P-Cards</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>11 Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.</p>	<p>A list was provided and representations obtained.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>12 Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:</p> <p>a. Observe 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, by someone other than the authorized card holder.</p> <p>b. Observe that finance charges and late fees were not assessed on the selected statements.</p>	<p>A board member reviews credit cards documents.</p> <p>There were no finance charges or late fees assessed.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>

**Catahoula Parish Hospital Service District No. 2**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

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<b>Credit Cards/Debit Cards/Fuel Cards/P-Cards</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
13 Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).	The credit card statements did have supporting or written documentation of business/public purpose.	<i>The results did not include findings or criticisms.</i>

**Catahoula Parish Hospital Service District No. 2**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Travel and Expense Reimbursement</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>14 Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:</p> <p>a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (<a href="http://www.gsa.gov">www.gsa.gov</a>).</p> <p>b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.</p> <p>c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).</p> <p>d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.</p>	<p>There were no travel or expense reimbursements during the current year. Therefore, no procedures have been performed.</p>	<p><i>The results did not include findings or criticisms.</i></p>

**Catahoula Parish Hospital Service District No. 2**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Contracts</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>15 Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:</p> <p>a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.</p> <p>b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).</p> <p>c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.</p> <p>d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.</p>	<p>Management provided a list of all agreements/contracts and provided representations that the list is complete.</p> <p>None of the contracts required a public bid.</p> <p>Each contract was approved by the board.</p> <p>None of the contracts were amended.</p> <p>The invoice and related payment agreed with terms and conditions of the contract.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>

**Catahoula Parish Hospital Service District No. 2**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Payroll and Personnel</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>16 Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.</p>	<p>A listing and representations were provided.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>17 Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:</p> <p>a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).</p> <p>b. Observe that supervisors approved the attendance and leave of the selected employees/officials.</p> <p>c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.</p>	<p>Substantial payroll procedures are performed to test the federal expenditures related to grant funds. Therefore, these procedures were not performed.</p>	
<p>18 Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination</p>	<p>The listing was obtained and representations provided. For the two employees selected vacation pay provided to the employees upon termination agreed with cumulative records.</p>	

**Catahoula Parish Hospital Service District No. 2**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

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<b>Payroll and Personnel</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.  19 Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.	Based on managements representations, filings and payments were performed in a timely manner.	<i>The results did not include findings or criticisms.</i>

**Catahoula Parish Hospital Service District No. 2**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

Ethics		
Agreed-Upon Procedure	Results	Managements' Response
<p>20 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:</p> <p>a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.</p> <p>b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.</p>	<p>Each employee selected completed the hour of training during the fiscal period.</p> <p>Each employee selected attested that they read the ethics policy during the fiscal period.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>



**Catahoula Parish Hospital Service District No. 2**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

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<b>Debt Service</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
21 Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.	Not applicable – The District has no debt.	Not applicable.
22 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.	Not applicable – The District has no debt.	Not applicable.

**Catahoula Parish Hospital Service District No. 2**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

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<b>Fraud Notice</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
23 Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.	Based on representations obtained there are no misappropriations.	<i>The results did not include findings or criticisms.</i>
24 Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.	The notice is posted in the administrative buildings.	<i>The results did not include findings or criticisms.</i>

## **Catahoula Parish Hospital Service District No. 2**

### **Statewide Agreed-Upon Procedures**

#### **Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Information Technology Disaster Recovery /Business Continuity</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
25 Perform the following procedures, <b>verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."</b>	We performed the procedures and discussed the results with management.	<i>Not applicable.</i>
a. Obtain and inspect 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 observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.	We performed the procedures and discussed the results with management.	<i>Not applicable.</i>
b. Obtain and inspect 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 observe evidence that the test/verification was successfully performed within the past 3 months.	We performed the procedures and discussed the results with management.	<i>Not applicable.</i>
c. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.	We performed the procedures and discussed the results with management.	<i>Not applicable.</i>

## **Catahoula Parish Hospital Service District No. 2**

### **Statewide Agreed-Upon Procedures**

#### **Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Sexual Harassment</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>26 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.</p>		
<p>27 Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).</p>	<p>None of the employees received sexual harassment training.</p>	<p><i>We will have our employees receive training in the future.</i></p>
<p>28 Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:</p> <ul style="list-style-type: none"> <li>a. Number and percentage of public servants in the agency who have completed the training requirements;</li> <li>b. Number of sexual harassment complaints received by the agency;</li> <li>c. Number of complaints which resulted in a finding that sexual harassment occurred;</li> <li>d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and</li> <li>e. Amount of time it took to resolve each complaint.</li> </ul>	<p>The report was not completed during the current year.</p>	<p><i>We will complete the report in the future.</i></p>