

**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**

**FINANCIAL STATEMENTS**

**AUGUST 31, 2021**

## C O N T E N T S

	<u>Page</u>
Independent Auditors' Report	1 - 2
<u>Required Supplementary Information</u>	
Management's Discussion and Analysis	3 - 5
<u>Financial Statements</u>	
Statements of Net Position, August 31, 2021 and 2020	6
Statements of Revenues, Expenses, and Changes in Net Position, Years Ended August 31, 2021 and 2020	7
Statements of Cash Flows, Years Ended August 31, 2021 and 2020	8 - 9
Notes to Financial Statements	10 - 22
<u>Supplemental Information</u>	
Schedules of Net Patient Service Revenues, Years Ended August 31, 2021 and 2020	23
Schedule of Compensation, Benefits & Other Payments To Agency Head or Chief Executive Officer	24
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	25 - 26
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	27 - 28
Schedule of Expenditures of Federal Awards – For the Year Ended August 31, 2021	29
Schedule of Findings and Questioned Costs	30 - 32
Summary Schedule of Prior Audit Findings	33

## **INDEPENDENT AUDITORS' REPORT**

Board of Commissioners  
West Ascension Parish Hospital Service District  
of Ascension Parish, Louisiana  
Donaldsonville, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the West Ascension Parish Hospital Service District of Ascension Parish, Louisiana (the District), a component unit of the Ascension Parish Council, as of and for the years ended August 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of August 31, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of net patient service revenues and schedule of compensation, benefits, and other payments to agency head or chief executive officer on pages 23 and 24, respectively, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and related notes is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative requirements, Cost Principles and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedules of net patient service revenues, the schedule of compensation, benefits, and other payments to agency head or chief executive officer, and the schedule of expenditures of federal awards and related notes are the responsibility of management and are derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparison and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of net patient service revenues, the schedule of compensation, benefits, and other payments to agency head or chief executive officer, and the schedule of expenditures of federal awards and related notes 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 February 28, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control over financial reporting and compliance.

*Postlethwaite & Netterville*

Donaldsonville, Louisiana

February 28, 2022



**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AUGUST 31, 2021**

This section of the West Ascension Parish Hospital's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal years that ended on August 31, 2021 and 2020. Please read it in conjunction with the District's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The assets of the District exceeded its liabilities by \$33,223,757 and \$30,127,764 (net position) as of August 31, 2021 and 2020, respectively.
- The District's total assets increased by nearly \$1.3 million or 3.8 percent from August 31, 2020. Total assets as of August 31, 2020 increased by over \$5 million or 17.8 percent from August 31, 2019.
- The District's total liabilities decreased by over \$1.8 million or 49.7 percent from August 31, 2020. Total liabilities as of August 31, 2020 increased by nearly \$3 million or 461.4 percent from August 31, 2019.
- The increase in total assets is directly related to an increase in estimated cost report settlements due to the Hospital. Additionally, the Hospital utilized the Provider Relief Funds that were received in the prior year which resulted in a reduction of deferred revenues.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts—management's discussion and analysis (this section), the basic financial statements, and other supplemental information. The basic financial statements provide information about the District's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The notes are followed by additional reports as required by *Governmental Auditing Standards*. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the District's financial statements. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

Figure A-1 Major Features of the District's Fund Financial Statements	
	Proprietary Fund Statements
Scope	Activities the District operates are similar to private business.
Required financial statements	<ul style="list-style-type: none"> <li>• Statements of net position</li> <li>• Statements of revenues, expenses and changes in net position</li> <li>• Statements of cash flows</li> </ul>
Accounting basis and measurements focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during years, regardless of when cash is received or paid

**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AUGUST 31, 2021**

**Fund Financial Statements**

Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes. A proprietary fund is used to account for the District's ongoing operations and activities.

The District has one type of fund:

- Proprietary fund—Services for which the District charges patients a fee are generally reported in a proprietary fund. Proprietary funds provide both long-term and short-term financial information.

**FINANCIAL ANALYSIS OF THE DISTRICT**

**Net position.** The District's net position increased by \$3,095,993 from August 31, 2020 to August 31, 2021 and increased by \$2,108,037 from August 31, 2019 to August 31, 2020 (See Table A-1).

**Table A-1**  
**District's Net Position**

	Business Type Activities		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 29,643,659	\$ 29,112,452	\$ 24,549,984
Capital assets	5,408,170	4,647,549	4,116,784
<b>Total assets</b>	<b><u>35,051,829</u></b>	<b><u>33,760,001</u></b>	<b><u>28,666,768</u></b>
Current liabilities	1,828,072	3,632,237	647,041
<b>Total liabilities</b>	<b><u>1,828,072</u></b>	<b><u>3,632,237</u></b>	<b><u>647,041</u></b>
Net position			
Investment in capital assets	5,408,170	4,647,549	4,116,784
Unrestricted	27,815,587	25,480,215	23,902,943
<b>Total net position</b>	<b><u>\$ 33,223,757</u></b>	<b><u>\$ 30,127,764</u></b>	<b><u>\$ 28,019,727</u></b>

**Changes in net position.** The District's total revenues for the year ended August 31, 2021 increased by over \$900,000 or 9.5 percent from August 31, 2020. The increase for the year ended August 31, 2021 is mainly attributed to increases in cost report settlement estimates due to the Hospital. Additionally, the Hospital recognized approximately \$740,000 more in Provider Relief Funds in fiscal year 2021 compared to fiscal year 2020. Total revenues for the year ended August 31, 2020 decreased by approximately \$244,000 or 2.5 percent from the year ended August 31, 2019 (See Table A-2). The decrease for the year ended August 31, 2020 is due to a decrease in investment earnings. Approximately 52.1 percent of the District's revenue comes from net patient services for fiscal year 2021 as compared to 49.2 percent for the fiscal year 2020. Operating expenses for all services for the year ended August 31, 2021 decreased over \$77,000 or 1.0 percent from the year ended August 31, 2020. Operating expenses for the year ended August 31, 2020 increased approximately \$228,000 or 3.1 percent from the year ended August 31, 2019.

**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AUGUST 31, 2021**

**Table A-2**  
**Changes in District's Net Position**

	<b>Business Type Activities</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Revenues</b>			
Operating	\$ 7,093,419	\$ 6,413,808	\$ 6,592,770
Non-operating	3,450,852	3,220,094	3,285,132
<b>Total revenues</b>	<b>10,544,271</b>	<b>9,633,902</b>	<b>9,877,902</b>
<b>Expenses</b>			
Operating expenses	7,448,278	7,525,865	7,298,101
<b>Total expenses</b>	<b>7,448,278</b>	<b>7,525,865</b>	<b>7,298,101</b>
<b>Increase in net position</b>	<b>\$ 3,095,993</b>	<b>\$ 2,108,037</b>	<b>\$ 2,579,801</b>

**CAPITAL ASSETS**

The composition of capital assets for the years ended August 31 are as follows: (See Table A-3).

**Table A-3**  
**District's Capital Assets**

	<b>Business Type Activities</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
Land	\$ 335,520	\$ 260,520	\$ 260,520
Building and improvements	5,719,620	4,270,987	4,270,987
Equipment	5,170,905	5,023,343	4,823,810
Construction in progress	403,194	928,587	131,739
<b>Total capital assets</b>	<b>11,629,239</b>	<b>10,483,437</b>	<b>9,487,056</b>
Accumulated depreciation	(6,221,069)	(5,835,888)	(5,370,272)
<b>Net Capital Assets</b>	<b>\$ 5,408,170</b>	<b>\$ 4,647,549</b>	<b>\$ 4,116,784</b>

- As of August 31, 2021, the District had approximately \$5,408,000 invested in capital assets. Capital expenditures in 2021 were approximately \$761,000 more than depreciation expense, which caused an increase in capital assets from 2020 to 2021.
- As of August 31, 2020, the District had approximately \$4,648,000 invested in capital assets. Capital expenditures in 2020 were approximately \$531,000 more than depreciation expense, which caused an increase in capital assets from 2019 to 2020.
- Majority of the increase in capital assets for the year ended August 31, 2021 is the result of the purchase of an office building for over \$900,000.

**CONTACTING THE DISTRICT HOSPITAL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, patients, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Vince Cataldo, Donaldsonville, LA.

**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**STATEMENTS OF NET POSITION**  
**AUGUST 31, 2021 AND 2020**

**ASSETS**

	<u>2021</u>	<u>2020</u>
<b><u>CURRENT ASSETS</u></b>		
Cash	\$ 13,871,166	\$ 8,674,833
Patient accounts receivable, net of allowances for doubtful accounts and contractual adjustments of \$2,339,734 in 2021 and \$2,080,893 in 2020	694,168	389,494
Inventory	309,578	278,004
Sales tax receivable	262,652	246,617
Investments	12,257,826	18,395,467
Estimated third-party payor settlements	2,088,286	991,005
Other current assets	159,983	137,032
Total current assets	<u>29,643,659</u>	<u>29,112,452</u>
 <b><u>PROPERTY AND EQUIPMENT, net</u></b>		
Non-depreciable	738,714	1,189,107
Net depreciable	4,669,456	3,458,442
Total property and equipment, net	<u>5,408,170</u>	<u>4,647,549</u>
<b>TOTAL ASSETS</b>	<u>\$ 35,051,829</u>	<u>\$ 33,760,001</u>

**LIABILITIES AND NET POSITION**

<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable	\$ 452,154	\$ 444,950
Estimated third-party payor settlements	83,304	207,988
Accrued expenses	78,762	108,680
Unearned Provider Relief Funds	1,213,852	2,870,619
Total liabilities	<u>1,828,072</u>	<u>3,632,237</u>
 <b><u>NET POSITION</u></b>		
Investment in capital assets	5,408,170	4,647,549
Unrestricted	27,815,587	25,480,215
Total net position	<u>33,223,757</u>	<u>30,127,764</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 35,051,829</u>	<u>\$ 33,760,001</u>

The accompanying notes are an integral part of these statements.



**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEARS ENDED AUGUST 31, 2021 AND 2020**

	2021	2020
<b><u>OPERATING REVENUES</u></b>		
Net patient service revenues, net of provision for bad debts and contractual adjustments \$1,215,610 in 2021 and \$2,358,046 in 2020	\$ 5,490,743	\$ 4,737,251
Intergovernmental transfers - operating grants	1,602,676	1,676,557
Total operating revenues	7,093,419	6,413,808
<b><u>OPERATING EXPENSES</u></b>		
Salaries and benefits	3,178,433	3,467,165
Professional contracted services	1,986,326	1,727,135
Medical supplies and drugs	787,714	834,512
Other operating	1,110,624	1,031,437
Provision for depreciation	385,181	465,616
Total operating expenses	7,448,278	7,525,865
<b><u>INCOME (LOSS) FROM OPERATIONS</u></b>	<b>(354,859)</b>	<b>(1,112,057)</b>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>		
Sales taxes	1,610,020	1,322,411
Investment earnings (loss)	(43,806)	969,492
Provider Relief Funds	1,656,767	916,000
Other revenue	227,871	12,191
Total non-operating revenues, net	3,450,852	3,220,094
<b><u>CHANGE IN NET POSITION</u></b>	<b>3,095,993</b>	<b>2,108,037</b>
Net position, beginning of the year	30,127,764	28,019,727
Net position, end of year	<b>\$ 33,223,757</b>	<b>\$ 30,127,764</b>

The accompanying notes are an integral part of these statements.

**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED AUGUST 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Cash received from patients and other third-party payors	\$ 5,566,780	\$ 6,093,797
Cash payments to suppliers for goods and services	(4,367,154)	(3,923,533)
Cash payments to employees for services	(2,790,914)	(2,984,765)
Net cash used in operating activities	<u>(1,591,288)</u>	<u>(814,501)</u>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>		
Sales taxes received	1,593,985	1,332,977
Provider Relief Funds received	-	3,786,619
Other revenue	227,871	12,191
Net cash provided by non-capital financing activities	<u>1,821,856</u>	<u>5,131,787</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>		
Acquisitions of capital assets	(1,145,802)	(996,381)
Net cash used in capital and related financing activities	<u>(1,145,802)</u>	<u>(996,381)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchases of investments	-	(1,494,359)
Proceeds from sale or maturity of investments	5,721,005	4,325,000
Interest on investments	390,562	474,089
Net cash provided by investing activities	<u>6,111,567</u>	<u>3,304,730</u>
Net increase in cash	5,196,333	6,625,635
Cash at beginning of year	<u>8,674,833</u>	<u>2,049,198</u>
Cash at end of year	<u>\$ 13,871,166</u>	<u>\$ 8,674,833</u>

The accompanying notes are an integral part of these statements.

**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED AUGUST 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b><u>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH USED IN OPERATING ACTIVITIES</u></b>		
Loss from operations	\$ (354,859)	\$ (1,112,057)
Adjustments to reconcile loss from operations to net cash used in operating activities:		
Depreciation	385,181	465,616
Provision for uncollectible accounts	638,105	1,396,448
Changes in assets and liabilities:		
Increase in receivables	(942,779)	(909,983)
Increase in inventory	(31,574)	(34,211)
Increase in estimated third-party payor settlements	(1,221,965)	(806,476)
(Increase) decrease in other current assets	(40,683)	3,979
Increase in accounts payable	7,204	126,962
Increase (decrease) in accrued expenses	(29,918)	55,221
Total adjustments	<u>(1,236,429)</u>	<u>297,556</u>
Net cash used in operating activities	<u>\$ (1,591,288)</u>	<u>\$ (814,501)</u>

The accompanying notes are an integral part of these statements.

**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies**

The West Ascension Parish Hospital Service District of Ascension Parish, Louisiana, d/b/a Prevost Memorial Hospital (the District), was created by a resolution of the Ascension Parish Council on May 2, 1963 under provisions of Chapter 10 of Title 46 of the Louisiana Revised Statutes of 1950.

**Basis of Presentation**

The accompanying component unit financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP and used by the District are described below.

**Reporting Entity**

As the governing authority of the parish, the Ascension Parish Council (the Council) is the financial reporting entity for Ascension Parish. The financial reporting entity consists of (a) the primary government (Council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The criteria for determining which component units should be considered part of the Ascension Parish Council for financial reporting purposes is below. 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. These criteria include:

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

Because the Council appoints all members to the District's Board of Commissioners and has the ability to impose its will on the District, the District was determined to be a component unit of the Ascension Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies** (continued)

Measurement Focus, Basis of Accounting

*Proprietary Fund Financial Statements.* The proprietary fund is used to account for the District's ongoing operations. The proprietary fund financial statements are reported using the economic resources measurement focus. The proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements, and donations. On an accrual basis, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Cash and Cash Equivalents

The District considers all cash accounts, money market funds, and certificates of deposits with a maturity of three months or less when purchased to be cash and cash equivalents. Cash includes petty cash and demand deposit accounts. Under state law, the District may deposit funds and invest in certificates of deposit with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state, or the laws of the United States.

Patient Accounts Receivable

The District provides credit in the normal course of operations to patients located primarily in Ascension Parish and surrounding areas and to insurance companies conducting operations in this area.

The District maintains allowances for contractual adjustments and doubtful accounts based on management's assessment of collectability, current economic conditions, and prior experience. The District determines if patient accounts receivable are past-due based on the discharge date; however, the District does not charge interest on past-due accounts. The District charges off patient accounts receivable if management considers the collection of the outstanding balances to be doubtful.

Allowance for Doubtful Accounts and Contractuals

The allowance for doubtful accounts is established as losses are estimated to have occurred through a provision for doubtful accounts charged to earnings. Losses are charged against the allowance when management believes the uncollectability of an account is confirmed. Subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the accounts in light of historical experience, and the nature and volume of the accounts.

The allowance for contractual discounts on accounts receivable from third-party payors (Medicare, Medicaid and private medical benefit insurers) is based primarily on the latest discount percentages experienced with each third-party payor.

While management uses available information in estimating the District's allowance for doubtful accounts, changes in the reimbursable contract rates and the composition of the patient treatments could result in further reductions in the carrying amount of patient receivables. As such it is reasonably possible that the estimated net patient receivables may change materially in the near term. The amount of the change that is reasonably possible, however, cannot be estimated.

**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (continued)**

Inventory

Inventory is valued at the lower of cost (using the first-in, first-out method) or market.

Investments

The District may invest in bonds, debentures and other indebtedness which are fully guaranteed by the United States, issued or guaranteed by federal agencies backed by full faith and credit of the United States, issued or guaranteed by United States government instrumentalities which are federally sponsored, and others allowable by state law. Investments are stated at fair value, which are the amounts on the statements of net position, and are based on quoted market prices, if available, or estimated using quoted market prices for similar securities.

Investment income includes interest earned, realized gains and losses and unrealized gains and losses (changes in fair value).

Property and Equipment

Property and equipment acquisitions are recorded at cost. Property and equipment donated for District operations are recorded as additions at fair value at the date of receipt. Maintenance and repairs are charged to expense and betterments are capitalized.

Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed on the straight-line method. Buildings and improvements are being depreciated over 25 to 40 years, land improvements over 20 years, and equipment over 5 to 20 years. Gains and losses from sales or retirements are recognized in the period of disposition.

Deferred Outflows/Inflows of Resources

The statement of financial position will at times report a separate section for deferred outflows and (or) deferred inflows of financial resources. *Deferred outflows* of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. *Deferred inflows* of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District did not have any deferred outflows or deferred inflows at August 31, 2021 or 2020.

Net Patient Service Revenue

The District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed cost, 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 future periods as final settlements are determined.



**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

1. **Summary of Significant Accounting Policies** (continued)

Operating Revenues and Expenses

For purposes of display, transactions deemed by management to be ongoing, major, or central to the provision of health care services are reported as operating revenues and expenses. Peripheral or incidental transactions are reported as non-operating revenues.

Net position

The net position of the District is classified in components. Net investment in capital assets net of related debt consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings used to finance the purchase, improvements, or construction of those assets, if any. Because the District does not have related debt, net position related to capital assets is presented as investment in capital assets. Restricted net position is when there are limitations imposed on their use by external parties such as creditors, grantors, laws or regulations of other governments. The District had no restricted net position at August 31, 2021 or 2020. Unrestricted net position is the remaining net position that does not meet the definition of investment in capital assets or restricted.

Use of Estimates

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

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Charity Care

The District provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the District does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. Records of charges foregone for services and supplies furnished under the charity care policy are maintained to identify and monitor the level of charity care provided.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District is a member of two separate trust funds established by the Louisiana Hospital Association that encompasses self-insurance for workers' compensation and liability insurance. The management of the trust funds has complete control over the rate setting process. The District is insured for all other risks of loss.

**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies** (continued)

Recently Issued Accounting Principles

In June 2018, the GASB issued Statement No. 87 (GASB 87). The objective of GASB Statement No. 87, *Leases*, is to better meet the information needs of the financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Management is still evaluating the potential impact of adoption on the District's financial statements. The requirements of the Statement are effective for reporting periods beginning after June 15, 2021.

**2. Sales Tax**

In a general election held on November 5, 1980, the voters of the District approved a one-half percent sales tax. The net proceeds from this tax are to be used for the expansion and/or operation of the District.

**3. Cash**

At August 31, the District had cash and demand deposit accounts totaling \$13,871,166 and \$8,674,833, respectively as follows:

	2021	2020
Petty cash	\$ 51	\$ 51
Demand deposit accounts	13,871,115	8,674,782
Total cash	\$13,871,166	\$ 8,674,833

Under state law, these 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.

**4. Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk at August 31, 2021. As of August 31, 2021, the District's bank balance was \$13,889,938. Of this amount, \$398,429 was insured by federal deposit insurance and \$13,491,509 was collateralized by pledged securities. The District's bank balances were not exposed to custodial credit risk at year end. As of August 31, 2020, the District's bank balance was \$8,726,959. Of this amount, \$314,175 was insured by federal deposit insurance and \$8,412,784 was collateralized by pledged securities. The District's bank balances were not exposed to custodial credit risk at August 31, 2020.

**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**5. Net Patient Service Revenues**

The District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. Contractual adjustments represent the differences between the District's billings at established rates for services and amounts reimbursed by third-party payors. Bad debts represent the differences between the District's billings at established rates for services and amounts reimbursed by self-pay payors and patient responsible portions.

While management uses available information in estimating the District's contractual adjustments and allowances for doubtful accounts, changes in the reimbursable contract rates and the composition of the patient treatments could result in further changes in the carrying amount of patient receivables. As such, it is reasonably possible that the estimated net patient accounts receivable may change materially in the near term. The amount of the change that is reasonably possible, however, cannot be estimated.

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

Medicare - Inpatient acute care services rendered to Medicare program beneficiaries are reimbursed under a cost reimbursement methodology. Inpatient non-acute services, other outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are also paid based on a cost reimbursement methodology. The District is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicare fiscal intermediary. The District's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the District. The District's Medicare cost reports have been filed with the Medicare fiscal intermediary through August 31, 2021. The District's Medicare cost reports have been audited by the Medicare fiscal intermediary through August 31, 2017.

Medicaid - Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The District is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicaid fiscal intermediary. The District's Medicaid cost reports have been filed with the fiscal intermediary through August 31, 2021. The District's Medicaid cost reports have been audited by the Medicaid fiscal intermediary through August 31, 2015.

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

**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**6. Investments**

The District's investments generally are reported at fair value, as discussed in Note 1. At August 31, 2021 and 2020, the District had the following investments and maturities, all of which were held in the District's name by a custodial bank that is an agent of the District:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More than 10</u>
<b>August 31, 2021</b>					
U.S. Agencies	\$ 12,257,826	\$ 3,151,892	\$ 4,506,202	\$ 2,277,549	\$ 2,322,183
<b>Total investments</b>	<b>\$ 12,257,826</b>	<b>\$ 3,151,892</b>	<b>\$ 4,506,202</b>	<b>\$ 2,277,549</b>	<b>\$ 2,322,183</b>
<b>August 31, 2020</b>					
U.S. Agencies	\$ 17,973,304	\$ 5,345,131	\$ 5,172,405	\$ 5,042,537	\$ 2,413,231
U.S. Treasury bills	422,163	422,163	-	-	-
<b>Total investments</b>	<b>\$ 18,395,467</b>	<b>\$ 5,767,294</b>	<b>\$ 5,172,405</b>	<b>\$ 5,042,537</b>	<b>\$ 2,413,231</b>

The District categorizes its fair value measurements within the fair values hierarchy established by generally accepted accounting principles. The hierarchy is described in Note 7.

Interest Rate Risk- The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk- Under Louisiana R.S. 33:2955, as amended, the District may invest in obligations of the U.S. Treasury, U.S. Agencies and instrumentalities, repurchase agreements, certificates of deposits, and other investments as provided in the statute. The District's investment policy does not limit its investment choices. As of August 31, 2021 and 2020, the District's investments in U.S. Agencies and U.S. Treasury bills were rated AAA by Moody's Investors Service and AAA by Standard & Poor's.

Concentration of Credit Risk- The District's investment policy does not limit the amount the District may invest in any one issuer. More than 5 percent of the District's investments are in securities issued by Federal Farm Credit Bank, Federal Home Loan Bank, Fannie Mae, and the Tennessee Valley Authority. These investments are 37%, 22%, 26%, and 14%, respectively, of total investments at August 31, 2021. These investments were 29%, 31%, 27%, and 10%, respectively, of total investments at August 31, 2020.

Custodial Credit Risk- For an investment, this is the risk that, in the event of the failure of the counter party, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's policy addresses custodial credit risk for investments by requiring that they must be held by the District's fiscal agent bank that is selected in accordance with Louisiana statutes.

**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**7. Fair Value of Financial Instruments**

**Determination of Fair Value**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

**Fair Value Hierarchy**

In accordance with this guidance, the District groups its financial assets and financial liabilities generally measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

- Level 1 – Valuation is based on quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 – Valuation is based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.
- Level 3 – Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

The following methods and assumptions were used by the District in estimating fair value disclosures for financial instruments:

**Government Securities:** Where quoted prices are available in an active market, the District classifies the securities within level 1 of the valuation hierarchy. Securities are defined as both long and short positions. Level 1 securities include highly liquid government bonds and exchange-traded equities.

If quoted market prices are not available, the District estimates fair values using pricing models and discounted cash flows that consider standard input factors such as observable market data, benchmark yields, interest rate volatilities, broker/dealer quotes, and credit spreads. Examples of such instruments, which would generally be classified within level 2 of the valuation hierarchy, include GSE (Government sponsored enterprises) obligations, such as Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, and Federal Home Loan Bank, corporate bonds, and other securities. Mortgage backed securities are included in level 2 if observable inputs are available. In certain cases, where there is limited activity or less transparency around inputs to the valuation, the District classifies those securities in level 3.

**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

7. **Fair Value of Financial Instruments** (continued)

**Fair Value of Assets Measured on a Recurring Basis**

The District's securities are measured on a recurring basis through a model used by its investment custodian. Prices are derived from a model which uses actively quoted rates, prepayment models and other underlying credit and collateral data.

The following tables present for each of the fair-value hierarchy level the District's financial assets and liabilities that are measured at fair value on a recurring basis at August 31, 2021:

<i>August 31, 2021</i>	<u><i>Level 2</i></u>
U.S. Agency securities	\$ 12,257,826
Total	<u>\$ 12,257,826</u>

<i>August 31, 2020</i>	<u><i>Level 2</i></u>
U.S. Treasury bills	\$ 422,163
U.S. Agency securities	17,973,304
	<u>\$ 18,395,467</u>

8. **Capital Assets**

Capital Assets and depreciation activity as of and for the year ended August 31, 2021, are as follows:

	<u>Land</u>	<u>CIP</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>	<u>Total</u>
Cost of Capital Assets, 8/31/20	\$ 260,520	\$ 928,587	\$ 4,270,987	\$ 5,023,343	\$ 10,483,437
Additions	75,000	16,246	906,994	147,562	1,145,802
Deletions	-	-	-	-	-
Transfers	-	(541,639)	541,639	-	-
Cost of Capital Assets, 8/31/21	<u>335,520</u>	<u>403,194</u>	<u>5,719,620</u>	<u>5,170,905</u>	<u>11,629,239</u>
Accumulated Depreciation, 8/31/20	-	-	2,247,218	3,588,670	5,835,888
Additions	-	-	96,320	288,861	385,181
Deletions	-	-	-	-	-
Accumulated Depreciation, 8/31/21	<u>-</u>	<u>-</u>	<u>2,343,538</u>	<u>3,877,531</u>	<u>6,221,069</u>
Capital Assets, Net of Accumulated Depreciation at 8/31/21	<u>\$ 335,520</u>	<u>\$ 403,194</u>	<u>\$ 3,376,082</u>	<u>\$ 1,293,374</u>	<u>\$ 5,408,170</u>



**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**8. Capital Assets** (continued)

Capital Assets and depreciation activity as of and for the year ended August 31, 2020, are as follows:

	<u>Land</u>	<u>CIP</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>	<u>Total</u>
Cost of Capital Assets, 8/31/19	\$ 260,520	\$ 131,739	\$ 4,270,987	\$ 4,823,810	\$ 9,487,056
Additions	-	796,848	-	199,533	996,381
Deletions	-	-	-	-	-
Transfers	-	-	-	-	-
Cost of Capital Assets, 8/31/20	<u>260,520</u>	<u>928,587</u>	<u>4,270,987</u>	<u>5,023,343</u>	<u>10,483,437</u>
Accumulated Depreciation, 8/31/19	-	-	2,175,799	3,194,473	5,370,272
Additions	-	-	71,419	394,197	465,616
Deletions	-	-	-	-	-
Accumulated Depreciation, 8/31/20	<u>-</u>	<u>-</u>	<u>2,247,218</u>	<u>3,588,670</u>	<u>5,835,888</u>
Capital Assets, Net of Accumulated Depreciation at 8/31/20	<u>\$ 260,520</u>	<u>\$ 928,587</u>	<u>\$ 2,023,769</u>	<u>\$ 1,434,673</u>	<u>\$ 4,647,549</u>

For the years ended August 31, 2021 and 2020, depreciation expense was \$385,181 and \$465,616, respectively.

**9. Concentrations of Credit Risk**

The District is located in Donaldsonville, Louisiana. The District grants credit without collateral to its patients, most of whom are local residents. Revenue from patients and third-party payors were as follows:

	<u>2021</u>	<u>2020</u>
Medicare and Medicaid	70.4%	68.1%
Blue Cross	10.4	10.9
Commercial	6.9	8.0
Private Pay	12.3	13.0
	<u>100.0%</u>	<u>100.0%</u>

Patient accounts receivable consist of the following:

	<u>2021</u>	<u>2020</u>
Receivable from patients and their insurance carriers	\$ 991,674	\$ 1,110,361
Receivable from private pay patients	836,822	977,172
Receivable from Medicare	883,221	235,227
Receivable from Medicaid	322,185	147,627
Total patient accounts receivable	<u>3,033,902</u>	<u>2,470,387</u>
Less allowances for doubtful accounts and contractual adjustments	<u>(2,339,734)</u>	<u>(2,080,893)</u>
Patient accounts receivable, net	<u>\$ 694,168</u>	<u>\$ 389,494</u>

**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**10. Charity Care** (unaudited)

The District is an active and caring member of the community. Its mission of providing and improving medical care in the area as well as its participation in community activities is a long standing tradition of service provided to benefit the community. Total charity care for the indigent during the years ended August 31, 2021 and 2020 was \$43,881 and \$132,744, respectively.

The amount reported as care for the indigent represents billings for services provided based on the District's charge rates to persons who cannot afford health care because of unavailable resources or who are uninsured. Total cost of charity care for the years ended August 31, 2021 and 2020 was \$45,568 and \$134,194, respectively.

**11. Tax Abatement**

For the fiscal years ending August 31, 2021 and 2020, the District did not participate in any Tax Exemption Programs.

**12. Rural Hospital Grant**

Since the District serves a disproportionate share of low-income patients, it qualifies for additional reimbursements from the State of Louisiana Department of Health and Hospitals rural hospital grant program. The rural hospital grant program was developed by the Rural Hospital Coalition, Inc., to assist rural hospitals in receiving adequate reimbursement for uninsured and indigent patients under the State of Louisiana Rural Hospital Preservation Act. The grant funds totaled \$1,602,676 and \$1,676,557 for the years ended August 31, 2021 and 2020, respectively.

**13. Commitments and Contingent Liabilities**

The healthcare industry is subject to numerous laws and regulations which include, among other things, matters such as government healthcare participation requirements, various licensure and accreditations, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government action has increased with respect to investigations and/or allegations concerning possible violations of fraud and abuse and false claims statutes and/or regulations by healthcare providers. Providers that are found to have violated these laws and regulations might be excluded from participating in government healthcare programs, subjected to fines or penalties, or required to repay amounts received from the government for previously billed patient services. While management of the District believes that its policies, procedures, and practices comply with governmental regulations, no assurance can be given that the District will not be subjected to governmental inquiries or actions.

**14. Related Party Transactions**

On November 8, 2020, the Hospital purchased a building located at 214 Clinic Drive, Donaldsonville, La 70346 in the amount of \$900,000. The building was purchased from Clinic Drive Partnership. Certain members of the Hospital Board of Directors are owners in the Clinic Drive Partnership. The members of the Board of Directors who were part owner of the building abstained from voting on the purchase.

**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**15. COVID-19 Pandemic and CARES Act Funding**

In 2020, the COVID-19 pandemic impacted the District as well as its patients, community and employees. The spread of COVID-19 and the ensuing response of federal, state and local authorities beginning in March 2020 resulted in a reduction in patient volumes and also adversely affected the District's net operating revenues for the years ended August 31, 2021 and 2020. Federal, state and local authorities have taken several actions designed to assist healthcare providers in providing care to COVID-19 and other patients and to mitigate the adverse economic impact of the COVID-19 pandemic.

Legislative actions taken by the federal government include the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), which was signed into law on March 27, 2020, the Paycheck Protection Program and Health Care Enhancement Act (the "PPP Act"), which was signed into law on April 24, 2020, the Continuing Appropriations Act, 2021 and Other Extensions Act (the "Continuing Appropriations Act"), which was signed into law October 1, 2020, and the Consolidated Appropriations Act, 2021 (the "Consolidated Appropriations Act (CAA)" and, collectively, with the CARES Act, the PPP Act, and the Continuing Appropriations Act, the "COVID Acts"), which was signed into law on December 27, 2020. Through the COVID Acts, the federal government has authorized \$178 billion in payments to be distributed through the Public Health and Social Services Emergency Fund ("Provider Relief Fund" or "PRF").

During the year ended August 31, 2020, the District received \$3,786,619 in cash payments from the Provider Relief Fund. These payments are not loans and, therefore, they are not subject to repayment. However, as a condition to receiving distributions, the District had to agree to certain terms and conditions, including, among other things, that the funds are being used for lost revenues and unreimbursed COVID-related costs as defined by the U.S. Department of Health and Human Services ("HHS"), and that it will not seek collection of out-of-pocket payments from a COVID-19 patient that are greater than what the patient would have otherwise been required to pay if the care had been provided by an in-network provider. provisions of the CARES Act.

The District is required to comply with the reporting requirements described in the terms and conditions and as determined by HHS. The District recognizes grant payments as income when there is reasonable assurance that it has complied with the conditions associated with the grant. Initial estimates could change materially in the future based on our operating performance or COVID-19 activities, as well as the government's evolving grant compliance guidance. During the years ended August 31, 2021 and 2020, we recognized Provider Relief Fund revenues of \$1,656,767 and \$916,000, respectively.

The recognition of amounts received is conditioned upon the provision of care for individuals with possible or actual cases of COVID-19 after January 31, 2020, certification that payment will be used to prevent, prepare for and respond to coronavirus and shall reimburse the District only for healthcare-related expenses or lost revenues, as defined by HHS, that are attributable to coronavirus, as well as receipt of the funds. Amounts are recognized as revenue only to the extent the District is reasonably assured that underlying conditions have been met. The District's assessment of whether the terms and conditions for amounts received are reasonably assured of having been met considers, among other things, the CARES Act, the CAA and all frequently asked questions and other interpretive guidance issued by HHS. Such guidance, specifically the various Post-Payment Notice of Reporting Requirements and frequently asked questions issued by HHS, set forth the allowable methods for quantifying eligible healthcare related expenses and lost revenues. Only healthcare related expenses attributable to coronavirus that another source has not reimbursed and is not obligated to reimburse are eligible to be claimed. On the basis of guidance available at the time, the District's estimate of lost revenues for 2021 and 2020 was based on the negative change in year-over-year net patient care operating revenue. The calculation as of August 31, 2021 and 2020 is in accordance with the CAA.

**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**16. Subsequent Events**

On December 13, 2021, the Hospital paid back \$464,535 in unused Provider Relief Funds to the United States Department of Health and Human Services/Health Resources and Services Administration in accordance with the terms of the award.

**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**

**SUPPLEMENTAL INFORMATION**

**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**SCHEDULES OF NET PATIENT SERVICE REVENUES**  
**YEARS ENDED AUGUST 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Patient services:		
Emergency room	\$ 3,478,737	\$ 3,846,220
Therapy	20,969	22,077
Central services and supply	1,073	2,586
Laboratory	1,577,205	1,565,710
Pharmacy	25,411	27,991
Radiology	188,800	192,747
Medical transcription fees	-	260
EKG	35,625	33,708
Wound Care	1,086,978	1,133,868
Ultrasound	90,630	82,405
Mammography	200,925	187,725
Gross patient service revenues	<u>6,706,353</u>	<u>7,095,297</u>
Contractual adjustments	(577,505)	(961,598)
Provision for bad debts	(638,105)	(1,396,448)
	<u>(1,215,610)</u>	<u>(2,358,046)</u>
Net patient service revenue	<u>\$ 5,490,743</u>	<u>\$ 4,737,251</u>

See the accompanying notes and independent auditors' report



**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS & OTHER PAYMENTS**  
**TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**  
**YEAR ENDED AUGUST 31, 2021**

Agency Head Name/Title: Vince Cataldo, Administrator

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 153,948
Benefits - Health Insurance	9,280
Benefits - Life Insurance	212
Travel	2,447
	<u>\$ 165,887</u>

See the accompanying notes and independent auditors' report

**INDEPENDENT AUDITORS' 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  
West Ascension Parish Hospital Service District  
of Ascension Parish, Louisiana  
Donaldsonville, 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 West Ascension Parish Hospital Service District of Ascension Parish, Louisiana (the District), a component unit of the Ascension Parish Council, as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise of the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated February 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) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District'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*.

## **Management's Response to Finding**

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The West Ascension Parish Hospital Service District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Postlethwaite & Netterville*

Donaldsonville, Louisiana  
February 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  
West Ascension Parish Hospital Service District  
of Ascension Parish, Louisiana  
Donaldsonville, Louisiana

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

We have audited West Ascension Parish Hospital Service District’s (the District), a component unit of Ascension Parish Government, 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 District’s major federal programs for the year ended August 31, 2021. The District’s major federal program is identified in the summary of auditors’ 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.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on compliance for each of the District’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 Regulations* 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 District’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 District’s compliance.

**Opinion on Each Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended August 31, 2021.

**Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-002. Our opinion on the major federal program is not modified with respect to this matter.



The District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Management of the District 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 District'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 the 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 District'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 a 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 preceding 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-002, that we consider to be a significant deficiency.

The District's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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.

*Postlethwaite & Netterville*

Donaldsonville, Louisiana  
February 28, 2022

**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Grantor's ID Number</u>	<u>Federal Expenditures</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct Program			
COVID-19 Provider Relief Fund	93.498	N/A	\$ 2,487,767
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>2,487,767</u>
<b>TOTAL FEDERAL ASSISTANCE EXPENDED</b>			<u>\$ 2,487,767</u>

**NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operation of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**NOTE B - RECONCILIATION OF FEDERAL EXPENDITURES**

Federal assistance expended as reported on Schedule of Expenditures of Federal Awards	\$ 2,487,767
Less: revenues recognized in prior year not reportable in prior year Provider Relief Fund	(916,000)
Add: revenues recognized in current year not reportable on the current year SEFA Provider Relief Fund	85,000
Total Provider Relief Fund revenues	<u>\$ 1,656,767</u>

**NOTE C - INDIRECT COST RATE**

The Hospital has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.



**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED AUGUST 31, 2021**

**SECTION I - SUMMARY OF AUDIT RESULTS**

*Financial Statements*

Type of auditors' report issued:	<u>Unmodified</u>
Internal Control over Financial Reporting:	
• Material weakness(es) identified?	<u>  X  </u> Yes <u>          </u> No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u>          </u> Yes <u>      X      </u> None reported
Noncompliance material to financial statements noted?	<u>          </u> Yes <u>      X      </u> No

*Federal Awards*

Internal control over major programs:	
• Material weakness(es) identified?	<u>          </u> Yes <u>      X      </u> No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u>  X  </u> Yes <u>          </u> None reported

Type of auditors' report issued on compliance for major programs	<u>Unmodified</u>
Any audit finding disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	<u>  X  </u> Yes <u>          </u> No

Identification of major programs:

<u>Name of Federal Program</u>	<u>Federal Assistance Listing Number</u>
Provider Relief Fund	93.498
Dollar threshold used to distinguish Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	<u>          </u> Yes <u>      X      </u> No

**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED AUGUST 31, 2021**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**MATERIAL WEAKNESS**

**2021-001 Internal Control over Financial Reporting**

***Criteria:*** Internal control over financial reporting includes ensuring that policies and procedures exist that pertain to an entity's ability to initiate, record, process, and report financial data consistent with the assertion embodied in the annual financial statements, which for the District, is that financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

***Condition:*** During the audit, we noted several accounts which required adjustment in order for them to properly reflect end of year balances. These accounts included patient revenues, property and equipment, inventory, and receivable and liability accruals. Additionally, there are accounts (suspense liabilities) that do not have subledgers to support the balances.

***Cause:*** The District does not have adequate policies, procedures, and internal controls to prepare accurate and complete financial statements in accordance with GAAP on a timely basis.

***Effect:*** Due to the inaccuracy of the information provided to the Board, the District may not have the ability to make appropriate financial decisions.

***Recommendation:*** The District should evaluate its accounting and financial reporting function. Specifically, the District should consider the following:

- Take more of a role in preparing and recording journal entries historically proposed by the auditors as part of the audit.
- Implement procedures and controls to ensure accounts payable and expenses are properly coded and reported on a timely basis at year-end.

***View of Responsible Official:***

The District continues to make efforts in improving financial reporting. Additionally, Management continues to work with Athena to improve the billing process, and reconciliation of the suspense liability accounts.

**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED AUGUST 31, 2021**

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**2021-002 ENHANCEMENT OF POLICIES AND PROCEDURES FOR FEDERAL AWARDS**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Allowable Costs**

Provider Relief Fund – Federal Assistance Listing Number 93.498

**Criteria:** The Uniform Guidance administrative requirements and cost principles apply to federal funding awarded on or after December 25, 2014, 2 CFR 200, Subpart D – Post Federal Award Requirements and Subpart E – Cost Principles of the Uniform Guidance require specific written policies relative to federal awards.

**Questioned Costs:** None.

**Condition:** During our audit procedures we identified that the written policies and procedures of the District do not directly address all required compliance areas with the Uniform Guidance for federal programs. Additionally, documentation could be improved to track and identify time spent directly on COVID-19 initiatives.

**Repeat Finding:** No.

**Cause:** The District has not developed the policies and procedures required by the Uniform Guidance.

**Effect:** The District is susceptible to an increase risk of noncompliance with federal awarding requirements as they relate to allowable costs.

**Recommendation:** The written policies and procedures of the District should be enhanced to ensure compliance with the Uniform Guidance as it relates to allowable costs. The District should implement a way of tracking the time and effort spent by employees on COVID-19 initiatives.

**View of Responsible Official:**

The District will create policies and procedures specific to the compliance requirements as stated by the Uniform Guidance. Additionally, the District will meet to determine the most effective way to document time and effort on COVID-19 initiatives.

**WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT**  
**OF ASCENSION PARISH, LOUISIANA**  
**DONALDSONVILLE, LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**YEAR ENDED AUGUST 31, 2021**

**A. FINDINGS – FINANCIAL STATEMENT AUDIT**

**2020-001 Internal Control over Financial Reporting**

*Condition:* During the audit, we noted several accounts which required adjustment in order for them to properly reflect end of year balances. These accounts included property and equipment, accrued liabilities, investment income, and equity.

*Current Status:* Efforts were made in reconciling and recording investment income. However, similar conditions still exist. See similar finding 2021-001.

**B. FINDINGS - COMPLIANCE WITH STATE LAWS AND REGULATIONS**

None.



# *Prevoist Memorial Hospital*

301 Memorial Drive  
Donaldsonville, LA 70346  
Ph# 225-473-7931

**Board of Commissioners:**  
**Michel Hirsch, M.D., Chairman**  
**Glenn Schexnayder, M.D., Vice-Chairman**  
**A.J. Gomez, Treasurer**  
**Michael Medine, Recording Secretary**  
**John Marchand, Commissioner**

Vince A. Cataldo  
Administrator  
Joint Commission Approved

## **CORRECTIVE ACTION PLAN**

February 28, 2022

Louisiana Legislative Auditor

The West Ascension Parish Hospital Service District respectfully submits the following corrective action plan for the year ended August 31, 2021.

Name and address of the independent public accounting firm:

Postlethwaite & Netterville, APAC  
215 St. Patrick Street  
P.O. Box 1190  
Donaldsonville, LA 70346

Audit Period: September 1, 2020 – August 31, 2021

The findings from the schedule of findings is discussed below. The finding is numbered consistently with the number assigned in the schedule of findings.

**SECTION II – FINANCIAL STATEMENT FINDINGS**  
**MATERIAL WEAKNESS**  
2021-001 Internal Control over Financial Reporting

Recommendation:

The District should evaluate its accounting and financial reporting function. Specifically, the District should consider the following:

- Take more of a role in preparing and recording journal entries historically proposed by the auditors as part of the audit.
- Implement procedures and controls to ensure accounts payable and expenses are properly coded and reported on a timely basis at year-end.

View of Responsible Official:

The District continues to make efforts in improving financial reporting. Additionally, Management continues to work with Athena to improve the billing process, and reconciliation of the suspense liability accounts.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
2021-002 ENHANCEMENT OF POLICIES AND PROCEDURES FOR FEDERAL AWARDS  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Provider Relief Fund – Federal Assistance Listing Number 93.498

Recommendation:

The written policies and procedures of the district should be enhanced to ensure compliance with the Uniform Guidance as it relates to allowable costs. The District should implement a way of tracking the time and effort spent by employees on COVID-19 initiatives.

View of Responsible Official:

The District will create policies and procedures specific to the compliance requirements as stated by the Uniform Guidance. Additionally, the District will meet to determine the most effective way to document time and effort on COVID-19 initiatives.

Sincerely,



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Vince Cataldo  
Hospital Administrator