

**The Hospital Service District of
West Feliciana Parish Louisiana
A Component Unit of the
West Feliciana Parish Government
St. Francisville, Louisiana
October 31, 2024**

Table of Contents

| | | |
|---|------|----|
| Management’s Discussion and Analysis | Page | 3 |
| Independent Auditor's Report | Page | 7 |
| Basic Financial Statements | | |
| Statements of Net Position | Page | 10 |
| Statements of Revenue, Expenses, and Changes in Net Position | Page | 11 |
| Statements of Cash Flows | Page | 12 |
| Notes to Financial Statements | Page | 14 |
| Supplementary Information | | |
| Independent Auditor's Report on Supplementary Information | Page | 33 |
| Schedules of Net Patient Service Revenue | Page | 34 |
| Schedules of Operating Expenses | | |
| Salaries, Wages, and Benefits | Page | 35 |
| Professional Services | Page | 36 |
| Supplies and Other Expenses | Page | 37 |
| Other Operating Expenses | Page | 38 |
| Schedule of Compensation, Benefits, and Other | | |
| Payments to Agency Head or Chief Executive Officer | Page | 39 |
| 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 <i>Government Auditing Standards</i> | Page | 40 |
| Schedule of Findings and Responses | Page | 42 |
| Schedule of Prior Year Findings and Questioned Costs | Page | 43 |

The Hospital Service District of West Feliciana Parish Louisiana
Management's Discussion and Analysis
October 31, 2024

This portion of the Hospital's annual financial reporting presents background information and management's review of the Hospital's financial performance during the fiscal year ended October 31, 2024. This Section should be interpreted within the context of financial statements as displayed in this report.

FINANCIAL HIGHLIGHTS

The fiscal year ended October 31, 2024 marked another important chapter in the Hospital's continued growth and transformation. A cornerstone of this year's progress was the continued strategic growth in our physician services, as practitioners across a range of specialties saw their patient volume grow.

From a financial standpoint, the year brought several key achievements that have strengthened our ability to serve the community. The Hospital secured and received grant funding totaling \$355,000, reinforcing our commitment to enhancing access and quality of care. We are pleased to report a positive operating income of approximately \$508,000 and non-operating income of \$2.4 million, including \$1.75 million in interest income. These gains contributed to a total increase in net position of \$2.9 million for the fiscal year. Our net position increased by 6% which meant for the first time our year-end net position eclipsed \$50 million. These financial results reflect our ongoing commitment to operational excellence and fiscal responsibility. They also ensure that we remain well-positioned to invest in the future, driving innovation and expanding access to high-quality care across our community.

REQUIRED FINANCIAL STATEMENTS

The basic financial statements of the Hospital report information regarding the Hospital using Governmental Accounting Standards Board (GASB) accounting principles. These statements offer short-term and long-term financial information about its activities. The Statements of Net Position include all of the Hospital's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to Hospital creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure, and assessing the liquidity and financial flexibility of the Hospital.

All of the current year's revenue and expenses are accounted for in the Statement of Revenue, Expenses, and Changes in Net Position. This statement measures improvements in the Hospital's operations over the past year, and can be used to determine whether the Hospital has been able to recover all of its costs through its patient service and other revenue sources. The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Hospital's cash flows from operations and financial activities, as well as define the sources of cash, its use, and cash balance changes during the reporting period. Additional statistical information and notes are offered as support, explanation and information.

FINANCIAL ANALYSIS OF THE HOSPITAL SERVICE DISTRICT

The Statements of Net Position and Statements of Revenue, Expenses, and Changes in Net Position report data about the Hospital's activities. These two (2) statements report the net position of the Hospital and changes in it. Increases or decreases in net position are one indicator regarding the financial integrity of the Hospital. Other non-financial indicators include changes in state and local economic conditions, as well as regulatory changes regarding Medicare and Medicaid, especially as these may impact Critical Access Hospital status, and related cost-based reimbursements.

**The Hospital Service District of West Feliciana Parish Louisiana
Management's Discussion and Analysis
October 31, 2024**

FINANCIAL ANALYSIS OF THE HOSPITAL SERVICE DISTRICT (Continued)

Net Position

Condensed statements of net position as of October 31, 2024, 2023, and 2022 are displayed in the following table:

Condensed Statements of Net Position

| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|------------------------------------|----------------------|----------------------|----------------------|
| Current assets | \$ 21,320,322 | \$ 25,514,269 | \$ 29,458,923 |
| Assets limited as to use | 31,770,961 | 24,100,127 | 11,504,661 |
| Capital assets, net | <u>22,713,933</u> | <u>24,609,150</u> | <u>24,640,148</u> |
| Total assets | <u>\$ 75,805,216</u> | <u>\$ 74,223,546</u> | <u>\$ 65,603,732</u> |
| Current liabilities | \$ 3,690,020 | \$ 4,329,687 | \$ 2,550,150 |
| Long-term liabilities | 21,583,786 | 22,267,976 | 23,026,628 |
| Net position | <u>50,531,410</u> | <u>47,625,883</u> | <u>40,026,954</u> |
| Total liabilities and net position | <u>\$ 75,805,216</u> | <u>\$ 74,223,546</u> | <u>\$ 65,603,732</u> |

The following table presents the components of the Hospital's net position as of October 31, 2024, 2023, and 2022:

| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|----------------------------------|----------------------|----------------------|----------------------|
| Net investment in capital assets | \$ 445,950 | \$ 1,678,363 | \$ 1,071,883 |
| Restricted for debt service | 3,114,254 | 2,826,725 | 8,561,038 |
| Unrestricted | <u>46,971,206</u> | <u>43,120,795</u> | <u>30,394,033</u> |
| Total net position | <u>\$ 50,531,410</u> | <u>\$ 47,625,883</u> | <u>\$ 40,026,954</u> |

Capital Assets

The following table presents the components of capital assets at October 31, 2024, 2023, and 2022:

| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|--------------------------------------|----------------------|----------------------|----------------------|
| Land and land improvements | \$ 2,944,923 | \$ 2,936,173 | \$ 2,863,473 |
| Buildings and leasehold improvements | 32,223,677 | 32,205,210 | 29,855,642 |
| Equipment | 14,166,837 | 12,996,061 | 12,925,375 |
| Construction in progress | 488,119 | 921,249 | 1,622,160 |
| Intangible assets | <u>35,084</u> | <u>35,084</u> | <u>-</u> |
| | 49,858,640 | 49,093,777 | 47,266,650 |
| Less: accumulated depreciation | <u>27,144,707</u> | <u>24,484,627</u> | <u>22,626,502</u> |
| Capital assets, net | <u>\$ 22,713,933</u> | <u>\$ 24,609,150</u> | <u>\$ 24,640,148</u> |

**The Hospital Service District of West Feliciana Parish Louisiana
Management's Discussion and Analysis
October 31, 2024**

FINANCIAL ANALYSIS OF THE HOSPITAL SERVICE DISTRICT (Continued)

Summary of Revenue, Expenses, and Changes in Net Position

The following table presents a summary of the Hospital's revenue and expenses for the latest three fiscal years:

**Condensed Statements of Revenue,
Expenses, and Changes in Net Position**

| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|--|----------------------|----------------------|----------------------|
| Net patient service revenue | \$ 29,508,691 | \$ 27,912,716 | \$ 24,732,836 |
| Other operating revenue | <u>5,590,159</u> | <u>4,785,453</u> | <u>3,489,518</u> |
| Operating revenue | <u>35,098,850</u> | <u>32,698,169</u> | <u>28,222,354</u> |
| Salaries, wages, and benefits | 17,023,494 | 14,161,950 | 13,759,128 |
| Other operating expenses | 14,907,469 | 15,845,015 | 12,410,923 |
| Depreciation and amortization | <u>2,660,080</u> | <u>2,393,009</u> | <u>3,205,292</u> |
| Operating expenses | <u>34,591,043</u> | <u>32,399,974</u> | <u>29,375,343</u> |
| Tax revenue | 2,194,147 | 2,377,176 | 2,134,648 |
| Employee Retention Tax Credit income | - | 3,023,137 | - |
| Interest income | 1,748,955 | 1,089,590 | 129,863 |
| Other non-operating revenue | 66,199 | 1,693,701 | 2,580,681 |
| Non-operating expenses | <u>(1,611,581)</u> | <u>(882,870)</u> | <u>(945,206)</u> |
| Non-operating revenue, net | <u>2,397,720</u> | <u>7,300,734</u> | <u>3,899,986</u> |
| Change in Net Position | 2,905,527 | 7,598,929 | 2,746,997 |
| Net Position, beginning of year | <u>47,625,883</u> | <u>40,026,954</u> | <u>37,279,957</u> |
| Net Position, end of year | <u>\$ 50,531,410</u> | <u>\$ 47,625,883</u> | <u>\$ 40,026,954</u> |

SOURCES OF REVENUE

The Hospital derives the majority of its total revenue from patient service operations. The following table displays payor mix percentages as a function of total billed charges during 2024, 2023, and 2022:

| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|----------------------|-------------|-------------|-------------|
| Medicare | 16% | 17% | 17% |
| Medicaid | 29% | 29% | 30% |
| Commercial and other | 51% | 51% | 48% |
| Self-Pay | 4% | 3% | 5% |

The Hospital derives additional revenue from ad valorem taxes, grants, donations, and interest income.

**The Hospital Service District of West Feliciana Parish Louisiana
Management’s Discussion and Analysis
October 31, 2024**

OPERATING AND FINANCIAL PERFORMANCE

The Hospital’s primary source of revenue is derived from patient services and is driven by admissions. The practical end of patient revenue involves converting admissions and treatment into cash collections. The industry standard regarding management of receivables is the measure of outstanding days in accounts receivable. The following table displays both inpatient days, along with days in accounts receivable from 2024, 2023, and 2022.

| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|-----------------------------|-------------|-------------|-------------|
| Inpatient Days | 566 | 975 | 483 |
| Net Outstanding Days in A/R | 31 | 37 | 50 |

BUDGET AND STRATEGY FOR FISCAL YEAR 2025

The Board of Commissioners has approved the budget for the fiscal year ending October 31, 2025, with a projected increase in budgeted net assets of \$3.45 million. To support this financial outlook, the Hospital will continue to pursue its dual strategy of adding additional service for its patients and remaining financially viable. The Hospital will continue the strategy of expanding specialty physician services and enhancing care through its Rural Health and provider-based clinics. In the 2025 fiscal year, the Hospital will break ground on a new multiuse building that will house both an urgent care clinic and dedicated specialty clinic space. This facility is expected to open in fiscal year 2026 and will allow us to bring additional specialists and new services to our community.

During the 2025 fiscal year, the Hospital will complete a series of interior renovations to its pediatric clinic, begin operations of its paramedicine program, invest in technology to bring healthcare to the homebound, purchase a mobile health clinic to serve the local school system, and expects to convert its existing pediatric clinic into a Rural Health Clinic – further extending access to primary care in underserved areas. Together, these capital projects and service-line expansions reinforce our commitment to meeting the region’s evolving health needs.

The Hospital looks forward to another successful year of growth, innovation, and high-quality patient care.

CONTACTING THE HOSPITAL’S CHIEF FINANCIAL OFFICER

This financial report is intended to provide our community, patients, and creditors with a general overview of the Hospital’s financial position and demonstrate accountability regarding all revenue received. If further information is required, requests should be submitted in writing to:

Chief Financial Officer
West Feliciana Hospital
5266 Commerce Street
St. Francisville, LA 70775



**HAWTHORN
WAYMOUTH
& CARROLL, L.L.P.**
Certified Public Accountants

Louis C. McKnight, III, CPA
Charles R. Pevey, Jr., CPA
David J. Broussard, CPA
Brittany B. Thames, CPA
Kevin M. Rodriguez, CPA

Independent Auditor's Report

Board of Commissioners
The Hospital Service District of West Feliciana Parish Louisiana
d/b/a West Feliciana Hospital
St. Francisville, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Hospital Service District of West Feliciana Parish Louisiana, a component unit of the West Feliciana Parish Government, as of and for the years ended October 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise The Hospital Service District of West Feliciana Parish Louisiana'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 Hospital Service District of West Feliciana Parish Louisiana, as of October 31, 2024 and 2023, and the respective changes in its financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Hospital Service District of West Feliciana Parish Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Hospital Service District of West Feliciana Parish Louisiana's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Hospital Service District of West Feliciana Parish Louisiana's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Hospital Service District of West Feliciana Parish Louisiana'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 the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2025, on our consideration of The Hospital Service District of West Feliciana Parish Louisiana'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 Hospital Service District of West Feliciana Parish Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Hospital Service District of West Feliciana Parish Louisiana's internal control over financial reporting and compliance.

Hawthorn, Waymouth & Carroll, L.L.P.

April 25, 2025

The Hospital Service District of West Feliciana Parish Louisiana
Statements of Net Position
October 31, 2024 and 2023

| Assets | 2024 | 2023 |
|--|---------------|---------------|
| Current Assets | | |
| Cash and cash equivalents | \$ 4,055,254 | \$ 11,240,525 |
| Certificates of deposit | 1,281,703 | 2,579,006 |
| Investments | 4,207,520 | - |
| Accounts receivable - patients, net | 2,539,446 | 2,798,193 |
| Due from third party payors | 3,369,883 | 2,589,695 |
| Accounts receivable - other | 4,588,968 | 5,155,720 |
| Inventory | 702,052 | 711,435 |
| Prepaid expenses | 575,496 | 439,695 |
| Total current assets | 21,320,322 | 25,514,269 |
| Assets Limited As to Use | 31,770,961 | 24,100,127 |
| Capital Assets, net | 22,713,933 | 24,609,150 |
| Total assets | \$ 75,805,216 | \$ 74,223,546 |
| Liabilities and Net Position | | |
| Current Liabilities | | |
| Current maturities of bonds payable | \$ 659,197 | \$ 632,811 |
| Current maturities of note payable | 25,000 | 30,000 |
| Accounts payable | 387,748 | 1,159,531 |
| Accrued expenses | 2,439,577 | 1,547,519 |
| Due to third party payors | 178,498 | 959,826 |
| Total current liabilities | 3,690,020 | 4,329,687 |
| Long-Term Liabilities | | |
| Bonds payable, less current maturities | 21,583,786 | 22,242,976 |
| Note payable, less current maturities | - | 25,000 |
| Total long-term liabilities | 21,583,786 | 22,267,976 |
| Net Position | | |
| Net investment in capital assets | 445,950 | 1,678,363 |
| Restricted for debt service | 3,114,254 | 2,826,725 |
| Unrestricted | 46,971,206 | 43,120,795 |
| Total net position | 50,531,410 | 47,625,883 |
| Total liabilities and net position | \$ 75,805,216 | \$ 74,223,546 |

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

The Hospital Service District of West Feliciana Parish Louisiana
Statements of Revenue, Expenses, and Changes in Net Position
Years Ended October 31, 2024 and 2023

| | <u>2024</u> | <u>2023</u> |
|---|----------------------|----------------------|
| Operating Revenue | | |
| Net patient service revenue | \$ 29,508,691 | \$ 27,912,716 |
| Other operating revenue | <u>5,590,159</u> | <u>4,785,453</u> |
| Operating revenue | <u>35,098,850</u> | <u>32,698,169</u> |
| Operating Expenses | | |
| Salaries, wages, and benefits | 17,023,494 | 14,161,950 |
| Professional services | 8,225,356 | 9,689,228 |
| Supplies and other expenses | 2,631,815 | 2,068,645 |
| Other operating expenses | 4,050,298 | 4,087,142 |
| Depreciation and amortization | <u>2,660,080</u> | <u>2,393,009</u> |
| Total operating expenses | <u>34,591,043</u> | <u>32,399,974</u> |
| Operating income | <u>507,807</u> | <u>298,195</u> |
| Non-Operating Revenue (Expenses) | | |
| Federal grant revenue | - | 1,529,944 |
| Employee Retention Tax Credit income | - | 3,023,137 |
| Interest income | 1,748,955 | 1,089,590 |
| Interest expense | (854,781) | (882,870) |
| Tax revenue | 2,194,147 | 2,377,176 |
| Gain (loss) on disposal of assets | (756,800) | 33,455 |
| Other non-operating revenue | <u>66,199</u> | <u>130,302</u> |
| Non-operating revenue, net | <u>2,397,720</u> | <u>7,300,734</u> |
| Change in Net Position | <u>2,905,527</u> | <u>7,598,929</u> |
| Net Position, beginning of year | <u>47,625,883</u> | <u>40,026,954</u> |
| Net Position, end of year | <u>\$ 50,531,410</u> | <u>\$ 47,625,883</u> |

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

The Hospital Service District of West Feliciana Parish Louisiana
Statements of Cash Flows
Years Ended October 31, 2024 and 2023

| | 2024 | 2023 |
|--|---------------|---------------|
| Cash Flows from Operating Activities | | |
| Receipts from and on behalf of patients | \$ 36,745,342 | \$ 35,415,842 |
| Payments for goods and services | (15,920,695) | (14,458,687) |
| Payments to employees for services | (16,707,154) | (13,850,701) |
| Net cash provided by operating activities | 4,117,493 | 7,106,454 |
| Cash Flows from Non-Capital Financing Activities | | |
| Tax receipts | 2,166,319 | 2,378,537 |
| Other income | 59,651 | 111,037 |
| Net cash provided by non-capital financing activities | 2,225,970 | 2,489,574 |
| Cash Flows from Capital and Related Financing Activities | | |
| Acquisition of capital assets | (1,521,663) | (2,362,011) |
| Principal payments on bonds payable | (632,804) | (607,478) |
| Principal payments on note payable | (30,000) | (30,000) |
| Principal payments on lease liability | - | (155,556) |
| Interest paid | (855,632) | (883,686) |
| Net cash used in capital and related financing activities | (3,040,099) | (4,038,731) |
| Cash Flows from Investing Activities | | |
| Purchases of certificates of deposit | (9,500,000) | (6,830,000) |
| Sales and maturities of certificates of deposit | 2,246,462 | 1,263,789 |
| Purchase of investments | (3,705,365) | (3,900,000) |
| Sales and maturities of investments | (376,800) | - |
| Interest income | 1,752,435 | 1,104,402 |
| Net cash used in investing activities | (9,583,268) | (8,361,809) |
| Net Decrease in Cash and Cash Equivalents | (6,279,904) | (2,804,512) |
| Cash and Cash Equivalents, beginning of year | | |
| Including \$2,826,725 and \$8,561,038 limited as to use for 2024 and 2023, respectively | 14,067,250 | 16,871,762 |
| Cash and Cash Equivalents, end of year | | |
| Including \$3,732,092 and \$2,826,725 limited as to use for 2024 and 2023, respectively | \$ 7,787,346 | \$ 14,067,250 |

(Continued)

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

The Hospital Service District of West Feliciana Parish Louisiana
Statements of Cash Flows
Years Ended October 31, 2024 and 2023

(Continued)

| | 2024 | 2023 |
|---|--------------|--------------|
| Reconciliation of Operating Income to Net Cash | | |
| Provided by Operating Activities: | | |
| Operating income | \$ 507,807 | \$ 298,195 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation and amortization | 2,660,080 | 2,393,009 |
| Provision for doubtful accounts | 1,778,058 | 1,501,416 |
| (Increase) Decrease in assets: | | |
| Patient accounts receivable | 134,599 | (54,474) |
| Due from third party payors | (780,188) | 974,844 |
| Other receivables | 604,608 | 290,969 |
| Inventory | 9,383 | (52,354) |
| Prepaid expenses | (135,801) | (59,070) |
| Increase (Decrease) in liabilities: | | |
| Accounts payable | (771,783) | 631,400 |
| Accrued expenses | 892,058 | 222,693 |
| Due to third party payors | (781,328) | 959,826 |
| Net cash provided by operating activities | \$ 4,117,493 | \$ 7,106,454 |

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

The Hospital Service District of West Feliciana Parish Louisiana
Notes to Financial Statements
October 31, 2024

Note 1-Summary of Significant Accounting Policies

A. Legal Organization

On February 21, 1968, the West Feliciana Parish Police Jury passed a resolution creating the West Feliciana Parish Hospital Service District No. 1 (“the Hospital”) under the authority of Chapter 10 of Title 46 of the Louisiana Revised Statutes of 1950, as amended. The Hospital is a political subdivision of the West Feliciana Parish Government, whose jurors are elected officials. The Hospital’s seven (7) commissioners are appointed by the West Feliciana Parish Government. The Hospital’s legal name is now The Hospital Service District of West Feliciana Parish Louisiana and its DBA name is West Feliciana Hospital.

B. Nature of Business

The Hospital primarily earns revenue by providing inpatient, outpatient, and emergency care services to patients in the West Feliciana Parish area.

C. Basis of Accounting and Presentation

The Hospital utilizes the proprietary fund method of accounting, using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

As a proprietary fund, the Hospital distinguishes operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing patient services in connection with a proprietary fund’s principal ongoing operations. The principal operating revenue of the Hospital’s proprietary fund are charges to customers related to patient services. Operating expenses for the Hospital’s proprietary fund include patient care expenses, general and administrative expenses, and depreciation and amortization on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

The Hospital follows private-sector standards of accounting and financial reporting issued prior to December 1, 1989 to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Hospital has elected not to follow subsequent private-sector guidance.

The Hospital follows GASB standards for state and local governments which require that resources be classified for accounting and reporting purposes into the following three net position components:

- The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted net position results when external constraints are placed on asset use by creditors, grantors, contributors, or laws through constitutional provisions or enabling legislation. At October 31, 2024 and 2023, the Hospital had \$3,114,254 and \$2,826,725, respectively, of net position restricted for debt service.

The Hospital Service District of West Feliciana Parish Louisiana
Notes to Financial Statements
October 31, 2024

Note 1-Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting and Presentation (Continued)

- The *unrestricted* component of net position is the net amount of the assets and liabilities that are not included in the determination of net investment in capital assets or the restricted component of net position. Unrestricted net position is often designated to indicate that management does not consider it to be available for general operations; however, these designations can be removed or modified. At October 31, 2024 and 2023, the Hospital's unrestricted net position designated for the replacement of depreciable capital assets amounted to \$28,038,869 and \$21,273,402, respectively.

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

D. Reporting Entity

As the governing authority of the parish, for reporting purposes, the West Feliciana Parish Government ("parish government") is the financial reporting entity for West Feliciana Parish. The financial reporting entity consists of (a) the primary government, (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.

Section 2100 of the 2011 Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* establishes criteria for determining which component units should be considered part of the West Feliciana Parish Government for financial reporting purposes. 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 criterion, as it relates to the Hospital, includes:

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

Because the parish government appoints all members to the Hospital's Board of Commissioners, the Hospital was determined to be a component unit of the West Feliciana Parish Government, the financial reporting entity. The accompanying financial statements present information only of the funds maintained by the Hospital and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

The Hospital Service District of West Feliciana Parish Louisiana
Notes to Financial Statements
October 31, 2024

Note 1-Summary of Significant Accounting Policies (Continued)

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The most significant item on the Statements of Net Position that involves a greater degree of accounting estimates subject to changes in the near future is the assessment of the allowance for doubtful accounts. As additional information becomes available (or actual amounts are determinable), the recorded estimates are revised and reflected in operating results of the period they are determined.

F. Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Hospital considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

G. Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable from patients, insurance companies, and third-party reimbursement contractual agencies are recorded at established charge rates. Certain third-party insured accounts (Medicare and Medicaid) are based on cost reimbursement agreements, which generally result in the Hospital collecting more or less than the established charge rates with the difference recorded as “contractual adjustments.” Final determination of settlement is subject to review by appropriate authorities.

The Hospital provides an allowance for doubtful accounts equal to the estimated collection losses that may be incurred for all receivables. Management estimates the losses based on historical collection experience coupled with a review of the current status of existing receivables. Accounts are considered delinquent and subsequently written off as bad debts based on individual credit evaluation and specific circumstances of the account.

H. Inventory

Inventory is valued at the lower of cost or net realizable value (first-in, first-out method). Inventory is comprised of departmental supplies and pharmaceutical items.

I. Investments

Investments are carried at fair value. Interest, dividends, and gains and losses, both realized and unrealized, on investments are included in non-operating income when earned.

J. Capital Assets

Capital assets are stated at cost, except for assets donated to the Hospital. Donated assets are recorded at the appraised value at the date of donation. Depreciation is recorded on a straight-line basis over the useful lives of the assets. Capital assets under lease obligations are amortized on a straight-line basis over the shorter period of the lease term or the estimated useful life. Interest expense related to construction projects is capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Expenditures in excess of \$5,000 for major renewals and betterments that extend the useful lives of capital assets are capitalized.

The Hospital Service District of West Feliciana Parish Louisiana
Notes to Financial Statements
October 31, 2024

Note 1-Summary of Significant Accounting Policies (Continued)

J. Capital Assets (Continued)

The estimated useful lives of capital assets are as follows:

| | |
|--------------------------------------|--------------|
| Buildings and leasehold improvements | 5 - 40 years |
| Equipment | 3 - 20 years |
| Intangible assets | 5 years |

Gifts of long-lived assets such as land, buildings, or equipment with no donor stipulations are reported as unrestricted support, while those with explicit donor stipulations are reported as restricted support.

K. Leases

Leases are recorded in accordance with GASB No. 87, *Leases*. At the commencement of a lease, the Hospital initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured at the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of its useful life or the lease term. Key estimates related to leases include the discount rate used to discount the expected lease payments to present value, lease term and lease payments.

L. Operating Revenue and Expenses

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

M. Net Patient Service Revenue

The Hospital is a "Critical Access Hospital" (CAH), which allows it to receive cost-based reimbursements from Medicare and Medicaid.

The Hospital has agreements with third-party payors that provide payments to the Hospital at amounts different from its established rates. Inpatient acute care services, swing bed services and outpatient services rendered to Medicare program beneficiaries are reimbursed at cost plus one percent (subject to limits, rules and regulations), while other outpatient laboratory services are reimbursed on a fee schedule. The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been settled by the Medicare fiscal intermediary through October 31, 2022.

The Hospital Service District of West Feliciana Parish Louisiana
Notes to Financial Statements
October 31, 2024

Note 1-Summary of Significant Accounting Policies (Continued)

M. Net Patient Service Revenue (Continued)

Inpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates per day. Certain outpatient services to Medicaid program beneficiaries are reimbursed at cost plus ten percent, subject to certain limits, while other outpatient services are reimbursed on a fee schedule. The Hospital is reimbursed for outpatient services at an interim rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicaid fiscal intermediary. The Hospital's Medicaid cost reports have been settled by the Medicaid fiscal intermediary through October 31, 2019.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. These adjustments will be recorded in the year they are realized.

The Hospital has entered into payment arrangements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined rates. To the extent management's estimate differs from actual results, the differences will be recorded in the year such differences arise.

N. Sliding Fee Discount Program

The Hospital's Sliding Fee Discount Program is used to provide free or discounted care to patients who are financially unable to pay for their medical services. Those with incomes at or below 100% of the Federal Poverty Guidelines will receive a full 100% discount. Those with income above 100% of the Federal Poverty Guidelines, but at or below 300% of the Federal Poverty Guidelines, will be discounted according to the Hospital's sliding fee schedule. Because the Hospital does not pursue collection of amounts determined to qualify for this program, they are not reported as revenue. Records of charges foregone for services and supplies furnished under the Sliding Fee Discount Program are maintained to identify and monitor the level of discounted care provided.

O. Grants and Donations

Grants and donations (including capital contributions of assets) are recognized as revenue when all eligibility requirements, including time requirements, imposed by the provider have been met.

P. Property Taxes

The Hospital receives property taxes, which are levied on or about October 1st for the current year. Property taxes are invoiced and collected by the West Feliciana Parish Sheriff. Taxes are due by December 31st following the levy date. The Hospital records the expected revenue to be received based on factors such as previous years' collections of assessments and the estimated taxable assessed value for the current year. Adjustments are made upon final receipt. The Hospital currently receives a 0.50 mill property tax, which is in effect through 2026.

Q. Income Taxes

The Hospital is exempt from income taxes under Internal Revenue Code Section 115. Accordingly, the accompanying financial statements do not include any provision for income taxes.

The Hospital Service District of West Feliciana Parish Louisiana
Notes to Financial Statements
October 31, 2024

Note 1-Summary of Significant Accounting Policies (Continued)

R. Advertising

Advertising costs are expensed as incurred. Advertising costs of \$200,115 and \$169,490 were expensed in 2024 and 2023, respectively.

S. Environmental Matters

Due to the nature of the Hospital's operations, materials handled could lead to environmental concerns. However, at this time, management is not aware of any environmental matters which need to be considered.

T. Risk Management

The Hospital is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters and employee health, dental, and accident benefits. The Hospital is a member of two separate trust funds established by the Louisiana Hospital Association that encompasses self-insurance of 1) Hospital professional liability and comprehensive general liability and 2) statutory workers' compensation. The Hospital continues to carry commercial insurance for all other risks of loss. As of October 31, 2024 and 2023, the Hospital has no known claims exceeding its coverage.

U. Fair Value Measurements

The Hospital follows GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. This topic establishes a hierarchal framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment.

The Hospital utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Hospital determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1: Quoted prices (unadjusted) in active markets accessible at the measurement date.

Level 2: Prices based on observable inputs corroborated by market data, but no quoted active markets.

Level 3: Prices based on unobservable inputs, including situations where there is little, if any, market activity for the assets or liabilities. The inputs used in the determination of fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investments.

The Hospital Service District of West Feliciana Parish Louisiana
Notes to Financial Statements
October 31, 2024

Note 2-Deposits and Investments

The Hospital has various deposits and investments. The amounts reflected on the accompanying Statements of Net Position are as follows:

| | <u>2024</u> | <u>2023</u> |
|---------------------------|----------------------|----------------------|
| Operations | | |
| Cash and cash equivalents | \$ 4,055,254 | \$ 11,240,525 |
| Certificates of deposit | 1,281,703 | 2,579,006 |
| Investments | 4,207,520 | - |
| Assets Limited As to Use | | |
| Cash and cash equivalents | 3,732,092 | 2,826,725 |
| Certificates of deposit | 14,201,500 | 5,195,069 |
| Investments | <u>13,837,369</u> | <u>16,078,333</u> |
| Total | <u>\$ 41,315,438</u> | <u>\$ 37,919,658</u> |

A. Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Hospital's deposits may not be returned to it. Louisiana state statutes require that all of the deposits of the Hospital be protected by insurance or collateral. The fair value of the collateral pledged must equal 100% of the deposits not covered by insurance. The Hospital's deposits were entirely insured or entirely collateralized by securities held by the pledging bank's trust department in the Hospital's name as of October 31, 2024 and 2023.

The Hospital's account balances according to banks' records at October 31, 2024 and 2023, were as follows:

| | <u>2024</u> | <u>2023</u> |
|---|----------------------|----------------------|
| Cash in banks | <u>\$ 23,595,898</u> | <u>\$ 22,186,851</u> |
| Insured by FDIC | <u>\$ 6,808,119</u> | <u>\$ 4,343,254</u> |
| Collateralization by fair market value of securities held by the pledging institution | <u>\$ 16,787,779</u> | <u>\$ 17,843,597</u> |

B. Investments

The Hospital's investment policies comply with state statutes. Funds may be invested in time deposits, money market investment accounts, or certificates of deposit with financial institutions insured by the FDIC; direct obligations of the United States Government and its agencies; investment grade commercial paper of domestic United States corporations; one of the two highest short-term rating categories of either Standards & Poor's Corporation or Moody's Investors Service; and government backed mutual trust funds.

The Hospital Service District of West Feliciana Parish Louisiana
Notes to Financial Statements
October 31, 2024

Note 2-Deposits and Investments (Continued)

B. Investments (Continued)

At October 31, 2024 and 2023, investments held by the Hospital consisted of \$17,648,675 and \$13,140,367, respectively, in the Louisiana Asset Management Pool (LAMP), a local government investment pool. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets.

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a governmental external investment pool that reports at fair value. The following facts are relevant for an investment pool:

Credit Risk: LAMP is rated AAAm by Standard & Poor's.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Hospital will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Hospital's policy with respect to custodial risk is based on Louisiana statutes. LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of Credit Risk: The Hospital's investment policy does not limit the amount the Hospital may invest in any one issuer. Pooled investments are excluded from the five percent (5%) disclosure requirement.

Interest Rate Risk: As a means of limiting exposure to fair value losses arising from rising interest rates, the Hospital limits investments to highly liquid investments or marketable U.S. Treasury and U.S. agency obligations. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. To provide for this liquidity, all investments at the time of purchase have a maximum remaining maturity of 397 days or 762 days for U.S. Government floating/variable rate investments, and the WAM of LAMP is restricted to not more than 90 days. At October 31, 2024 and 2023, the WAM for LAMP's total investments was 68 days and 63 days, respectively.

Foreign Currency Risk: Not applicable.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the Louisiana state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP.

The Hospital Service District of West Feliciana Parish Louisiana
Notes to Financial Statements
October 31, 2024

Note 2-Deposits and Investments (Continued)

B. Investments (Continued)

LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 650 Poydras Street, Suite 2220, New Orleans, LA 70130.

As of October 31, 2024, the Hospital had no debt investments. As of October 31, 2023, the Hospital had the following debt investment securities and maturities which are included in assets limited as to use on the statement of net position:

| Investment Type | <u>Fair Value</u> | <u>Investment Maturities (in years)</u> | | | |
|------------------------------|---------------------|---|-------------------|-----------------|----------------|
| | | <u><1 Yr</u> | <u>1-5 Yrs</u> | <u>6-10 Yrs</u> | <u>10+ Yrs</u> |
| U.S. Treasury Securities | \$ 1,734,752 | \$ 1,144,772 | \$ 589,980 | \$ - | \$ - |
| U.S. Government Agency Bonds | 1,191,696 | 1,191,696 | - | - | - |
| Money Market Funds | 11,518 | 11,518 | - | - | - |
| Total | <u>\$ 2,937,966</u> | <u>\$ 2,347,986</u> | <u>\$ 589,980</u> | <u>\$ -</u> | <u>\$ -</u> |

As of October 31, 2023, the Hospital held investments with the following ratings:

| | <u>Ratings</u> | | <u>Fair Value</u> |
|-------------------------|-------------------------|------------------------------|---------------------|
| | <u>Moody's Investor</u> | <u>Standard & Poor's</u> | |
| U.S. Treasury Note | Aaa | Not Rated | \$ 1,374,684 |
| U.S. Treasury Bill/Note | Not Rated | Not Rated | 360,068 |
| Federal Home Loan Bank | Aaa | AA+ | 1,191,696 |
| Money Market Funds | Not Rated | Not Rated | 11,518 |
| Total | | | <u>\$ 2,937,966</u> |

C. Fair Value Measurements

The Hospital categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles as described in Note 1(U).

The following table sets forth, by level, the investments reported at fair value as of October 31, 2024:

| Investment Type | <u>Fair Value</u> | <u>October 31, 2024</u> | | |
|---------------------------|----------------------|-------------------------|----------------------|----------------|
| | | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
| Exchange traded funds | \$ 396,214 | \$ 396,214 | \$ - | \$ - |
| External investment pool* | 17,648,675 | - | 17,648,675 | - |
| Total Investments | <u>\$ 18,044,889</u> | <u>\$ 396,214</u> | <u>\$ 17,648,675</u> | <u>\$ -</u> |

The Hospital Service District of West Feliciana Parish Louisiana
Notes to Financial Statements
October 31, 2024

Note 2-Deposits and Investments (Continued)

C. Fair Value Measurements (Continued)

The following table sets forth, by level, the investments reported at fair value as of October 31, 2023:

| Investment Type | Fair Value | October 31, 2023 | | |
|------------------------------|----------------------|---------------------|----------------------|-------------|
| | | Level 1 | Level 2 | Level 3 |
| Money Market Funds | \$ 11,518 | \$ 11,518 | \$ - | \$ - |
| Government Securities: | | | | |
| U.S Treasury Securities | 1,734,752 | 1,734,752 | - | - |
| U.S. Government Agency Bonds | 1,191,696 | - | 1,191,696 | - |
| External investment pool* | <u>13,140,367</u> | <u>-</u> | <u>13,140,367</u> | <u>-</u> |
| Total Investments | <u>\$ 16,078,333</u> | <u>\$ 1,746,270</u> | <u>\$ 14,332,063</u> | <u>\$ -</u> |

* The Hospital's investments in LAMP are measured using observable inputs other than quoted market prices and are reported as Level 2. The investments in LAMP are valued using quoted market prices of the underlying investment of LAMP on a weekly basis and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

Note 3-Assets Limited As To Use

Assets whose use is limited under Board designations for the replacement of depreciable capital assets and as security interest for the Hospital Revenue Bonds are summarized as follows:

| | <u>2024</u> | <u>2023</u> |
|--|----------------------|----------------------|
| Cash – Board Designated | | |
| Cetera Investment Services - yielding 0.75% | \$ 617,838 | \$ - |
| Cash – Held as Security Interest for the Hospital Revenue Bonds | | |
| Investar Bank - Money Market account yielding 4.52% | 442,730 | 409,509 |
| Investar Bank - Reserve Fund yielding 4.52% | 1,590,432 | 1,525,506 |
| Investar Bank - Contingency Fund yielding 4.52% | <u>1,081,092</u> | <u>891,710</u> |
| Total cash limited as to use | <u>\$ 3,732,092</u> | <u>\$ 2,826,725</u> |
| Investments – Board Designated | | |
| Cetera Investment Services - average yield of 4.99% | \$ 396,214 | \$ 2,937,966 |
| Louisiana Asset Management Pool - average yield of 5.18% | 13,441,155 | 13,140,367 |
| Certificates of Deposit yielding 4.70% - 5.10% | <u>14,201,500</u> | <u>5,195,069</u> |
| Total investments limited as to use | <u>\$ 28,038,869</u> | <u>\$ 21,273,402</u> |

Board designated investments are designated for the purpose of setting up a funded depreciation account. The Hospital's Board of Commissioners approved a resolution to establish a separate set of accounts for funds to be invested in secure, readily marketable income producing investments as authorized by the Board. The funds and earnings from those investments are reserved and dedicated for the replacement of depreciable capital assets.

The Hospital Service District of West Feliciana Parish Louisiana
Notes to Financial Statements
October 31, 2024

Note 4-Certificates of Deposit

The Hospital has two certificates of deposit with a federally insured financial institution that are not limited as to use. The certificates of deposit bear interest at 4.1% per annum and have a term of 18 months.

Note 5-Accounts Receivable – Patients

Patient accounts receivable consisted of the following at October 31, 2024 and 2023:

| | <u>2024</u> | <u>2023</u> |
|---------------------------------------|---------------------|---------------------|
| Total patient accounts receivable | \$ 5,326,249 | \$ 6,040,765 |
| Less: allowance for doubtful accounts | <u>(2,786,803)</u> | <u>(3,242,572)</u> |
| Accounts receivable - patients, net | <u>\$ 2,539,446</u> | <u>\$ 2,798,193</u> |

Note 6-Accounts Receivable – Other

Accounts receivable - other consisted of the following at October 31, 2024 and 2023:

| | <u>2024</u> | <u>2023</u> |
|---|---------------------|---------------------|
| Accrued uncompensated care | \$ 354,232 | \$ 408,510 |
| Uncollected sales tax revenue | 153,984 | 151,442 |
| Uncollected ad valorem tax revenue | 230,201 | 204,915 |
| Grant funds receivable | 588,953 | 1,183,792 |
| Employee Retention Tax Credits receivable | 3,023,137 | 3,023,137 |
| All other | <u>238,461</u> | <u>183,924</u> |
| Total accounts receivable - other | <u>\$ 4,588,968</u> | <u>\$ 5,155,720</u> |

Note 7-Capital Assets

A summary of capital asset additions, deductions, and balances for the year ended October 31, 2024 follows:

| | <u>Balance October 31, 2023</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance October 31, 2024</u> |
|---|---|-----------------------|---------------------|---|
| Land and land improvements | \$ 2,936,173 | \$ 8,750 | \$ - | \$ 2,944,923 |
| Buildings and leasehold improvements | 32,205,210 | 18,467 | - | 32,223,677 |
| Equipment | 12,996,061 | 1,170,776 | - | 14,166,837 |
| Intangible assets | 35,084 | - | - | 35,084 |
| Construction in progress | 921,249 | 323,670 | (756,800) | 488,119 |
| Total capital assets | 49,093,777 | 1,521,663 | (756,800) | 49,858,640 |
| Accumulated depreciation and amortization | <u>(24,484,627)</u> | <u>(2,660,080)</u> | - | <u>(27,144,707)</u> |
| Capital assets, net | <u>\$ 24,609,150</u> | <u>\$ (1,138,417)</u> | <u>\$ (756,800)</u> | <u>\$ 22,713,933</u> |

The Hospital Service District of West Feliciana Parish Louisiana
Notes to Financial Statements
October 31, 2024

Note 7-Capital Assets (Continued)

Deductions of \$756,800 in the construction in progress category for the year ended October 31, 2024 relate to the demolition of a building on property purchased in the prior year for the purpose of constructing a new urgent care facility. This amount is reported as a loss on disposal of assets on the statement of revenue, expenses, and changes in net position.

A summary of capital asset additions, deductions, and balances for the year ended October 31, 2023 follows:

| | Balance October 31, 2022 | Additions | Deductions | Balance October 31, 2023 |
|---|---|---------------------|-----------------------|---|
| Land and land improvements | \$ 2,863,473 | \$ 72,700 | \$ - | \$ 2,936,173 |
| Buildings and leasehold improvements | 29,855,642 | 2,349,568 | - | 32,205,210 |
| Equipment | 12,925,375 | 605,573 | (534,887) | 12,996,061 |
| Intangible assets | - | 35,084 | - | 35,084 |
| Construction in progress | 1,622,160 | 1,368,021 | (2,068,932) | 921,249 |
| Total capital assets | 47,266,650 | 4,430,946 | (2,603,819) | 49,093,777 |
| Accumulated depreciation and amortization | (22,626,502) | (2,393,009) | 534,884 | (24,484,627) |
| Capital assets, net | <u>\$ 24,640,148</u> | <u>\$ 2,037,937</u> | <u>\$ (2,068,935)</u> | <u>\$ 24,609,150</u> |

Note 8-Lease Liability

The Hospital entered into a six-year lease agreement for financing the acquisition of equipment. In accordance with the lease agreement, the Hospital was required to make quarterly principal and interest payments of \$16,756, through March 2025. During the year ended October 31, 2023, the asset under lease was purchased by the Hospital, the related obligation was settled, and the lease was terminated.

Note 9-Bonds Payable

The schedule of changes in the Hospital's bonds payable for the year ended October 31, 2024 is as follows:

| | Balance October 31, 2023 | Additions | Reductions | Balance October 31, 2024 | Amount Due Within One Year |
|------------------------|---|------------------|---------------------|---|---|
| Bonds Payable | | | | | |
| Hospital Revenue Bonds | | | | | |
| 20 Year | \$ 6,253,370 | \$ - | \$ (373,117) | \$ 5,880,253 | \$ 390,267 |
| 40 Year | 16,622,417 | - | (259,687) | 16,362,730 | 268,930 |
| Total bonds payable | <u>\$ 22,875,787</u> | <u>\$ -</u> | <u>\$ (632,804)</u> | <u>\$ 22,242,983</u> | <u>\$ 659,197</u> |

The Hospital Service District of West Feliciana Parish Louisiana
Notes to Financial Statements
October 31, 2024

Note 9-Bonds Payable (Continued)

The schedule of changes in the Hospital's bonds payable for the year ended October 31, 2023 is as follows:

| | Balance October 31, 2022 | Additions | Reductions | Balance October 31, 2023 | Amount Due Within One Year |
|------------------------|---|------------------|---------------------|---|---|
| Bonds Payable | | | | | |
| Hospital Revenue Bonds | | | | | |
| 20 Year | \$ 6,610,076 | \$ - | \$ (356,706) | \$ 6,253,370 | \$ 373,121 |
| 40 Year | <u>16,873,189</u> | <u>-</u> | <u>(250,772)</u> | <u>16,622,417</u> | <u>259,690</u> |
| Total bonds payable | <u>\$ 23,483,265</u> | <u>\$ -</u> | <u>\$ (607,478)</u> | <u>\$ 22,875,787</u> | <u>\$ 632,811</u> |

Hospital Revenue Bonds - 20 Year

Hospital Revenue Bonds (Series 2018B) of \$8,000,000, issued on October 19, 2017, due in monthly installments of \$53,908 (principal and interest) beginning November 2017 for 20 years at an interest rate of 4.77% for year 1, 4.92% for year 2, 5.08% for year 3, and a fixed rate of 5.25% for years 4 through 10. The interest rate will be reset on the tenth (10th) anniversary date (October 19, 2027) based on the Wall Street Prime as of such date, plus one percent (1%) per annum (not to exceed 7% per annum) and the amortized monthly payments shall continue thereafter through October 19, 2037. Bonds are secured by a pledge of net revenue from the operations of the Hospital, a mortgage lien on the property, and all Hospital equipment and appurtenances.

Hospital Revenue Bonds - 40 Year

Hospital Revenue Bonds (Series 2018A) of \$17,575,000, issued on October 19, 2018, bearing interest at 3.50% per annum. Bond proceeds totaling \$16,165,000 were disbursed to the Hospital during the year ended October 31, 2017, and the remaining \$1,410,000 of the bond proceeds were disbursed during the year ended October 31, 2018. Principal and interest are payable over a forty (40) year period. The first two annual payments were interest only. Thereafter, the bonds are due in monthly installments of \$69,773 (principal and interest), commencing November 19, 2019 and continuing through October 19, 2057. Bonds are secured by a pledge of net revenue from the operations of the Hospital, a mortgage lien on the property, and all Hospital equipment and appurtenances.

As required by the bond agreement, the Hospital is required to maintain three separate accounts: Sinking Fund, Reserve Fund, and Contingency Fund. The Sinking Fund is required to have an amount sufficient to pay promptly and fully the monthly principal and interest on the bonds due on the next payment date. The Reserve Fund must have an amount equal to the highest combined principal and interest falling due in any fiscal year on all bonds. The Reserve Fund was fully funded as of October 31, 2024 and 2023. The Contingency Fund shall have deposited a sum equal to five percent (5%) of the amount being paid monthly into the Sinking Fund to cover depreciation, extensions, additions, improvements and replacements necessary to properly operate the Hospital. The monthly payments into the Contingency Fund are increased to ten percent (10%) of the amount being paid monthly into the Sinking Fund when a sum equal to the Reserve Fund Requirement has been accumulated in the Reserve Fund.

The Hospital Service District of West Feliciana Parish Louisiana
Notes to Financial Statements
October 31, 2024

Note 9-Bonds Payable (Continued)

Hospital Revenue Bonds - 40 Year (Continued)

In a resolution adopted by the Board, four additional requirements for security of the bond and required by Investar Bank were as follows: 1) A separate and identifiable fund in the amount of \$9,500,000 was required as additional security for the Bonds, which sum will decrease by one-third on each anniversary date of the Bond delivery (commencing in the year 2019). 2) The “Hospital Reserve Fund” was fully funded upon closing. 3) The Hospital set aside in a separate fund the sum of \$1,250,000, which was applied to the Phase I renovations of the old hospital building and the Cypress Building. 4) The Hospital shall be required to hold sufficient operating cash and investments (operating reserve) in an amount equal to at least 120 days operating cash (calculated as the difference of annual operating expenses of the Issuer for the succeeding budget period less non-cash depreciation and amortization, divided by 365). This operating reserve requirement is in addition to other required debt service funds provided that the amount of such operating reserve shall not exceed 25% of the then outstanding principal balance of the Bonds. The operating reserve amount shall be determined at the delivery of the Bonds and, thereafter annually at the end of each fiscal year. These accounts have been classified as assets limited as to use.

Bond maturities for each of the next five years and thereafter, ending October 31, are as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------|----------------------|----------------------|----------------------|
| 2025 | \$ 659,197 | \$ 825,029 | \$ 1,484,226 |
| 2026 | 686,685 | 797,541 | 1,484,226 |
| 2027 | 714,768 | 769,458 | 1,484,226 |
| 2028 | 745,152 | 739,074 | 1,484,226 |
| 2029 | 776,349 | 707,877 | 1,484,226 |
| Thereafter | <u>18,660,832</u> | <u>9,090,502</u> | <u>27,751,334</u> |
| | <u>\$ 22,242,983</u> | <u>\$ 12,929,481</u> | <u>\$ 35,172,464</u> |

Note 10-Note Payable

The Hospital has a note payable to the Fire Protection District No. 1 of West Feliciana Parish for a portion of the cost to construct a Fire and EMS Station that the Fire Protection District and the Hospital both utilize. The original balance of the note payable was \$265,000. The note bears no interest and is to be paid in annual installments of \$30,000 with one final payment of \$25,000 due on December 1, 2024. The note is secured by the Hospital’s portion of the Bluff’s Fire Station.

The schedule of changes in the Hospital’s note payable for the year ended October 31, 2024 is as follows:

| | <u>Balance October 31, 2023</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance October 31, 2024</u> | <u>Amount Due Within One Year</u> |
|-------------------------------------|---|------------------|-------------------|---|---|
| Fire Protection District No. 1 note | \$ 55,000 | \$ - | \$ (30,000) | \$ 25,000 | \$ 25,000 |

The Hospital Service District of West Feliciana Parish Louisiana
Notes to Financial Statements
October 31, 2024

Note 10-Note Payable (Continued)

The schedule of changes in the Hospital’s note payable for the year ended October 31, 2023 is as follows:

| | Balance October 31, 2022 | Additions | Reductions | Balance October 31, 2023 | Amount Due Within One Year |
|-------------------------------------|---|------------------|--------------------|---|---|
| Fire Protection District No. 1 note | <u>\$ 85,000</u> | <u>\$ -</u> | <u>\$ (30,000)</u> | <u>\$ 55,000</u> | <u>\$ 30,000</u> |

Note 11-Charity Care

The Hospital provides charity care to patients who are financially unable to pay for part or all of the healthcare services they receive. The patient will either qualify for 100% of the charity care or owe a reduced “sliding scale” amount based on the patient’s level of income in comparison to the Federal Poverty Guidelines based on a 200% scale. Accordingly, the Hospital does not report the amount it expects not to collect in net patient service revenue or in the allowance for uncollectible accounts. Total charity care provided through the Hospital’s Sliding Fee Discount Program for the years ended October 31, 2024 and 2023 was \$5,517 and \$51,945, respectively. These amounts are included in the provision for bad debts. The Hospital determines the costs associated with providing charity care by aggregating the applicable direct and indirect costs, including wages and related benefits, supplies and other operating expenses. Management estimates that approximately \$5,000 and \$47,000 of costs were related to discounted services provided through the Sliding Fee Discount Program for the years ended October 31, 2024 and 2023, respectively.

Note 12-Cooperative Endeavor Agreement

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

For the fiscal year ended October 31, 2024, the Hospital received \$4,380,364 in cash (net) and recorded a receivable of \$354,232, included on the statement of net position in accounts receivable – other. Total revenue recognized from the CEA for the year ended October 31, 2024 was \$4,734,596, and is included on the accompanying statement of revenue, expenses, and changes in net position in other operating revenue.

For the fiscal year ended October 31, 2023, the Hospital received \$3,922,928 in cash (net) and recorded a receivable of \$408,510, included on the statement of net position in accounts receivable – other. Total revenue recognized from the CEA for the year ended October 31, 2023 was \$4,331,438, and is included on the accompanying statement of revenue, expenses, and changes in net position in other operating revenue.

The Hospital Service District of West Feliciana Parish Louisiana
Notes to Financial Statements
October 31, 2024

Note 13-Tax Revenue

The Hospital receives tax revenue from sales tax and property tax collected on purchases and property assessments in West Feliciana Parish, Louisiana. The sales tax is used for the operation of the Hospital, and the property tax is used for the operation and maintenance of the Hospital.

Tax revenue was as follows for the years ended October 31, 2024 and 2023:

| | <u>2024</u> | <u>2023</u> |
|-----------------------|---------------------|---------------------|
| Sales tax | \$ 1,952,578 | \$ 2,162,147 |
| Ad valorem tax | 235,766 | 209,280 |
| State revenue sharing | <u>5,803</u> | <u>5,749</u> |
| Total tax revenue | <u>\$ 2,194,147</u> | <u>\$ 2,377,176</u> |

Note 14-Coronavirus Aid, Relief, and Economic Security (CARES) Act

In response to the economic impact of COVID-19, the CARES Act was enacted by Congress and was subsequently signed into law on March 27, 2020. The CARES Act included a variety of economic assistance, including providing loan programs for small businesses, support for hospitals and other medical providers, and various types of economic relief for impacted businesses and industries. As a result of the CARES Act, the Hospital recognized income in the amount of \$3,023,137 during the fiscal year ended October 31, 2023.

Employee Retention Tax Credits ("ERTC")

The Hospital is eligible for the Employee Retention Tax Credit ("ERTC") under the CARES Act of 2020, as modified by the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act of 2021. For the year ended December 31, 2020, the ERTC provided a refundable tax credit against certain employment taxes of up to \$5,000 per employee. For the year ended December 31, 2021, the ERTC provided a refundable tax credit against certain employment taxes of up to \$7,000 per employee for each of the first three quarters of 2021.

The Hospital is eligible for total tax credits of \$3,023,137 through the ERTC for the quarters ended March 31, 2021; June 30, 2021; and September 30, 2021. The Hospital filed for these credits during the fiscal year ended October 31, 2023 and because all conditions associated with ERTC eligibility had been met, the Hospital recognized the total amount of \$3,023,137 as non-operating revenue in the statement of revenue, expenses, and changes in net position for the year ended October 31, 2023 and this amount is included in accounts receivable – other in the statements of net position as of October 31, 2024 and 2023. The Hospital has accounted for the credits as a conditional contribution under ASC 958-605.

Note 15-Lease Revenue

The Hospital ("lessor") leases office space on its campus to various medical service providers with terms ranging from month-to-month to one year. The Hospital also leased its lab, certain hospital equipment, and its lab interface system to an independently owned clinical laboratory under a lease with a term of five years that ended in 2023. Revenue from these leases totaled \$22,343 and \$96,731 for the years ended October 31, 2024 and 2023, respectively. The Hospital did not recognize any lessor leases in accordance with GASB 87, as they were deemed immaterial to the financial statements. This revenue is included in other non-operating revenue in the statements of revenue, expenses, and changes in net position.

The Hospital Service District of West Feliciana Parish Louisiana
Notes to Financial Statements
October 31, 2024

Note 16-Cash Flows Supplemental Information

Total cash and cash equivalents for October 31, 2024 and 2023 are as follows:

| | <u>2024</u> | <u>2023</u> |
|---------------------------------|---------------------|----------------------|
| Cash and cash equivalents | \$ 4,055,254 | \$ 11,240,525 |
| Cash assets limited as to use | <u>3,732,092</u> | <u>2,826,725</u> |
| Total cash and cash equivalents | <u>\$ 7,787,346</u> | <u>\$ 14,067,250</u> |

Note 17-Compensated Absences

Accumulated unpaid vacation is accrued when earned. Full-time employees can earn and vest in vacation leave according to years of service as shown below:

| <u>Years of Service</u> | <u>Vacation Time Earned</u> |
|-------------------------|-----------------------------|
| Less than 5 years | 6.67 hours per month |
| After 5 years | 10.00 hours per month |
| After 10 years | 13.33 hours per month |

Sick pay is not vested and therefore not accrued. Employees only vest in vacation leave after six months of employment. The Hospital's policy is to recognize the cost of sick pay when actually paid to employees. Accrued compensated absences at October 31, 2024 and 2023 were \$868,568 and \$822,588, respectively. These amounts are included in accrued expenses on the statements of net position.

Note 18-Retirement Plan

The Hospital has executed the Variable Annuity Life Insurance Company (VALIC) prototype Profit Sharing Plan with Cash or Deferred Arrangement Option Non-Standardized Adoption Agreement No. 3. The defined contribution plan (457) provides benefits to substantially all employees. The Hospital matches contributions made by an employee up to six percent of the employee's compensation. Total payroll for the fiscal years ended October 31, 2024 and 2023 was \$13,769,542 and \$11,405,414, respectively. Covered payroll for 2024 and 2023 was \$13,498,233 and \$10,963,693, respectively. Total pension expense was \$482,822 and \$400,016 for 2024 and 2023, respectively.

Note 19-Concentration of Credit Risk

The Hospital is located in St. Francisville, Louisiana and grants credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables (net of allowances) from patients and third-party payors at October 31, 2024 and 2023 is as follows:

| | <u>2024</u> | <u>2023</u> |
|---|---------------|---------------|
| Medicare | 28.3% | 17.0% |
| Medicaid | 28.8% | 29.2% |
| Commercial and other third-party payors | 36.6% | 48.1% |
| Self-pay | <u>6.3%</u> | <u>5.7%</u> |
| | <u>100.0%</u> | <u>100.0%</u> |

The Hospital Service District of West Feliciana Parish Louisiana
Notes to Financial Statements
October 31, 2024

Note 20-Commitments

At October 31, 2024, the Hospital had commitments totaling \$3,544,923 related to the construction of the new urgent care and physical therapy building.

Note 21-Payments to Board Members

The following schedule shows the amount of board per diems paid during the years ended October 31, 2024 and 2023:

| | <u>2024</u> | <u>2023</u> |
|---------------|---------------|---------------|
| Ernest Ayo | \$ 40 | \$ - |
| Melvin Harvey | 400 | 360 |
| Olton Scott | <u>400</u> | <u>400</u> |
| | <u>\$ 840</u> | <u>\$ 760</u> |

Note 22-Subsequent Events

Management evaluated all subsequent events through April 25, 2025, the date the financial statements were available to be issued. As a result, management noted no subsequent events that required adjustment to, or disclosure in, these financial statements.

Supplementary Information



**HAWTHORN
WAYMOUTH
& CARROLL, L.L.P.**
Certified Public Accountants

Louis C. McKnight, III, CPA
Charles R. Pevey, Jr., CPA
David J. Broussard, CPA
Brittany B. Thames, CPA
Kevin M. Rodriguez, CPA

**Independent Auditor's Report
on Supplementary Information**

Board of Commissioners
The Hospital Service District of West Feliciana Parish Louisiana
d/b/a West Feliciana Hospital
St. Francisville, Louisiana

We have audited the basic financial statements of The Hospital Service District of West Feliciana Parish Louisiana, a component unit of the West Feliciana Parish Government, as of and for the years ended October 31, 2024 and 2023, and our report thereon dated April 25, 2025, which expressed an unmodified opinion on those basic financial statements, appears on pages 7 through 9. Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information, identified in the Table of Contents, is presented for purposes of additional analysis and is 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Hawthorn, Waymouth & Carroll, L.L.P.

April 25, 2025

The Hospital Service District of West Feliciana Parish Louisiana
Schedules of Net Patient Service Revenue
Years Ended October 31, 2024 and 2023

| | <u>2024</u> | <u>2023</u> |
|---|----------------------|----------------------|
| Patient Service Revenue | | |
| Ambulance service | \$ 2,810,971 | \$ 2,584,191 |
| Anesthesiology | 202,147 | 163,280 |
| Blood bank | 25,488 | 25,488 |
| Bone density | 51,254 | 46,613 |
| Central services | 77,754 | 73,883 |
| CT scan | 2,956,592 | 2,819,719 |
| Diabetes clinic | - | 750 |
| Echocardiogram | 23,902 | 33,744 |
| Electrocardiology | 242,548 | 236,094 |
| Emergency services | 5,819,796 | 5,606,170 |
| Intensive outpatient psychiatry | 1,618,952 | 1,589,480 |
| Laboratory | 6,378,704 | 5,079,629 |
| Mammography | 179,200 | 200,910 |
| MRI scan | 952,630 | 967,278 |
| Nursing services | 683,673 | 958,784 |
| Occupational therapy | 556,211 | 375,975 |
| Pediatrics | 2,438,240 | 1,406,330 |
| Pellerin Clinic | - | 34,785 |
| Pharmacy | 1,763,214 | 1,886,952 |
| Physical therapy | 3,349,135 | 3,619,050 |
| Physician's fees | 1,359,009 | 1,381,810 |
| Radiology | 1,696,866 | 1,665,897 |
| Respiratory therapy | 204,439 | 302,971 |
| Sleep studies | 19,337 | - |
| Speech therapy | 517,139 | 465,731 |
| St. Francis Cypress Rural Health Clinic | 2,775,640 | 2,412,662 |
| St. Francis Gastro Clinic | 95,881 | 81,354 |
| St. Francis Ophthalmology Clinic | 1,755 | 23,915 |
| St. Francis Ortho Clinic | 50,038 | 7,967 |
| St. Francis Pain Clinic | 83,017 | 83,448 |
| Surgery | 1,311,608 | 1,120,703 |
| Ultrasound | 387,629 | 390,425 |
| Wound care | <u>257,041</u> | <u>367,663</u> |
| Gross patient service revenue | 38,889,810 | 36,013,651 |
| Less: contractual adjustments and discounts | 7,603,061 | 6,599,519 |
| Less: provision for bad debts | <u>1,778,058</u> | <u>1,501,416</u> |
| Net patient service revenue | <u>\$ 29,508,691</u> | <u>\$ 27,912,716</u> |

The Hospital Service District of West Feliciana Parish Louisiana
Schedules of Operating Expenses
Salaries, Wages, and Benefits
Years Ended October 31, 2024 and 2023

| | <u>2024</u> | <u>2023</u> |
|---|----------------------|----------------------|
| Salaries, Wages, and Benefits | | |
| Administrative | \$ 1,172,994 | \$ 998,759 |
| Ambulance | 472,133 | 465,265 |
| Business office | 577,976 | 512,128 |
| Central supply | 178,651 | 173,927 |
| CT scan | 74,594 | 66,515 |
| Dietary management | 216,825 | 215,761 |
| Echocardiogram | 109,257 | 87,931 |
| Emergency room | 1,768,956 | 1,697,990 |
| Housekeeping | 278,884 | 342,218 |
| Information technology | 326,750 | 301,458 |
| Intensive outpatient psychiatry | 632,148 | 575,480 |
| Laboratory | 759,879 | - |
| Medical records | 248,549 | 245,067 |
| MRI scan | 64,329 | 58,267 |
| Nursing services | 1,507,918 | 1,462,543 |
| Pediatrics | 1,072,288 | 540,076 |
| Pharmacy | 152,486 | 163,162 |
| Plant operations | 272,662 | 258,757 |
| Purchasing | 124,157 | 97,120 |
| Radiology | 569,992 | 537,358 |
| Respiratory therapy | 442,755 | 420,252 |
| Social services | 9,002 | 9,726 |
| St. Francis Cypress Rural Health Clinic | 2,447,769 | 1,943,692 |
| Surgery | 52,022 | 39,887 |
| Ultrasound | 99,859 | 65,130 |
| Utilization review | 92,030 | 101,326 |
| All other | <u>44,677</u> | <u>25,619</u> |
| Total salaries and wages | 13,769,542 | 11,405,414 |
| Total benefits | <u>3,253,952</u> | <u>2,756,536</u> |
| Total salaries, wages, and benefits | <u>\$ 17,023,494</u> | <u>\$ 14,161,950</u> |

The Hospital Service District of West Feliciana Parish Louisiana
Schedules of Operating Expenses
Professional Services
Years Ended October 31, 2024 and 2023

| | <u>2024</u> | <u>2023</u> |
|---|---------------------|---------------------|
| Professional Services | | |
| Administrative | \$ 637,735 | \$ 1,091,221 |
| Ambulance | 36,237 | 57,820 |
| Anesthesia | 104,800 | 87,720 |
| Business office | 99,477 | 46,347 |
| CT scan | 77,077 | 89,380 |
| Dietary | 14,053 | 17,090 |
| EKG | 11,453 | 11,503 |
| Emergency room physician fees | 1,760,867 | 1,558,724 |
| Information technology | 193,448 | 246,993 |
| Intensive outpatient psychiatry | 307,902 | 302,237 |
| Laboratory | 234,036 | 1,908,854 |
| Laundry/linen | 27,868 | 30,151 |
| Mammography | 84,920 | 125,526 |
| Medical records | 32,459 | 11,187 |
| MRI | 80,921 | 129,179 |
| Nursing services | 47,723 | 37,141 |
| Occupational therapy | 286,812 | 181,301 |
| Pediatrics | 4,195 | 17,889 |
| Pharmacy | 108,699 | 37,676 |
| Physical therapy | 1,253,541 | 1,232,509 |
| Physician IP/OP fees | 303,850 | 361,500 |
| Physician medical director fee | 82,325 | 29,700 |
| Plant operations | 472,793 | 362,856 |
| Radiology | 119,804 | 81,043 |
| Respiratory therapy | 4,625 | 4,100 |
| Sleep studies | 1,450 | - |
| Speech therapy | 199,973 | 162,077 |
| St. Francis Cypress Rural Health Clinic | 928,159 | 779,257 |
| St. Francis Gastro Clinic | 46,000 | 46,020 |
| St. Francis Pain Clinic | 28,500 | 26,127 |
| Surgery | 279,411 | 248,921 |
| Ultrasound | 25,282 | 28,019 |
| Wound care | 115,198 | 126,475 |
| All other | 213,763 | 212,685 |
| | <u> </u> | <u> </u> |
| Total professional services | <u>\$ 8,225,356</u> | <u>\$ 9,689,228</u> |

The Hospital Service District of West Feliciana Parish Louisiana
Schedules of Operating Expenses
Supplies and Other Expenses
Years Ended October 31, 2024 and 2023

| | <u>2024</u> | <u>2023</u> |
|---|---------------------|---------------------|
| Supplies and Other Expenses | | |
| Administrative | \$ 45,713 | \$ 72,846 |
| Ambulance | 72,909 | 107,603 |
| Business office | 32,742 | 18,359 |
| Central services | 180,862 | 119,737 |
| CT scan | 32,250 | 11,237 |
| Dietary | 171,014 | 180,002 |
| Emergency room | 35,320 | 28,163 |
| Housekeeping | 59,198 | 45,554 |
| Information technology | 19,823 | 22,960 |
| Intensive outpatient psychiatry | 17,105 | 20,673 |
| Laboratory | 532,858 | 21,244 |
| Medical records | 3,950 | 2,808 |
| Nursing services | 40,127 | 67,306 |
| Pediatrics | 304,404 | 318,798 |
| Pharmacy | 510,492 | 497,913 |
| Physical therapy | 32,192 | 31,969 |
| Plant operations | 141,385 | 97,778 |
| Radiology | 16,997 | 19,456 |
| Respiratory therapy | 27,718 | 45,410 |
| St. Francis Cypress Rural Health Clinic | 197,001 | 216,532 |
| St. Francis Gastro Clinic | 2,469 | 1,824 |
| St. Francis Pain Clinic | 1,663 | 1,206 |
| Surgery | 22,725 | 30,538 |
| All other | <u>130,898</u> | <u>88,729</u> |
| Total supplies and other expenses | <u>\$ 2,631,815</u> | <u>\$ 2,068,645</u> |

The Hospital Service District of West Feliciana Parish Louisiana
Schedules of Operating Expenses
Other Operating Expenses
Years Ended October 31, 2024 and 2023

| | 2024 | 2023 |
|---|--------------|--------------|
| Other Operating Expenses | | |
| Administrative | \$ 159,515 | \$ 117,149 |
| Audit and legal fees | 235,780 | 308,016 |
| Collection fees | 1,693,145 | 1,720,096 |
| Dues and subscriptions | 82,993 | 115,071 |
| Education | 145,375 | 129,332 |
| Insurance | 657,898 | 537,686 |
| Intensive outpatient psychiatry | 64,610 | 77,806 |
| Mammography | 2,400 | 2,400 |
| Nursing services | 25,604 | 21,789 |
| Pediatrics | 849 | 1,433 |
| Physical therapy | 1,251 | 587 |
| Plant operations and utilities | 527,284 | 598,689 |
| Postage | 13,743 | 16,376 |
| Public relations | 107,936 | 141,000 |
| Radiology | 597 | 62,718 |
| St. Francis Cypress Rural Health Clinic | - | 1,774 |
| Telephone, internet, and cable | 115,063 | 134,938 |
| All other | 216,255 | 100,282 |
| Total other operating expenses | \$ 4,050,298 | \$ 4,087,142 |

**The Hospital Service District of West Feliciana Parish Louisiana
Schedule of Compensation, Benefits, and Other
Payments to Agency Head or Chief Executive Officer
Year Ended October 31, 2024**

Agency Head Name: Ledoux Chastant, III, CEO

| Purpose | Amount |
|--|---------------|
| Salary | \$ 229,836 |
| Benefits - insurance | 17,856 |
| Benefits - retirement | 6,500 |
| Benefits - other | - |
| Car allowance | 4,800 |
| Vehicle provided by agency | - |
| Per diem | - |
| Reimbursements | - |
| Travel | - |
| Registration fees | - |
| Conference travel | - |
| Continuing professional education fees | 11,376 |
| Housing | - |
| Unvouchered expenses | - |
| Special meals | - |



**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
The Hospital Service District of West Feliciana Parish Louisiana
d/b/a West Feliciana Hospital
St. Francisville, 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 Hospital Service District of West Feliciana Parish Louisiana, a component unit of the West Feliciana Parish Government, as of and for the year ended October 31, 2024, and the related notes to the financial statements, which collectively comprise The Hospital Service District of West Feliciana Parish Louisiana's basic financial statements, and have issued our report thereon dated April 25, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hawthorn, Waymouth & Carroll, L.L.P.

April 25, 2025

The Hospital Service District of West Feliciana Parish Louisiana
Schedule of Findings and Responses
Year Ended October 31, 2024

Part I - Summary of Auditor's Results

- 1) An unmodified opinion has been expressed on the financial statements of The Hospital Service District of West Feliciana Parish Louisiana, as of and for the year ended October 31, 2024, and the related notes to the financial statements.
- 2) No deficiencies in internal control over financial reporting that we consider to be material weaknesses were identified.
- 3) No instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* were identified.
- 4) A single audit in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* was not required.
- 5) A management letter was not issued.

Part II – Financial Statement Findings

- 1) No findings were noted.

**The Hospital Service District of West Feliciana Parish Louisiana
Schedule of Prior Year Findings and Questioned Costs
Year Ended October 31, 2024**

Section II – Financial Statement Findings

No findings were noted.

Section III – Federal Award Findings and Questioned Costs

No findings were noted.

**The Hospital Service District of
West Feliciana Parish Hospital
Statewide Agreed-Upon Procedures Report
October 31, 2024**



**Independent Accountant’s Report
on Applying Agreed-Upon Procedures
For the Year Ended October 31, 2024**

To the Board of The Hospital Service District of West Feliciana Parish Louisiana and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA’s) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period November 1, 2023 through October 31, 2024. Management of The Hospital Service District of West Feliciana Parish Louisiana (“West Feliciana Hospital”) is responsible for those C/C areas identified in the SAUPs.

West Feliciana Hospital has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA’s SAUPs for the fiscal period November 1, 2023 through October 31, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) *Written Policies and Procedures*

- A. Obtained and inspected the entity’s written policies and procedures and observed whether they address each of the following categories and subcategories if applicable to public funds and the entity’s operations:
 - i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
 - vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results:

No exceptions noted.

2) Board or Finance Committee

- A. Obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observed whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observed 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.
 - iii. For governmental entities, obtained the prior year audit report and observed the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - iv. Observed whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results:

No exceptions noted.

3) Bank Reconciliations

- A. Obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Asked management to identify the entity's main operating account. Selected the entity's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). Randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for each selected account, and observed that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results:

No exceptions noted.

4) Collections (excluding electronic funds transfers)

- A. Obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly selected 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtained a listing of collection locations and management's representation that the listing is complete. Randomly selected one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquired of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that
- i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results:

No exceptions noted.

- C. Obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observed that the bond or insurance policy for theft was in force during the fiscal period.

Results:

No exceptions noted.

- D. Randomly selected two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A. Obtained supporting documentation for each of the deposits and
 - i. Observed that receipts are sequentially pre-numbered.
 - ii. Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Traced the deposit slip total to the actual deposit per the bank statement.
 - iv. Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Traced the actual deposit per the bank statement to the general ledger.

Results:

No exceptions noted.

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

- A. Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly selected 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties, and observed that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Results:

No exceptions noted.

- C. For each location selected under procedure #5A above, obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. Randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction, and
 - i. Observed whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observed whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Results:

No exceptions noted.

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

Results:

No exceptions noted.

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

- A. Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtained management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly selected one monthly statement or combined statement for each card (for a debit card, randomly selected one monthly bank statement). Obtained supporting documentation, and
 - i. Observed whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder; and
 - ii. Observed that finance charges and late fees were not assessed on the selected statements.

Results:

No exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions. For each transaction, observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Results:

No exceptions noted.

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

- A. Obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly selected 5 reimbursements and obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- i. If reimbursed using a per diem, observed that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv. Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results:

No exceptions noted.

8) *Contracts*

- A. Obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtained management's representation that the listing is complete. Randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
- i. Observed whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observed whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

- iii. If the contract was amended (e.g., change order), observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
- iv. Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Results:

No exceptions noted.

9) Payroll and Personnel

- A. Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly selected 5 employees or officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtained attendance records and leave documentation for the pay period, and
 - i. Observed that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observed whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observed the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Results:

No exceptions noted.

- C. Obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly selected two employees or officials and obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agreed the hours to the employee's or official's cumulative leave records, agreed the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agreed the termination payment to entity policy.

Results:

No exceptions noted.

- D. Obtained management's representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.

Results:

No exceptions noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtained ethics documentation from management, and
- i. Observed whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observed whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results:

No exceptions noted.

- B. Inquired and/or observed whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results:

No exceptions noted.

11) Debt Service

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

Results:

No exceptions noted.

- B. Obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results:

No exceptions noted.

12) Fraud Notice

- A. Obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Results:

There were no misappropriations of public funds or assets identified during the fiscal period; therefore, this procedure is not applicable.

- B. Observed 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.

Results:

No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Performed the following procedures:

- i. Obtained and inspected the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquired of personnel responsible for backing up critical data) and observed evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- ii. Obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquired of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
- iii. Obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly selected 5 computers and observed while management demonstrated 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.

Results:

We performed these procedures and discussed the results with management.

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

Results:

We performed these procedures and discussed the results with management.

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

Results:

We performed these procedures and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtained sexual harassment training documentation from management, and observed that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Results:

No exceptions noted.

- B. Observed that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Results:

No exceptions noted.

- C. Obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Results:

No exceptions noted.

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

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

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

Hawthorn, Waymouth & Carroll, LLP.

April 24, 2025