

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

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2024

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June 23, 2025

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Catahoula Parish Hospital Service District No. 2

Report on the Audited Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Catahoula Parish Hospital Service District No. 2, a component unit of the Catahoula Parish Police Jury, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District, as of December 31, 2024, and the respective changes in financial position and cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material



Rozier, McKay & Willis
Certified Public Accountants
Voice: 318.442.1608

160 Browns Bend RD
Alexandria, Louisiana 71303
Online: CenlaCPAs.com

material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplemental information listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and are not a required part of the basic financial

statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 23, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



ROZIER, MCKAY, & WILLIS

Certified Public Accountants

Catahoula Parish Hospital Service District No. 2

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2024

This section of the annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended December 31, 2024

OVERVIEW OF FINANCIAL STATEMENTS

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

FINANCIAL ANALYSIS OF THE DISTRICT

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

Net Position

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

	December 31, 2024	December 31, 2023
<u>Assets:</u>		
Current and Other Assets	\$ 9,703,007	\$ 8,436,469
Noncurrent Assets	4,366,567	4,461,181
Total Assets	14,069,574	12,897,650
<u>Liabilities:</u>		
Current and Other Liabilities	354,320	226,872
Long-term Liabilities	263,442	113,892
Total Liabilities	617,762	340,764
<u>Net Position:</u>		
Invested in Capital Assets (net)	4,119,914	4,461,181
Unrestricted	9,331,898	8,095,705
Total Net Position	\$ 13,451,812	\$ 12,556,886

As the presentation appearing above demonstrates, a portion of the net position (30.6%) is invested in capital assets. Capital assets are used by the District to provide medical needs for their patients.

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

Catahoula Parish Hospital Service District No. 2

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2024

Changes in Net Position

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

	For the Year Ended	
	December 31, 2024	December 31, 2023
<u>Revenues:</u>		
Program Revenues		
Charges for Service	\$ 5,753,595	\$ 3,887,527
Operating Grants and Contributions	3,149,579	3,778,415
Capital Grants and Contributions	----	523,589
General Revenues	112,102	53,757
Total Revenues	9,015,276	8,243,288
Program Expenses	8,120,350	6,842,473
Change in Net Position	894,926	1,400,815
Net Position Beginning	12,556,886	11,156,071
Net Position Ending	\$ 13,451,812	\$ 12,556,886

The District's net position has increased by \$894,926. This increase is due to an increase in charges for service and prudent use of the District's resources.

CAPITAL ASSET ADMINISTRATION

Capital asset administration consists of maintaining the District's assets. There have been no acquisitions worthy of capitalization.

FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS

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

CATAHOULA PARISH HOSPITAL DISTRICT NO 2.

Statement of Net Position December 31, 2024

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
<u>ASSETS</u>	
Current Assets	
Cash and cash equivalents	\$ 8,378,655
Receivables (net)	1,099,352
Prepaid Expenses	225,000
Total current assets	<u>9,703,007</u>
Non Current Assets	
Leased Asset (net)	44,956
Subscription Based Technology (net)	79,155
Capital Assets	
Non-Depreciable Assets	182,677
Depreciable capital assets, net	3,937,237
Other Assets	<u>122,542</u>
Total assets	<u>14,069,574</u>
<u>LIABILITIES</u>	
Current Liabilities	
Accounts and other payables	70,258
Accrued Expenses	59,062
Total Current Liabilities	<u>129,320</u>
Long-term liabilities	
Compensated Absences	136,940
Contractual Obligation	
Due within one year	100,000
Due in more than one year	125,000
Subscription Based Technology Obligation	
Due within one year	35,180
Due in more than one year	45,781
Lease Obligation	
Due within one year	19,778
Due in more than one year	25,763
Total Long-Term Liabilities	<u>488,442</u>
Total liabilities	<u>617,762</u>
<u>NET POSITION</u>	
Invested in Capital Assets (Net)	4,119,914
Unrestricted	9,331,898
Total Net Position	<u>13,451,812</u>
Total Liabilities and Net Position	<u>\$ 14,069,574</u>

See accompanying notes and accountants' report

CATAHOULA PARISH HOSPITAL DISTRICT NO 2.

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

Year Ended December 31, 2024

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
<u>Operating Revenues:</u>	
Net patient revenues	\$ 5,753,595
Total Operating Revenues	<u>5,753,595</u>
<u>Operating Expenses:</u>	
Salaries	4,631,935
Payroll taxes and related benefits	967,227
Insurance	92,002
Medical supplies	343,759
Contractual	1,009,828
Utilities and telephone	162,256
Depreciation and amortization	382,636
Repairs and maintenance	213,567
Office Supplies	194,340
Rent and lease expense	41,044
Other expenses	81,756
Total Operating Expenses	<u>8,120,350</u>
Operating Income (Loss)	(2,366,755)
<u>Nonoperating Revenues (Expenses):</u>	
Grant proceeds	3,149,579
Interest revenue	81,487
Ad Valorem taxes	10,851
Other revenues	19,764
Change in Net Position	894,926
Net Position - beginning	<u>12,556,886</u>
Total net position - ending	<u>\$ 13,451,812</u>

CATAHOULA PARISH HOSPITAL DISTRICT NO 2.

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2024

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
<u>Cash flow from operating activities:</u>	
Cash received from patients	\$ 5,489,782
Cash payments to suppliers of goods and services	(3,020,795)
Cash payments to employees for services	(4,737,334)
Net cash provided (used) by operating activities	<u>(2,268,347)</u>
<u>Cash flows from non-capital financing activities:</u>	
Operating grants received	3,137,330
Ad Valorem taxes received	10,851
Net cash provided (used) by non-capital financing activities	<u>3,148,181</u>
<u>Cash flows from capital and related financing activities:</u>	
Lease Obligation	(14,401)
Subscription Based Technology	(24,578)
Net cash provided (used) by capital and related financing activities	<u>(38,979)</u>
<u>Cash flows from investing activities:</u>	
Interest and other income	84,842
Net cash provided (used) by investing activities	<u>84,842</u>
Net increase (decrease) in cash	925,697
Beginning cash balance	7,452,958
Ending cash balance	8,378,655
Restricted cash	-
Cash and cash equivalents	<u>\$ 8,378,655</u>
<u>Reconciliation of operating income (loss) to net cash</u>	
Operating income (loss)	\$ (2,366,755)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	382,636
(Increase) decrease in operating accounts receivable	(263,813)
(Increase) decrease in prepaid expenses	(170,911)
(Decrease) increase in operating accounts payable	255,895
(Decrease) increase in accrued expenses	(128,447)
(Decrease) increase in compensated absences	23,048
Net cash provided (used) by operating activities	<u>\$ (2,268,347)</u>

Supplemental Disclosure of Cash Flow Information:

During the year ended December 31, 2024, the District had no operating, investing, or financing activities that did not result in cash receipts or payments.

Catahoula Parish Hospital Service District No. 2

Notes to Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Basis of Presentation

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

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

Financial Reporting Entity

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

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

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

Basis of Presentation

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

Measurement Focus and Basis of Accounting

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

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

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

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

Use of Estimates

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

Cash and Cash Equivalents

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

Catahoula Parish Hospital Service District No. 2

Notes to Financial Statements

December 31, 2024

Statement Of Cash Flows

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

Restricted Assets

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

Compensated Absences

Accumulated unpaid vacation and compensatory pay have been accrued when incurred

Capital Assets

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

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

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

Other Asset

The District is a limited partner in the Louisiana Primary Care Accountable Care Organization, LLC (LPCACO) with an interest of 3.45% and has no ability to influence the operating or financial policies of the partnership. The equity method is used to account for its investment. Under that method, the District records income based on partnership allocations. The ordinary business loss of the LPCACO allocated to the District is \$5,499 and distributions of \$194,444. Subsequent to year end, the District has not received the distribution

NOTE 2-CASH AND CASH EQUIVALENTS

Deposits are stated at cost, which approximates market value. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2024, the District has \$8,461,193 in deposits (collected bank balance). These deposits are secured from risk by \$8,280,660 of federal deposit insurance and pledged securities with a market value of \$739,841. The pledged securities are held by a custodial bank in the name of the pledging institution (fiscal agent). However, State Law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand

NOTE 3 - AD VALOREM TAXES

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

	Millage	Expiration Date
Ad valorem taxes levied for general corporate purposes	1.00	2033

NOTE 4 - RECEIVABLES

The receivables at December 31, 2024, are as follows

<u>Accounts Receivable</u>		
Medicare	\$	1,593,022
Medicaid		498,756
Insurance		538,345
Other		41,543
Total		2,671,666
<u>Due from Other Governmental Units</u>		
Health and Human Services		144,440
Interest Receivable		21,911
Total Accounts Receivable		2,838,017
Allowance for Contractual Adjustment		(1,738,665)
Total Receivables	\$	1,099,352

Catahoula Parish Hospital Service District No. 2

Notes to Financial Statements **December 31, 2024**

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

NOTE 5 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Disposals	Ending Balance
Non Depreciable Capital Assets				
Land	\$ 182,677	\$ ----	\$ ----	\$ 182,677
Depreciable Capital Assets				
Buildings and Improvements	\$ 4,779,664	\$ ----	\$ ----	\$ 4,779,664
Medical Equipment	1,429,928	----	----	1,429,928
Office Equipment	634,170	----	----	634,170
Vehicles	162,647	----	----	162,647
Accumulated Depreciation	(2,727,905)	(341,267)	----	(3,069,172)
Total Depreciable Capital Assets	\$ 4,278,504	\$ (341,267)	\$ ----	\$ 3,937,237

Depreciation expense for the year ended December 31, 2024 is \$341,267.

NOTE 6 – LONG-TERM LIABILITIES

Changes in the District's long-term debt for the year ended December 31, 2024 are presented as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Compensated Absences	\$ 113,892	\$ 23,048	\$ ----	\$ 136,940

NOTE 7- RISK MANAGEMENT

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

NOTE 8- RETIREMENT PLAN

The District participates in a Section 457 and 403b defined contribution retirement plan for its employees. This plan allows for elective deferrals for participants with an employer match. The amount of pension expense for the current year is \$40,647.

NOTE 9- CONTINGENCIES

Existing conditions that may have future financial consequences are referred to as contingencies. Contingencies existing at December 31, 2024 are described as follows.

Grant Contingencies - General

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

Third-Party Reimbursements

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

Gam Contingency

As discussed in Other Assets above, the District has been allocated a distribution from the LPCACO of \$194,444. The District typically receives this distribution in January of the subsequent period. Through six months of the subsequent period, the District has not received the distribution. In addition, the District has not received any information regarding potential receipt. Therefore, the District has elected to not report the current year distribution as a receivable.

NOTE 10 – ACCOUNTS AND OTHER PAYABLES

Accounts and other payables are amounts due to vendors at December 31, 2024.

Catahoula Parish Hospital Service District No. 2

Notes to Financial Statements

December 31, 2024

NOTE 11 - SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

Registration and communication systems have been acquired through arrangements that provide access to the technology for a period of 36 months. In connection with these arrangements, a SBITA liability and an intangible right to use asset have been reported. The SBITA requires quarterly payments of \$9,600. Interest was imputed at a rate of 4.0% resulting in an initial value of \$105,539 that will be amortized over the life of the arrangement.

A summary of the principal and interest amounts for the remaining arrangements includes the following principal and interest payments:

	Principal	Interest	Total
2025	\$ 35,162	\$ 3,238	\$ 38,400
2026	36,568	1,832	38,400
2027	9,231	360	9,600
Total	<u>\$ 80,961</u>	<u>\$ 5,430</u>	<u>\$ 86,400</u>

The intangible right to use asset and related amortization are summarized as follows:

	Initial Value	Accumulated Amortization	Remaining Balance
Subscription Based Technology	\$ 105,539	\$ 26,384	\$ 79,155

NOTE 12 - LEASES

The District has entered into a leasing arrangement for four kiosks to assist patients for a period of 36 months. In connection with these arrangements, a lease liability and an intangible right to use asset have been reported. The lease requires quarterly payments of \$5,400. Interest was imputed at a rate of 4.0% resulting in an initial value of \$59,942 that will be amortized over the life of the arrangement.

Leased Equipment	\$ 59,942
Accumulated Amortization	(14,986)
Leased Assets	<u>\$ 44,956</u>

The lease obligation at year end is summarized below:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Long-Term Portion
Leased Equipment	\$ 59,942	\$ ---	\$ 14,401	\$ 45,541	\$ 19,778	\$ 25,763

Principal and interest requirement associated with the underlying lease obligation are presented as follows:

Year Ended June 30th	Principal	Interest
2025	\$ 19,778	\$ 1,821
2026	20,570	1,030
2027	5,193	208
Total Payments	<u>\$ 45,541</u>	<u>\$ 3,059</u>



June 23, 2025

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Catahoula Parish Hospital Service District No. 2

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activity of the Catahoula Parish Hospital Service District No. 2 (the District) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated June 23, 2025.

Report on Internal Control Over Financial Reporting

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

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



Rozier, McKay & Willis
Certified Public Accountants
Voice: 318.442.1608

160 Browns Bend Rd
Alexandria, Louisiana 71303
Online: CenlaCPAs.com

of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



ROZIER, MCKAY, & WILLIS
Certified Public Accountants



June 23, 2025

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

Board of Commissioners
Catahoula Parish Hospital Service District No. 2

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Catahoula Parish Hospital Service District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended December 31, 2024. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Catahoula Parish Hospital Service District No. 2 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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



Rozier, McKay & Willis
Certified Public Accountants
Voice: 318.442.1608

160 Browns Bend Rd
Alexandria, Louisiana 71303
Online: CenlaCPAs.com

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

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

Report on Internal Control over Compliance

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

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

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

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



ROZIER, MCKAY, & WILLIS
Certified Public Accountants

Catahoula Parish Hospital Service District No. 2
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

PART I – SUMMARY OF AUDITORS' RESULTS:

Financial Statements

- The Independent Auditor's Report on the financial statements for the Catahoula Parish Hospital Service District No. 2 as of December 31, 2024, and for the year then ended expressed an unmodified opinion.
- No deficiencies in internal control over financial reporting were reported in connection with the audit
- No instance of noncompliance material to the financial statements were disclosed during the audit.

Federal Awards

- No control deficiencies involving major federal award programs were disclosed during the audit. Accordingly, there were no material weaknesses applicable to major federal award programs
- The Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with the Uniform Circular expressed an unmodified opinion on compliance for major programs
- The audit did not disclose any audit findings which are required to be reported as findings and questioned costs
- Major programs for the year ended December 31, 2024 are presented as follows

UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES
CFDA No. 93.224 and 93.527 – Health Centers Cluster

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

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

- There are no matters to report.

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

- There are no matters to report.

Catahoula Parish Hospital Service District No. 2
Managements Corrective Action Plan
For the Year Ended December 31, 2024

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

Catahoula Parish Hospital Service District No. 2
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended December 31, 2024

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

CATAHOULA PARISH HOSPITAL DISTRICT NO. 2

Schedule of Expenditure of Federal Financial Awards For the year ended December 31, 2024

<u>FEDERAL GRANTOR / Pass-through Grantor / Program Title</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Direct Program - Community Health Center	93.224	\$ 2,715,789
Direct Program - Community Health Center (COVID-19)	93.224	352,226
Direct Program - Grants for New and Expanded Service under the Health Center Program	93.527	33,902
Direct Program - Grants for New and Expanded Service under the Health Center Program (COVID-19)	93.527	12,216
Total Health Center Cluster		<u>3,114,133</u>
Total Department of Health and Human Services		<u>3,114,133</u>
Total Expenditure of Federal Awards		<u>\$ 3,114,133</u>

Note

The schedule of expenditures of federal awards was prepared in conformity with generally accepted accounting principles for Governmental Units. The District does not use any cost allocation and has not used the 10% de minimis indirect cost rate. See notes to the accompanying financial statements for further details.

CATAHOULA PARISH HOSPITAL DISTRICT NO. 2

Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer Year ended December 31, 2024

Agency Head Name	<u>Debra Miesch</u>
Purpose	
Salary	188,667
Benefits	
Health Insurance	9,396
Life, Accidental Death, Long-term	4,224
Reimbursements	259

APPENDIX A

Statewide Agreed-Upon Procedures



Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Catahoula Parish Hospital Service District #2 and
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Catahoula Parish Hospital Service District #2 (the Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024 through December 31, 2024. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

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

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

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

Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana
June 23, 2025



Rozier, McKay & Willis
Certified Public Accountants
Voice: 318.442.1608

160 Browns Bend RD
Alexandria, Louisiana 71303
Online: CenlaCPAs.com

Catahoula Parish Hospital Service District #2

Statewide Agreed-Upon Procedures

We were engaged to perform Statewide Agreed-Upon Procedures published by the Louisiana Legislative Auditor. The Statewide Agreed-Upon Procedures consists of 14 categories that are listed below:

1. Written Policies and Procedures
2. Board or Finance Committee
3. Bank Reconciliations
4. Collections
5. Non-Payroll Disbursements
6. Credit Card / Debit Cards/ Fuel Cards/P-Cards
7. Travel and Expense Reimbursement
8. Contracts
9. Payroll and Personnel
10. Ethics
11. Debt Service
12. Fraud Notice
13. Information Technology / Disaster Recovery / Business Continuity
14. Sexual Harassment

Instructions issued by the Legislative Auditor indicated that procedures are required for the year ended December 31, 2024 only for categories that reported findings in the previous year. Based on our analysis there were no findings reported during the previous year for any of the categories listed above. Accordingly, it was not necessary to apply any procedures during the current period.