

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**FINANCIAL REPORT**  
**YEAR ENDED DECEMBER 31, 2020**

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## **INDEPENDENT AUDITOR'S REPORT**

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Plaquemines Parish Hospital Service District Number One  
d/b/a Plaquemines Medical Center

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

We have audited the accompanying financial statements of the business-type activities of the Plaquemines Parish Hospital Service District Number One d/b/a Plaquemines Medical Center (the Center), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the business-type activities of the Plaquemines Parish Hosptial Service District Number One d/b/a Plaquemines Medical Center as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, *Schedule of Employer's Proportionate Share of Net Pension Liability* and *Schedule of Employer's Contributions* on pages 4-10 and 39-40, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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 any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plaquemines Parish Hosptial Service District Number One d/b/a Plaquemines Medical Center's basic financial statements. The *Schedule of Compensation, Benefits and Other Payments to Agency Head* are presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The *Schedule of Compensation, Benefits and Other Payments to Agency Head*, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including 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 *Schedule of Compensation, Benefits and Other Payments to Agency Head* and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2021, on our consideration of the Plaquemines Parish Hospital Service District Number One d/b/a Plaquemines Medical Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Plaquemines Parish Hospital Service District Number One d/b/a Plaquemines Medical Center's internal control over financial reporting and compliance.

*Camnetar & Co.*

Camnetar & Co., CPAs  
a professional accounting corporation

Gretna, Louisiana  
June 29, 2021

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

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2020**

This section of the Plaquemines Parish Hospital Service District Number One (d/b/a Plaquemines Medical Center) (the "Center") annual financial report presents the Center's financial performance during the fiscal year that ended on December 31, 2020. This should be read in conjunction with the financial statements and the accompanying notes to those financial statements in this report.

**Financial Highlights**

- The Center's total assets increased by \$778,978, or approximately 1.41%.
- During the year, the Center's total operating revenue increased by \$481,717 or 54.45%, to \$1,366,414 from the prior year while operating expenses increased \$854,469 or 12.26% to \$7,823,324. The Center had loss from operations of \$6,456,910, which is approximately 473% of total operating revenue. This compares to the prior fiscal year's loss from operations of \$6,084,158, or 688% of operating revenue.
- The Center received \$2,648,466 and \$2,661,616 in 2020 and 2019, respectively, in ad valorem tax revenue for the operations of the facility.
- The Center received \$3,016,440 and \$3,005,774 in 2020 and 2019, respectively in special millage ad valorem tax revenue for operations, construction, and new programs for the facility.
- During the fiscal year, the Center made capital investments for a total of \$54,889.

**Required Financial Statements**

The Consolidated Financial Statements of the Center report information about the Center and Plaquemines Primary Care, Inc. using Governmental Accounting Standards Board ("GASB") accounting principles. These Statements offer short-term and long-term financial information about their activities.

The Consolidated Statements of Net Position include all of the Center's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to the Center's creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Center, and assessing the liquidity and financial flexibility of the Center.

All of the current year's revenues and expenses are accounted for in the Consolidated Statements of Revenues and Expenses. This statement measures changes in the Center's operations over the past year and can be used to determine whether the Center has been able to recover all of its costs through its patient service revenue and other revenue sources.

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**December 31, 2020**

**Required Financial Statements (Continued)**

The primary purpose of the Consolidated Statement of Cash Flows is to provide information about the Center's cash from operations, investing, and financing and to provide answers to questions such as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Plaquemines Primary Care, Inc. was established for the purpose of providing on-going and follow-up treatment for chronic illnesses on a schedule appointment basis during pre-determined scheduled hours. Plaquemines Primary Care, Inc. will allow the Center to better service the medical needs of its constituents.

**Financial Analysis of the Center**

The Consolidated Statements of Net Position and the Consolidated Statements of Revenue and Expenses report information about the Center's activities. These two statements report the net position of the Center and changes in them. Increases or decreases in the Center's net position are one indicator of whether its financial health is improving or deteriorating. However, other non-financial factors, such as changes in the health care industry, changes in Medicare and Medicaid regulations, and changes in managed care contracting, should also be considered.

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**December 31, 2020**

**Net Position**

The following table presents a summary of the Center's Statement of Net Position for each of the fiscal years ended December 31, 2020 and 2019:

**TABLE 1**  
**Condensed Consolidated Statements of Net Position**

	<b>2020</b>	<b>2019</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Assets</b>				
Current assets	\$ 33,621,384	\$ 31,915,718	\$ 1,705,666	5.34%
Capital assets - net	22,286,272	23,212,960	(926,688)	-3.99%
<b>Total Assets</b>	<b>55,907,656</b>	<b>55,128,678</b>	<b>778,978</b>	<b>1.41%</b>
<b>Deferred Outflows of Resources</b>				
Deferred outflows of related net pension liability	436,215	1,056,439	(620,224)	-58.71%
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 56,343,871</b>	<b>\$ 56,185,117</b>	<b>\$ 158,754</b>	<b>0.28%</b>
<b>Liabilities</b>				
Current liabilities	\$ 697,312	\$ 449,478	\$ 247,834	55.14%
Non-current liabilities	12,419	1,178,593	(1,166,174)	-98.95%
<b>Total Liabilities</b>	<b>709,731</b>	<b>1,628,071</b>	<b>(918,340)</b>	<b>-56.41%</b>
<b>Deferred Inflows of Resources</b>				
Deferred inflows of related net pension liability	575,793	67,238	508,555	756.35%
<b>Net Position</b>				
Net investment in capital assets	22,286,272	23,212,960	(926,688)	-3.99%
Unrestricted	32,772,075	31,276,848	1,495,227	4.78%
<b>Total Net Position</b>	<b>55,058,347</b>	<b>54,489,808</b>	<b>568,539</b>	<b>1.04%</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 56,343,871</b>	<b>\$ 56,185,117</b>	<b>\$ 158,754</b>	<b>0.28%</b>

As can be seen in Table 1, total assets increased by \$778,978 to \$55,907,656 in fiscal year 2020, from \$55,128,678 in fiscal year 2019. The change in total net position is primarily due to the excess of revenues over expenses in fiscal year 2020.

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**December 31, 2020**

**Summary of Revenue and Expenses**

The following table presents a summary of the Center's historical revenues and expenses for each of the fiscal years ended December 31, 2020 and 2019:

**TABLE 2**  
**Condensed Consolidated Statements of Revenue, Expenses, and Change in Net Position**

	Year Ended December 31		Dollar Change	Percent Change
	2020	2019		
<b>Operating Revenues:</b>				
Net patient service revenue	\$ 1,324,559	\$ 833,435	\$ 491,124	58.93%
Lab services revenue	2,954	1,148	1,806	157.32%
Cost sharing revenue	-	50,114	(50,114)	-100.00%
Discount programs	38,901	-	38,901	0.00%
<b>Total Operating Revenues</b>	<b>1,366,414</b>	<b>884,697</b>	<b>481,717</b>	<b>54.45%</b>
<b>Operating Expenses:</b>				
Salaries & employee benefits	3,070,526	2,715,963	354,563	13.05%
Supplies, contract services, equipment, and fees	2,127,670	1,908,611	219,059	11.48%
Other operating expenses	1,641,084	1,350,288	290,796	21.54%
Depreciation	984,044	993,993	(9,949)	-1.00%
<b>Total Operating Expenses</b>	<b>7,823,324</b>	<b>6,968,855</b>	<b>854,469</b>	<b>12.26%</b>
<b>Operating Loss</b>	<b>(6,456,910)</b>	<b>(6,084,158)</b>	<b>(372,752)</b>	<b>6.13%</b>
<b>Non-Operating Revenue:</b>				
Ad valorem tax revenue, operating	2,648,466	2,661,616	(13,150)	-0.49%
Ad valorem tax revenue special millage	3,016,440	3,005,774	10,666	0.35%
Grants and other assistance	1,068,247	264,889	803,358	303.28%
Settlements	-	73,277	(73,277)	-100.00%
Loss on disposal of assets	(1,132)	(17)	(1,115)	6558.82%
Miscellaneous	88,042	89,438	(1,396)	-1.56%
Investment income	185,750	599,475	(413,725)	-69.01%
Other	19,636	19,768	(132)	-0.67%
<b>Total Non-Operating Revenue</b>	<b>7,025,449</b>	<b>6,714,220</b>	<b>311,229</b>	<b>4.64%</b>
<b>Change in Net Position</b>	<b>568,539</b>	<b>630,062</b>	<b>(61,523)</b>	<b>-9.76%</b>
<b>Net Position-Beginning</b>	<b>54,489,808</b>	<b>53,859,746</b>	<b>630,062</b>	<b>1.17%</b>
<b>Net Position-Ending</b>	<b>\$ 55,058,347</b>	<b>\$ 54,489,808</b>	<b>\$ 568,539</b>	<b>1.04%</b>

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**December 31, 2020**

**Sources of Revenue**

**Operating Revenue**

Patient service revenue includes revenue from the Medicare and Medicaid programs and patients, or their third-party payors. Reimbursement for the Medicare and Medicaid programs and the third-party payors is based upon established rates and contracts. The difference between the covered charges and the established contract is recognized as a contractual allowance. The provision for bad debt increased approximately \$177,655 or 5% to \$4,043,732 in 2020 from \$3,866,077 in 2019.

**Investment Income**

The Center holds funds that are invested primarily in Louisiana Asset Management Pool, a local government investment pool. Investments had a total return of \$185,750 and \$599,475 during fiscal years 2020 and 2019, respectively.

**Operating and Financial Performance**

The following summarizes the Center's statements of revenue and expenses as between 2020 and 2019:

For a period of 2019, the Plaquemines Primary Care, Inc. outsourced its operation through a contractual relationship with West Jefferson Medical Center. The original contract was for a two-year term end ending on December 31, 2019; however, the contract was extended on a monthly basis and terminated on March 31, 2019. Income from the contract was recognized through rental income and cost sharing of expenses. During 2019, the rental income recognized was \$12,492 and the reimbursable expenses were \$50,114. After the contract expired, the Center resumed operations of Plaquemines Primary Care, income from patient services revenues recognized in 2019 was \$74,632. In 2020, Primary Care patient services revenue was \$252,506, drug discount program revenue was \$38,901 for a total operating revenue of \$291,407.

Overall activity at the Center, as measured by patient-visits and procedures, performed directly by the Center, increased 71% to 18,933 visits and procedures in 2020 from 11,090 visits and procedures in 2019. Net patient service revenue per patient visit/procedure decreased 7% to \$69.96 per patient visit/procedure in 2020 from \$75.15 per patient visit/procedure in 2019.

During 2020, 4,489 of the total 18,933 patient visits and procedures were related to COVID-19 testing, The reimbursement rate for these tests was approximately \$40 per visit. The decrease in net patient service revenue per patient visit/procedure for 2020, is primarily due to the quantity of COVID-19 testing performed and the rate of reimbursement.

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**December 31, 2020**

**TABLE 3**  
**Patient visits and Procedures Statistical Data**

Description	Year ended December 31	
	2020	2019
Clinic	14,250	9,262
Primary Care	4,226	1,518
Workers Compensation Patients	457	310
Total	18,933	11,090

**Operating and Financial Performance (continued)**

Salaries and related benefits expense increased \$354,563 or 13.05%, to \$ 3,070,526 in 2020 from \$2,715,963 in 2019. As a percentage of operating revenue, salary expense was approximately 225% and 307% for the fiscal years ended December 31, 2020 and 2019, respectively.

Supplies, contract services, equipment, and fees and other operating expenses increased \$219,059 or 11.48% the year ended December 31, 2020.

Depreciation expense decreased \$9,949 for the year ended December 31, 2020. For the fiscal years ended December 31, 2020 and 2019 depreciation expense was \$984,044 and \$993,993, respectively.

Total operating expenses increased by \$854,469 for the year ended December 31, 2020, for the reasons discussed above.

**Capital Assets**

At the end of 2020, the Center had a decrease in net capital assets of \$926,688. This amount represents a net decrease of 4% over last year.

Capital Assets, net of depreciation are shown below:

Description	Year Ended December 31		Change
	2020	2019	
Land	\$ 127,597	\$ 127,597	\$ -
Buildings	25,588,991	25,588,991	-
Equipment and Furniture	2,892,282	2,837,393	54,889
Less: Accumulated Depreciation	(6,322,598)	(5,341,021)	(981,577)
Net Capital Assets	\$ 22,286,272	\$ 23,212,960	\$ (926,688)

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**December 31, 2020**

**Contacting the Plaquemines Medical Center**

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the Center's finances. If you have questions about this report or need additional financial information, please contact the administration for the Center as follows:

Mr. Dale Adams, Chairman  
Plaquemines Medical Center  
27136 Highway 23  
Port Sulphur, LA 70083  
Phone 504-564-3344  
Fax 504-564-0174

## **FINANCIAL STATEMENTS**

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**

d/b/a

**PLAQUEMINES MEDICAL CENTER  
CONSOLIDATED STATEMENT OF NET POSITION  
For the Year Ended December 31, 2020**

<b>Assets</b>	
Current Assets:	
Cash and cash equivalents	\$ 27,362,937
Ad valorem tax revenue receivable (net of estimated uncollectibles of \$233,302)	5,609,683
Accounts receivable	721
Patient accounts receivable (net of estimated uncollectibles of \$4,043,732)	307,108
Grant income receivable	133,068
Other receivable	349
Prepaid expenses	120,651
Inventories	86,867
Total Current Assets	<u>33,621,384</u>
Non-Current Assets:	
Capital assets (net of accumulated depreciation of \$6,322,598)	<u>22,286,272</u>
Total Assets	<u>55,907,656</u>
<b>Deferred Outflows of Resources</b>	
Deferred outflows of related net pension liability	<u>436,215</u>
<b>Liabilities</b>	
Current Liabilities:	
Accounts payable	280,403
Accrued expenses	263,072
Unearned revenue	153,337
Deposits on hold	500
Total Current Liabilities	<u>697,312</u>
Non-Current Liabilities:	
Net pension liability	<u>12,419</u>
Total Liabilities	<u>709,731</u>
<b>Deferred Inflows of Resources</b>	
Deferred inflows of related net pension liability	<u>575,793</u>
<b>Net Position</b>	
Net investment in capital assets	22,286,272
Unrestricted	32,772,075
Total Net Position	<u><u>\$ 55,058,347</u></u>

The accompanying notes are an integral part of these statements.

PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE

d/b/a

PLAQUEMINES MEDICAL CENTER

CONSOLIDATED STATEMENT OF REVENUES AND EXPENSES

For the Year Ended December 31, 2020

<b>Operating Revenues</b>	
Net patient service	\$ 1,324,559
Lab services	2,954
Drug discount program	38,901
Total Operating Revenues	<u>1,366,414</u>
<b>Operating Expenses</b>	
Salaries and related	3,070,526
Professional fees	516,320
Medical supplies	449,176
Repairs and maintenance	282,026
Purchased services	1,678,494
Depreciation	984,044
Utilities and telephone	214,252
Insurance	321,290
Administrative expense	307,196
Total Operating Expenses	<u>7,823,324</u>
<b>Operating Loss</b>	(6,456,910)
<b>Non-Operating Revenues (Expenses)</b>	
Ad valorem tax revenue, operating	2,648,466
Ad valorem tax revenue, special millage	3,016,440
Grants and other assistance	1,068,247
Loss on disposal of assets	(1,132)
Miscellaneous	88,042
Investment income	185,750
Other	19,636
Total Non-Operating Revenues (Expenses)	<u>7,025,449</u>
<b>Excess of Revenues over Expenses</b>	<u><u>\$ 568,539</u></u>

The accompanying notes are an integral part of these statements.

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION**  
**For the Year Ended December 31, 2020**

	<u>Unrestricted</u>
<b>Net Position at December 31, 2019</b>	\$ 54,489,808
Excess of revenues over expenses	<u>568,539</u>
<b>Net Position at December 31, 2020</b>	<u><u>\$ 55,058,347</u></u>

The accompanying notes are an integral part of these statements.

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**

d/b/a

**PLAQUEMINES MEDICAL CENTER  
CONSOLIDATED STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2020**

<b>Cash Flows from Operating Activities:</b>	
Revenue collected	\$ 1,231,632
Cash payments to employees and for employee-related costs	(3,009,763)
Cash payments for operating expenses	<u>(3,788,444)</u>
<b>Net Cash Used in Operating Activities</b>	<b>(5,566,575)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>	
Grants and other assistance	1,279,731
Ad valorem taxes	2,485,102
Ad valorem taxes - special millage	2,829,909
Other	<u>91,186</u>
<b>Net Cash Provided by Non-Capital Financing Activities</b>	<b>6,685,928</b>
<b>Cash Flows from Capital And Related Financing Activities:</b>	
Purchase of capital assets (property, plant and equipment)	<u>(58,487)</u>
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(58,487)</b>
<b>Cash Flows from Investing Activities:</b>	
Investment income	<u>185,750</u>
<b>Net Cash Provided by Investing Activities</b>	<b>185,750</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>1,246,616</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b><u>26,116,321</u></b>
<b>Cash and Cash Equivalents, End of Year</b>	<b><u><u>\$ 27,362,937</u></u></b>
<b>Reconciliation of Loss from Operations to Net Cash Used in Operating Activities:</b>	
Operating loss	\$ (6,456,910)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation and amortization	984,044
Bad debt expense	177,802
Pension expense, net of employer contributions	(16,046)
Changes in operating assets and liabilities:	
Accounts receivable	(297,682)
Prepaid expenses	(13,046)
Inventories	(39,234)
Accounts payable and accrued expenses	94,497
<b>Net Cash Used in Operating Activities</b>	<b><u><u>\$ (5,566,575)</u></u></b>

The accompanying notes are an integral part of these statements.

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2020**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES**

**Organization**

The financial statements include the accounts of the following entities:

**Plaquemines Parish Hospital Service District Number One (d/b/a Plaquemines Medical Center) (the “Center”)** is organized under powers granted to parishes in the Louisiana Revised Statutes and is exempt from Federal and State income taxes. All corporate powers are vested in a Board of Commissioners appointed by the Plaquemines Parish Council. Prior to January 1, 1990, the Center operated as Plaquemines Parish General Hospital (the Hospital). Since January of 1990, the Center has operated as Plaquemines Comprehensive Care Center and more recently Plaquemines Medical Center. In the fall of 2014, the Center moved into its new permanent facility at 27136 Highway 23 in Port Sulphur, LA. The current facility was constructed primarily with funds provided by the Federal Emergency Management Agency (FEMA) as a result of damages sustained to its former facility due to Hurricane Katrina. The Center currently provides urgent, emergency, and primary medical care to residents of Plaquemines Parish.

**Plaquemines Primary Care Inc.** is a Louisiana non-profit corporation organized to assist the Hospital in providing primary care medical services to the community in a cost effective and efficient manner. In September 2019, Plaquemines Primary Care Inc., as a sub-recipient of the Center, was certified as a Federally Qualified Health Center.

**Reporting Entity**

The Governmental Accounting Standards Board issued GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statement No. 14 and No. 34*, which established criteria for determining the reporting entity and component units that should be included within the reporting entity and other reporting relationships. The basic criterion for including a potential component unit within the reporting is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

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

Based upon the previous criteria, the Center has determined that Plaquemines Primary Care Inc. is a component unit of the reporting entity.

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Principles of consolidation – As mentioned above, the accompanying consolidated financial statements include the accounts and transactions of the Center and Plaquemines Primary Care Inc. All significant intercompany accounts and transactions have been eliminated in the consolidation.

Measurement Focus, Basis of Accounting – Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The Center utilizes the proprietary fund method of accounting whereby revenue and expenses are recognized on the accrual basis. The financial statements are reported using the economic resources measurement focus.

Accounting Standards – GASBS No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, incorporates the text of certain FASB, APB, and ARB pronouncements that were issued before November 30, 1989, that applied to governments. Those pronouncements had become non authoritative for governmental entities when the FASB established the FASB Accounting Standards Codification as the single source of authoritative, nongovernmental GAAP for nonpublic entities in September 2009. While GASBS No. 62 kept the substance of that guidance, it nevertheless modified the guidance to recognize the effects of the governmental environment and the needs of governmental financial statement users.

Income Taxes – The Center and Plaquemines Primary Care, Inc. are a governmental entity under Section 517 of the Internal Revenue Code and is therefore exempt from Federal income taxes.

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

Cash and Cash Equivalents – Cash and cash equivalents, for cash flow statement purposes, include investments in highly liquid debt instruments with maturities of three months or less, including amounts whose use is limited by board designation.

Inventories – Inventories, which consist primarily of drugs and supplies, are valued at the lower of cost (first-in, first-out method) or market.

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Capital Assets – Capital assets purchased or acquired are reported at cost. Contributed assets are reported at fair market value at date received. Additions, improvements, and other capital outlays that extended the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The Center has adopted a capitalization policy as it relates to reporting thresholds. Depreciation on all assets, other than land and construction in progress, is provided on the straight line basis over the following estimated useful lives:

Description	Years Depreciated	Capitalization Threshold
Land	N/A	\$1
Machinery and Equipment	5-15	5,000
Buildings	25-40	50,000
Building Improvements	7-30	50,000
Land Improvements	20-30	25,000
Infrastructure	20-50	250,000

Assets Whose Use is Limited or Restricted - Assets whose use is limited or restricted consists of cash, investments, and ad valorem tax receivables reported at fair value with gains and losses included in the consolidated statements of revenues and expenses.

Charity Care – The Center does not have a formal charity care policy, nor does it maintain detailed records of the amount of charity care it provides.

Subsequent Event Review - Management of the Center has reviewed subsequent events through June 29, 2021, which is the date the financial statements were available to be issued and concluded no disclosure is required in accordance with accounting principles generally accepted in the United States of America.

Operating Revenues and Expenses - The Center’s statement of revenues, expenses and changes in net assets distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services – the Center’s principal activity. Nonexchange revenues, including taxes, grants, and contributions received for purposes other than capital asset acquisition, are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (CONTINUED)**

Grants and Contributions - From time to time, the Center receives grants from the State of Louisiana and federal sources, as well as contributions from individuals and private organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts restricted to capital acquisitions are reported after nonoperating revenues and expenses.

Restricted Resources - When the Center has both restricted and unrestricted resources available to finance a particular program, it is the Center's policy to use restricted resources before unrestricted resources.

Net Position - In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as amended*, net position is classified into three components - net investment in capital assets, restricted; and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets - This component of net position consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.

Restricted - This component of net position consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - All other net position is reported in this category.

Ad valorem Revenue and Receivables - Property taxes are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within sixty days thereafter. Ad valorem tax revenue receivables presented in the financial statements represents the estimated tax collectable assessed in the current fiscal year.

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Net Patient Service Revenues and Related Receivables - Net patient service revenues and receivables are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors.

The Center provides care to patients even if they lack adequate insurance coverage or are covered by contractual payment arrangements that do not pay full charges.

The payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations are based on the prospective payment system, per diem rates, or discounts from established charges.

Patient accounts receivables are reduced by an allowance for doubtful accounts. In establishing its estimate of collectability of accounts receivable, each year the Center analyzes its past history and collection patterns of its major payor sources of revenue. These allowances are adjusted annually.

For receivables associated with self-pay patients (which includes patients without insurance and patients with deductible and copayment balances due for which third party coverage exists for part of the bill), the Center annually records a provision for bad debts on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible.

**Compensated Absences**

Accumulated vacation and sick leave are accrued as an expense of the period in which incurred. Employees of the Center earn vacation pay and sick pay based on an employee's length of employment and is earned ratably during the span of employment. Upon termination, employees are paid full value for any accrued general leave earned.

At December 31, 2020, employees have accumulated and vested \$136,353 of annual leave benefits, which is recorded as a current liability.

**Property Tax Calendar**

Property taxes are assessed and collected each fiscal year according to the following property tax calendar.

Lien Date	January 1
Levy Date	June 30
Due Date	December 31
Delinquent Date	January 1 of the following year

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**NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS**

At December 31, 2020, the Center has cash equivalents (book balances) as follows:

Demand Deposits	\$ 750
Checking Accounts	2,985,865
Total Cash and Cash Equivalents Held at Fiscal Agent Bank	2,986,615
Investment in Louisiana Asset Management Pool (LAMP)	24,376,322
Total Cash & Cash Equivalents	\$ 27,362,937

These deposits are stated at cost, which approximates market. Under state law, the deposits held at a fiscal agent bank (or the resulting bank balances) must be secured by federal deposit insurance or the pledged 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.

Custodial Credit Risk – Deposits Held at Fiscal Agent Bank - At December 31, 2020, the Center had \$3,017,721 in deposits (collected bank balances). These deposits are secured from risk by \$750,000 of federal deposit insurance and \$3,923,220 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). At December 31, 2020, none of the Center’s deposits with the financial institutions were under collateralized.

Custodial Credit Risk – Investment in Louisiana Asset Management Pool (LAMP)- At December 31, 2020, the Center had The Center’s investments in the Louisiana Asset Management Pool (LAMP) total \$24,376,322. LAMP is a local government investment pool established as a cooperative effort to enable public entities of the State of Louisiana to aggregate funds for investments. LAMP is rated AAAM by Standard & Poor’s. In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.165 because the Investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc.; a nonprofit corporation organized under the laws of the State of Louisiana and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments 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. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP

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**NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

issues a publicly available financial report that includes financial statements and required supplementary information. The financial report is designed to provide a general overview of LAMP's finances for those with an interest in LAMP's finances. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.la.gov](http://www.la.gov), or by contacting LAMP at 228 St. Charles Ave., Suite 1123, New Orleans, LA, 70130.

For the year ended December 31, 2020, the Center had no noncash investing and financing transactions.

**NOTE 3 –PREPAID ITEMS**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**NOTE 4 – AD VALOREM TAX RECEIVABLES AND REVENUES**

Current ad valorem taxes are received beginning in December of each year and become delinquent after January 31 of the following year. Taxes are reported as revenues in the period for which they are levied.

The Plaquemines Parish Hospital Service District Number One levies an annual ad valorem tax on all property subject to taxation in the District. The tax is collected to defray the cost of the Center's operations. For 2020, the millage was 2.89 mills, and is set to expire in 2024

The Plaquemines Parish Hospital Service District Number One levies an annual ad valorem tax on all property subject to taxation in the District. The tax is collected for the purpose of acquiring, constructing, improving, maintaining and/or operating hospital facilities and equipment of and for the District. For 2020, the millage was 3.29 mills, and is set to expire in 2031.

The Center calculates an allowance of uncollectible ad valorem tax revenues of the current year assessment that it does not expect to collect in the upcoming year. The percentage of allowance for uncollectible ad valorem receivable for 2020 is 4%.

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**NOTE 5 – GRANTS AND OTHER FINANCIAL ASSISTANCE**

The Center had activity from grants from FEMA related to the following Hurricanes:

Hurricane Katrina – The center had activity from FEMA related eligible work expensed in prior years. Although one of these grants was programmatically closed in prior years, grant income recognized in the current year was \$109,819. This is due to FEMA recalculation of versions that was captured with PW closeout activity and due to project appeal decisions on the open PW. For the year ended December 31, 2020, the Center has \$370,837 of outstanding reimbursement requests which were submitted to FEMA.

Hurricane Barry – The Center had reimbursable expenses related to emergency work expensed in the prior year. The grant income recognized in the current year was \$16,206. For the year ended December 31, 2020, the Center has no outstanding reimbursement requests which were submitted to FEMA.

Hurricane Laura – The Center had reimbursable expenses related to emergency work. The grant income recognized in the current year was \$24,002. For the year ended December 31, 2020, the Center had \$24,002 of revenue receivable.

Hurricane Sally – The Center had reimbursable expenses related to emergency work. The grant income recognized in the current year was \$25,097. For the year ended December 31, 2020, the Center had \$25,097 of revenue receivable.

The Center also had activity from grants from the U.S. Department of Health and Human Services for the following grant programs:

Health Center Program - The purpose of this funding is to provide operational support for service delivery sites to improve the health of Plaquemines Parish underserved communities and vulnerable populations by expanding access to affordable, accessible, quality, and cost-effective primary health care services. The total amount of the grant is \$920,833. Grant income recognized in the current year was \$604,497. For the year ended December 31, 2020, the Center had \$50,380 of revenue receivable.

Health Center Coronavirus Aid, Relief, and Economic Security (CARES) Act Program - The purpose of this funding is to provide operational support for the detection of coronavirus and/or the prevention, diagnosis, and treatment of COVID-19, including maintaining or increasing health center capacity and staffing levels during a coronavirus related public health emergency. Funding may support a wide range of in-scope activities. The total amount of the grant is \$503,000. Grant income recognized in the current year was \$91,995. For the year ended December 31, 2020, the Center had \$16,486 of revenue receivable.

Expanding Capacity for Coronavirus Testing (ECT) Program - The purpose of this funding is to support health centers abilities to prevent, prepare for, and respond to COVID-19. Funds may be used for necessary expenses to purchase, administer, and expand capacity testing to monitor and suppress COVID-19. The total amount of the grant is \$104,164. Grant income recognized in the current year was \$40,692. For the year ended December 31, 2020, the Center had \$17,103 of revenue receivable.

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**Notes to the Financial Statements**

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**NOTE 5 – GRANTS AND OTHER FINANCIAL ASSISTANCE (CONTINUED)**

Coronavirus Supplemental Funding for Health Centers Program - The purpose of this funding is to support health centers by providing flexibility for preventing, preparing for, and responding to COVID-19, as needs evolve within the community. Funds may be used for a wide-range of in-scope activities, including, but not limited to: patient and community education, screening testing and laboratory services, adding providers and other personnel, training, purchase of vehicles to transport patients or health center personnel, supplies, equipment, and health information technology. The total amount of the grant is \$50,464. Grant income recognized in the current year was \$50,464.

The Center also had activity from other financial assistance from the U.S. Department of Health and Human Services for the following financial assistance programs:

Provider Relief Fund Program - The purpose of this funding is to support healthcare-related expenses or lost revenue attributable to COVID-19 and to ensure uninsured Americans can get treatment for COVID-19. The total amount of the funding is \$206,506. Income recognized in the current year was \$69,499. For the year ended December 31, 2020, the Center had \$137,007 of unearned revenue.

Coronavirus Relief Fund Program - The purpose of this funding is to cover the cost of necessary expenditures incurred due to the public health emergency with respect to the COVID-19 between March 1, 2020, to December 30, 2020. The total amount of funding is \$16,330. For the year ended December 31, 2020, the Center had \$16,330 of unearned revenue.

The Center also had activity from a grant from the Louisiana Public Health Institute, a private, non-profit corporation. The purpose of this funding is to facilitate health information sharing and aggregation of patient's health information to better continuity of care. The total amount of the grant was \$25,500. Grant income recognized in the current year was \$25,500.

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**NOTE 6 – CAPITAL ASSETS**

Capital assets and depreciation activities of and for the year ended December 31, 2020, is as follows:

Description	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Depreciated				
Land	\$ 127,597	\$ -	\$ -	\$ 127,597
Capital Assets Depreciated				
Buildings	25,588,991	-	-	25,588,991
Equipment at cost	2,837,393	58,487	3,598	2,892,282
Less accumulated depreciation	(5,341,021)	(984,044)	(2,467)	(6,322,598)
Total	23,085,363	(925,557)	1,131	22,158,675
Capital Assets, Net	\$ 23,212,960	\$ (925,557)	\$ 1,131	\$ 22,286,272

During the year 2020, the Center recorded depreciation expense in the amount of \$984,044.

**NOTE 7 – MALPRACTICE INSURANCE**

During 1976, the State of Louisiana enacted legislation that created a statutory limit of \$500,000 for each medical professional liability claim and established the Louisiana Patient Compensation Fund (State Insurance Fund) to provide professional liability insurance to participating health care providers. The Center participates in the State Insurance Fund, which provides up to \$400,000 coverage for settlement amounts in excess of \$100,000 per claim, which is supplemented by an excess liability policy of \$3,000,000.

**NOTE 8 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Certain payments to vendors that relate to 2020 activity have been accrued. These payments will be made following the year end December 31, 2020.

**NOTE 9 - THIRD-PARTY PAYOR ARRANGEMENTS**

The Center participates in the Medicare and Medicaid programs as a provider of medical services to program beneficiaries. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Center believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

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**NOTE 10 – NET PATIENT SERVICE REVENUE**

Net patient service revenue is patient revenue reported at the Center’s established rates less contractual adjustment, policy discounts and bad debt expense.

Following is a summary of contractual and other adjustment to arrive at net patient service revenues for the year ended December 31, 2020:

Gross patient revenue	\$ 2,347,722
Less: Bad debt	177,655
Contractual adjustments	845,508
Net patient revenue	\$ 1,324,559

**NOTE 11 – LEASE REVENUE**

The Center generates revenue through the lease of office space. Lease income recognized in the current year was \$60,800. Following is a schedule of future minimum lease income for non-cancelable operating leases as of December 31, 2020:

Fiscal year:	
2021	\$ 57,100
2022	47,300
2023	25,600
2024	14,700
Total	\$ 144,700

Delta Drugs of Port Sulphur, L.L.C. - On May 4, 2015, the Center entered into a lease with Delta Drugs of Port Sulphur, L.L.C. for office space to be used for the operation of a pharmacy. The original lease term was for 48 months and included the option for two five-year lease extensions. The first five-year extension was exercised and expires on July 31, 2024. The contract provides for monthly fees of \$2,000 during the initial term, \$2,100 during the first five-year option and \$2,310 during the second five-year option.

Emily LaCour, D.D.S., LLC - The Center entered into a lease assignment with Emily LaCour, D.D.S., LLC for office space to be used to provide dental services. The original lease was effective on July 1, 2015, for a term of 28 months and included the option for two five-year lease extensions. The lease assignment was effective June 29, 2017. The original lease contract provided for monthly fees ranging from \$1,500 to \$1,800 during the initial term, \$2,000 during the first five-year option and \$2,400 during the second five-year option. The first five-year extension was exercised and expires on October 1, 2022. On August 7, 2017, the board voted to amend the original lease terms and extended the \$1,800 monthly fee through October 1, 2022.

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**NOTE 11 – LEASE REVENUE (CONTINUED)**

Westside Dermatology Associates - The Center entered into a lease with Westside Dermatology Associates for office space to be used to provide medical services. The lease commenced on November 1, 2015, for an initial term of one year. The lease is renewable for additional one-year terms and may be terminated upon 60 days written notice. The current lease term expires on October 31, 2021. The contract provides for office space rental for one day per month, with rental fees of \$200 per day.

ABBA Personal Healthcare, LLC - The Center entered into a lease with ABBA Personal Healthcare, LLC for office space to be used to provide personal care, elderly, disability, and mental health services. The lease commenced on September 18, 2019, for an initial term of 24 months, expiring on September 17, 2021. The contract provides for monthly fees of \$500. On May 20, 2021, the board voted to release ABBA Personal Healthcare, LLC from the contract, effective May 31, 2021.

Plaquemines Community CARE Centers Foundation, Inc - The Center entered into a lease with Plaquemines Community CARE Centers Foundation, Inc for office space to be used to provide services for assessments, counseling sessions, and psycho-educational groups and seminars. The lease commenced on October 1, 2019, for an initial term of 34 months, expiring on July 31, 2022. The contract provides for monthly fees of \$500.

EPIC Physical Therapy, LLC - The Center entered into a lease with EPIC Physical Therapy, LLC for office space to be used to provide physical therapy and rehabilitation services. The lease inception date was originally March 1, 2020, for an initial term of 36 months, expiring on February 28, 2023. Due to COVID-19 issues, the office space was not utilized and the lease not enacted until April 2021. The contract provides for rental fees of \$100 per day, with a minimum monthly charge of \$200.

**NOTE 12 – CONCENTRATIONS OF CREDIT RISK**

**Concentration of Credit Risk**

The Center grants credit without collateral to its patients, most of who are residents of Plaquemines Parish and who are often insured under third-party payor agreements such as Medicare, Medicaid, and Blue Cross. Any balances remaining after the third-party payors have completed their obligation are considered patient responsibility.

**Economic Dependency**

The Center is located in Port Sulphur, Louisiana and relies primarily on ad valorem taxes imposed by Plaquemines Parish Government.

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**NOTE 13 – PENSION PLAN**

**Plan Description**

Employees of the Plaquemines Medical Center (the “Center”) are provided with a pension through a cost-sharing, multiple-employer, defined benefit plan administered by the Parochial Employees’ Retirement System of Louisiana (PERS). PERS is a state-wide public retirement system for the benefit of all employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elect to become members of PERS. PERS was established and provided for within LSA-RS 11:1901 through 11:2025. The plan is a qualified plan as defined by the Internal Revenue Service Code Section 401 (a), effective January 1, 1993. Membership in PERS is a condition of employment for the full-time employees of the Center.

Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised PERS to create Plan A and Plan B to replace the “regular plan” and the “supplemental plan”. Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Employees of the Center are members of Plan A.

For the year ended December 31, 2019, there were 290 contributing employers in Plan A and 50 in Plan B. Statewide retirement membership consisted of:

	<u>Plan A</u>	<u>Plan B</u>	<u>Total</u>
Inactive plan members or beneficiaries receiving benefits	7,651	942	8,593
Inactive plan members entitled to but not yet receiving benefits	8,785	1,921	10,706
Active members	<u>14,042</u>	<u>2,462</u>	<u>16,504</u>
Total Participating as of the Valuation Date	<u><u>30,478</u></u>	<u><u>5,325</u></u>	<u><u>35,803</u></u>

PERS administers a plan to provide retirement, disability, and survivor’s benefits to eligible employees and their beneficiaries as defined in the plan. The age and years of creditable service (service) required in order for a member to receive retirement benefits are established by the plan and vary depending on the member’s hire date.

PERS issues a publicly available financial report that includes financial statements and required supplementary information for the system for the fiscal year ended December 31, 2019. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.lla.la.gov](http://www.lla.la.gov), or by contacting the Parochial Employees’ Retirement System of Louisiana, 7905 Wrenwood Boulevard, Baton Rouge, Louisiana. 70809.

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**NOTE 13 – PENSION PLAN (CONTINUED)**

**Eligibility Requirements**

All permanent Center employees who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

**Retirement Benefits**

A member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) years or more of creditable service
2. Age 55 with twenty-five (25) years of creditable service
3. Age 60 with a minimum of ten (10) years of creditable service
4. Age 65 with a minimum of seven (7) years of creditable service

For employees hired after January 1, 2007:

1. Age 55 with thirty (30) years of service
2. Age 62 with ten (10) years of service
3. Age 67 with seven (7) years of service

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

**Survivor Benefits**

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit as outlined in the statutes.

**Disability Benefits**

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007 and has at least five (5) years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three (3) percent of the member's final average compensation multiplied by his/her years of service, not to be less than fifteen (15), or three (3) percent multiplied by years of service assuming continued service to age sixty.

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2020**

**NOTE 13 – PENSION PLAN (CONTINUED)**

**Deferred Retirement Option Plan (DROP)**

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Parochial Employees' Retirement System of Louisiana. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in DROP in which they are enrolled for three (3) years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his/her option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return, or at the option of PERS, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the State or PERS, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

**Cost of Living Adjustments**

The Board of Trustees (the "Board") is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are age sixty-five (65) equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older as provided in Louisiana Revised Statute 11:1937. Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2020**

**NOTE 13 – PENSION PLAN (CONTINUED)**

**Contributions**

Contributions for all members are established by State statute at 9.5% of compensation for Plan A and 3.0% of compensation for Plan B. The contributions are deducted from the member’s salary and remitted by the participating employer.

According to State statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2019, the actuarially determined contribution rate was 12.18% of member’s compensation for Plan A and 7.53% of member’s compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2019 was 11.5% for Plan A and 7.50% for Plan B.

According to State statute, PERS also receives ¼ of 1% of ad valorem taxes collected within the respective parishes except for Orleans and East Baton Rouge parishes. PERS also receives revenue sharing funds each year as appropriated by the Louisiana Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member’s compensation. These additional sources of income are used as additional employer contributions and are considered support from non-contributing entities.

Administrative costs of PERS are financed through employer contributions.

The Center’s employer and employee contributions to PERS for the measurement date fiscal year ended December 31, 2019 were as follows:

Source	Contribution Amount	Covered Payroll	Percent of Covered Payroll
Employee	\$ 158,918	1,672,816	9.5%
Employer	192,374	1,672,816	11.5%
	\$ 351,291		

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2020, the Center reported a liability of \$12,419 for its proportionate share of the PERS Net Pension Liability/Asset (NPL/A). The NPL/A for PERS was measured as of December 31, 2019, and the total pension liability(asset) used to calculate the NPL/A was determined based on an actuarial valuation as of that date. The Center’s proportion of the NPL/A was based on a projection of the Center’s long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined. As of December 31, 2019, the most recent measurement date, the Center’s proportion was 0.263819%, an increase 0.001728 % from the December 31, 2018 proportion.

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2020**

**NOTE 13 – PENSION PLAN (CONTINUED)**

For the year ended December 31, 2020, the Center recognized a total pension expense of \$244,250. This amount was made up of the following:

<b>Components of Pension Expense</b>	<b>Amount</b>
Center's pension expense per the PERS	\$ 242,664
Center's amortization of actual contributions over its proportionate share of contribution	1,586
Total Pension Expense Recognized by the Center	<u>\$ 244,250</u>

At year end, the Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 111,178
Differences between projected and actual investment earnings	-	465,535
Change in assumptions	173,449	-
Change in proportionate share of the NPL	2,470	1,911
Differences between the District's contributions and its proportionate share of contributions	-	(2,831)
Center's contributions subsequent to the December 31, 2019 measurement date	260,296	-
	<u>\$ 436,215</u>	<u>\$ 575,793</u>

Deferred outflows of resources related to pensions resulting from the Center's contributions subsequent to the measurement date in the amount of \$260,296 will be recognized as a reduction of the PERS NPL/A in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fiscal Year Ended December 31,</b>	<b>Amount of Amortization</b>
2020	\$ (86,529)
2021	(115,328)
2022	11,573
2023	(209,590)

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2020**

**NOTE 13 – PENSION PLAN (CONTINUED)**

**Actuarial Assumptions**

The current year actuarial assumptions utilized for this report are based on the assumptions used in the December 31, 2019 actuarial valuation, which (with the exception of mortality) were based on results of an actuarial experience study for the period January 1, 2010 to December 31, 2014, unless otherwise specified.

A summary of the actuarial methods and assumptions used in determining the total pension liability/(asset) as of December 31, 2019, are as follows:

<u>Description</u>	<u>Assumptions / Methods</u>
Valuation Date	December 31, 2019
Actuarial Cost Method	Plan A & B - Entry Age Normal
Investment Rate of Return	6.50% (Net of investment expense), including inflation
Expected Remaining Service Lives	4 years
Projected Salary Increases	Plan A - 4.75% & Plan B - 4.25%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits being paid by PERS and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

**The Long-Term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.18% for the year ended December 31, 2019.

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2020**

**NOTE 13 – PENSION PLAN (CONTINUED)**

Best estimates of arithmetic real rates of return for each major asset class included in the PERS’s target asset allocation as of December 31, 2019, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	35%	1.05%
Equity	52%	3.41%
Alternatives	11%	0.61%
Real assets	2%	0.11%
Totals	100%	5.18%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.18%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employee was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

**Discount Rate**

The discount rate used to measure the total pension liability/(asset) was 6.50% for Plan A and 6.50% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems’ Actuarial Committee. Based on those assumptions, the PERS’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2020**

**NOTE 13 – PENSION PLAN (CONTINUED)**

**Sensitivity of the Proportionate Share of the NPL/A to Changes in the Discount Rate**

The following presents the Center’s proportionate share of the NPL/A using the current discount rate of 6.50%, as well as what the Center’s proportionate share of the NPL/A would be if it were calculated using a discount rate that is one percentage-point lower or one percentage higher than the current rate.

	Changes in Discount Rate 2019		
	1% Decrease	Current Discount Rate	1% Increase
	<u>5.50%</u>	<u>6.50%</u>	<u>7.50%</u>
Center's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,342,283	\$ 12,419	\$ (1,101,980)

**Pension Plan Fiduciary Net Position**

The components of the net position liability(asset) of PERS employers as of December 31, 2019, are as follows:

	Plan A	Plan B
Total Pension Liability	\$ 4,096,496,036	\$ 353,658,541
Plan Fiduciary Net Position	4,091,788,575	360,893,172
Net Pension Liability (Asset)	\$ 4,707,461	\$ (7,234,631)

Detailed information about PERS’s fiduciary net position is available in the separately issued December 31, 2019 financial report. This report can be found on the Louisiana Legislative Auditor’s website ([www.lla.la.gov](http://www.lla.la.gov)) in the database of reports.

**Payables to the Pension Plan**

At December 31, 2020, the Center had \$122,981 in payables to PERS for the fourth quarter 2020 employee (\$53,716) and employer (\$69,265) legally required contributions. The employer amount is accrued as a payable at year end and is also included in the deferred outflows figure since it is included as contributions made subsequent to the December 31, 2019 measurement date.

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**

**d/b/a**

**PLAQUEMINES MEDICAL CENTER**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**NOTE 14 –CONTINGENCIES**

The Center’s legal representatives have reviewed all litigation and claims in order to evaluate the likelihood of an unfavorable outcome to the Center and arrive at an estimate of the amount of potential loss to the Center. At December 31, 2020, as a result of this review, in the opinion of the Center’s legal representatives, there are no claims with a probable unfavorable outcome that exceed limits of available coverage; therefore, no provisions have been made in the financial statements for loss contingencies.

**NOTE 15 –POST EMPLOYMENT BENEFITS**

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the Center provides health care benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the first day of the month for the actual month covered. This program is offered for duration of 18 months after the termination date. There is no associated cost to the Center under this program, and there are no participants in the program as of December 31, 2020.

**NOTE 16 – AMOUNTS PAID TO GOVERNING BOARD MEMBERS**

The Hospital Board of Commissioners earned the following compensation from the Center for services as Commissioners during the year ended December 31, 2020:

Dale Adams	\$440
Brigette Belair	480
Erin Braud	360
Stanley Gaudet	400
Norma Lafrance	360
Mena Marinovich	480
Rechelle Ragas	200
Jane Tesvich	360
Bonnie Thomas	400
	<b>\$ 3,480</b>

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**

**d/b/a**

**PLAQUEMINES MEDICAL CENTER**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**NOTE 17 – FINANCIAL DATA OF COMPONENT UNIT**

The condensed financial statement data of Plaquemines Primary Care, Inc. for the year ended December 31, 2020, is shown below in the following statements: (1) condensed statement of net position; (2) condensed statement of revenues, expenses, and change in net position; (3) statement of cash flows.

<b>PLAQUEMINES PRIMARY CARE, INC.</b>	
<b>Condensed Statement of Net Position</b>	
<b>For the Year Ended December 31, 2020</b>	
<b>Assets</b>	
Current assets	\$ 329,541
Capital assets-net	59,580
<b>Total Assets</b>	<u>\$ 389,121</u>
<b>Liabilities</b>	
Current liabilities	\$ 188,991
Due to Plaquemines Medical Center	358,735
<b>Total Liabilities</b>	<u>547,726</u>
<b>Net Position</b>	
Restricted (deficit)	(158,605)
Unrestricted	-
<b>Total Net Position</b>	<u>(158,605)</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 389,121</u>

PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE

d/b/a

PLAQUEMINES MEDICAL CENTER

Notes to the Financial Statements

For the Year Ended December 31, 2020

NOTE 17 – FINANCIAL DATA OF COMPONENT UNIT (CONTINUED)

**PLAQUEMINES PRIMARY CARE, INC.**  
**Statement of Revenues, Expenses, and Change in Net Position**  
**For the Year Ended December 31, 2020**

<b>Operating Revenues</b>	
Net patient services	\$ 252,506
Drug discount program	38,901
<b>Total Operating Revenues</b>	<u>291,407</u>
<b>Operating Expenses</b>	
Salaries & employee benefits	562,501
Other operating expenses	414,224
Depreciation	9,526
<b>Total Operating Expenses</b>	<u>986,251</u>
<b>Operating Loss</b>	<u>(694,844)</u>
<b>Non-Operating Revenues</b>	
Grants and other assistance	882,647
Investment income	17
Miscellaneous	2,393
<b>Total Non-Operating Revenues</b>	<u>885,057</u>
<b>Change in Net Position</b>	190,213
<b>Net Position-Beginning</b>	<u>(348,818)</u>
<b>Net Position-Ending</b>	<u><u>\$ (158,605)</u></u>

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2020**

**NOTE 17 – FINANCIAL DATA OF COMPONENT UNIT (CONTINUED)**

<b>Cash Flows from Operating Activities:</b>	
Revenue collected	\$ 226,524
Cash payments to employees and for employee-related costs	(553,344)
Cash payments for operating expenses	(481,885)
<b>Net Cash Used in Operating Activities</b>	<u>(808,705)</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>	
Grants and other assistance	1,127,458
Other	(227,499)
<b>Net Cash Provided by Non-Capital Financing Activities</b>	<u>899,959</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchase of capital assets (property, plant and equipment)	(29,936)
<b>Net cash used in capital and related financing activities</b>	<u>(29,936)</u>
<b>Cash Flows from Investing Activities</b>	
Investment income	17
<b>Net cash provided by Investing Activities</b>	<u>17</u>
<b>Net Increase in Cash and Cash Equivalents</b>	61,335
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>26,641</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 87,976</u></u>
<b>Reconciliation of Loss from Operations to Net Cash Used in Operating Activities:</b>	
Operating loss	\$ (694,844)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	9,526
Bad debt expense	43,329
Changes in operating assets and liabilities	
Accounts receivable	(108,212)
Prepaid expenses	(10,973)
Inventories	(36,270)
Accounts payable and accrued expenses	(11,261)
<b>Net cash used in operating activities</b>	<u><u>\$ (808,705)</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF**  
**NET PENSION LIABILITY**  
**For the Year Ended December 31, 2020**

Year ended December 31	Plan	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position As a Percentage of the Total Pension Liability
2015	PERS Plan A	0.155025%	\$ 42,385	\$ 844,000	5.0%	99.1%
2016	PERS Plan A	0.208163%	\$ 547,945	\$ 1,191,203	46.0%	92.2%
2017	PERS Plan A	0.245949%	\$ 506,535	\$ 1,458,617	34.7%	94.1%
2018	PERS Plan A	0.263154%	\$ (195,325)	\$ 1,615,619	-12.1%	102.0%
2019	PERS Plan A	0.265547%	\$ 1,178,593	\$ 1,632,481	72.2%	88.9%
2020	PERS Plan A	0.263819%	\$ 12,419	\$ 1,672,816	0.7%	99.9%

\*The amounts presented have a measurement date of December 31, 2019

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available*

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**SCHEDULE OF EMPLOYER'S CONTRIBUTIONS**  
**For the Year Ended December 31, 2020**

Year ended December 31	Plan	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	PERS Plan A	\$ 172,724	\$ 172,724	\$ -	\$ 1,191,203	14.50%
2016	PERS Plan A	\$ 189,179	\$ 189,179	\$ -	\$ 1,458,617	12.97%
2017	PERS Plan A	\$ 201,952	\$ 201,952	\$ -	\$ 1,615,619	12.50%
2018	PERS Plan A	\$ 187,662	\$ 187,662	\$ -	\$ 1,631,843	11.50%
2019	PERS Plan A	\$ 192,374	\$ 192,374	\$ -	\$ 1,672,817	11.50%
2020	PERS Plan A	\$ 260,296	\$ 260,296	\$ -	\$ 2,124,865	12.25%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available*

**OTHER SUPPLEMENTAL INFORMATION**

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO**  
**AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**  
**For the Year Ended December 31, 2020**

**Agency Head: Leslie Prest**

Purpose	Amount
Salary	\$ 146,229
Benefits-Insurance	13,256
Benefits-Retirement	17,913
Benefits-Life Insurance	169
Travel & Other	3,307
	<b>\$ 180,874</b>

**COMPLIANCE AND INTERNAL CONTROL SECTION**

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

To the Board of Commissioners  
Plaquemines Parish Hospital Service District Number One  
d/b/a Plaquemines Medical Center

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business type activities of the Plaquemines Parish Hospital Service District Number One d/b/a Plaquemines Medical Center (the Center) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements, and have issued our report thereon dated June 29, 2021.

### Internal Control Over Financial Reporting

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

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

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

### **Compliance and Other Matters**

As a part of obtaining reasonable assurance about whether the Center'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 an instance of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2020-1.

### **The Plaquemines Parish Hospital Service District Number One's Response to Findings**

The Center's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs and in the management's corrective action plan. The Center's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

Under the Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Camnetar & Co.*

*Camnetar & Co., CPAs*

a professional accounting corporation

Gretna, Louisiana

June 29, 2021

# *Camnetar & Co., CPAs*

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

Board of Commissioners  
Plaquemines Parish Hospital Service District Number One  
d/b/a Plaquemines Medical Center

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

We have audited the Plaquemines Parish Hospital Service District Number One d/b/a Plaquemines Medical Center's (the Center) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the year ended December 31, 2020. The Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

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

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

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

In our opinion, the Center's 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 major federal programs for the year ended December 31, 2020.

## Report on Internal Control over Compliance

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

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

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

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

Under the Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Camnetar & Co.*

Camnetar & Co., CPAs  
a professional accounting corporation

Gretna, Louisiana  
June 29, 2021

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended December 31, 2020**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Award Number	Federal Expenditures
<b><u>United States Department of Health and Human Services</u></b>			
Cares Act-Provider Relief Fund	93.498	HHS-88142784221	\$ 69,499
FY 2020 Coronavirus Supplemental Funding for Health Centers	93.224	H8CCS34940	50,464
FY 2020 Expanding Capacity for Coronavirus Testing (ECT)	93.224	H8E37660	40,692
Health Center Coronavirus Aid, Relief, and Economic Security (CARES) Act	93.224	HBD35813	91,995
Health Center Program	93.224	H80CS33639	604,497
SubTotal			787,648
<b>Total United States Department of Health and Human Services</b>			857,147
<b><u>Office of Homeland Security/Federal Emergency Management Agency</u></b>			
Passed through Louisiana Office of Public Assistance:			
Disaster Grants-Public Assistance-Presidentially Declared Disasters:			
Hurricane Sally	97.036	PMC EM 3543	25,097
Hurricane Laura	97.036	PMC DR 4559	24,002
<b>Total Office of Homeland Security/Federal Emergency Management Agency</b>			49,099
<b>Total Expenditures of Federal Awards</b>			<b>\$ 906,246</b>

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended December 31, 2020**

NOTE A - FISCAL PERIOD AUDITED

Single audit testing procedures were performed for program transactions occurring during the year ended December 31, 2020. Federal financial assistance expenditures during the year did meet the criteria set forth in the Single Audit Act and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principle, and Audit Requirements for Federal Awards* (Uniform Guidance). Grant terms are indicated in the Schedule of Expenditures of Federal Awards.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the Center has met the qualifications for the respective grants. Costs incurred in programs partially funded by federal grants are applied against federal grant funds to the extent of revenue available when they are properly applied to the grant.

2. Indirect Cost Rate

The Center has not elected to use the 10 percent de minimis indirect cost rate.

3. Amounts incurred in prior years

During the year 2020, the Center received FEMA reimbursements for Hurricanes Katrina (2005) and Hurricane Barry (2019). These federal awards under CFDA 97.036 relate to expenditures reported in a prior year and not reflect on the Schedule of Expenditures of Federal Awards.

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended December 31, 2020**

We have audited the financial statements of the Plaquemines Parish Hospital Service District Number One d/b/a Plaquemines Medical Center as of and for the year ended December 31, 2020, and have issued our report thereon dated June 29, 2021. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2020, resulted in an unmodified opinion.

**Section I Summary of Auditor’s Reports**

**a. Report on Internal Control and Compliance Material to the Financial Statements.**

Internal Control

Material Weaknesses       Yes  No  
Significant Deficiencies       Yes  No

Compliance

Compliance Material to Financial Statements       Yes       No

Was a management letter issued?       Yes       No

**b. Federal Awards**

Internal Control

Material Weaknesses       Yes  No  
Significant Deficiencies       Yes  No

Type of Opinion on Compliance for Major Programs: Unqualified

Are there findings required to be reported in accordance with Uniform Guidance?       Yes       No

Threshold for distinguishing between type A and type B programs: \$750,000

Is the auditee a “low-risk” auditee, as defined by the Uniform Guidance?       Yes       No

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended December 31, 2020**

**Section I Summary of Auditor’s Reports (Continued)**

**c. Identification of Major Programs:**

<b>Program</b>	<b>CFDA No.</b>	<b>Expenditures</b>
FY 2020 Coronavirus Supplemental Funding for Health Centers	93.224	\$ 50,464
FY 2020 Expanding Capacity for Coronavirus Testing (ECT)	93.224	40,692
Health Center Coronavirus Aid, Relief, and Economic Security (CARES) Act	93.224	91,995
Health Center Program	93.224	<u>604,497</u>
Total Major Program		<u>\$ 787,648</u>

**Section II Findings reported in accordance with *Government Auditing Standards***

**A. Internal Control**

**Significant Deficiencies**

No findings are reported under this section

**Material Weaknesses**

No findings are reported under this section

**B. Compliance**

**2020-1 Ethics Training**

Criteria: The Louisiana statute R.S. 42:1170 A (3) (a)(i) requires all public servants receive a minimum of one hour of education and training on the Code of Governmental Ethics during each year of public employment or term of office.

Condition: Management was unable to provide documentation that one board member completed the annual requirement of one hour of ethics training.

Cause: The Center’s lack of written ethics training monitoring procedure caused a failure in achieving ethics training for all board members.

Effect: Not all of the Center’s board members received the requisite ethics training.

Recommendation: Management should enhance the current written ethics policy regarding monitoring of ethics training completion.

Management’s Response: Management concurred with the finding and outlined a plan of corrective action. See page 44

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended December 31, 2020**

**Section III Findings reported in accordance with *Uniform Guidance***

**A – Internal Control**

**Significant Deficiencies**

No findings are reported under this section

**Material Weaknesses**

No findings are reported under this section

**B. Compliance Section**

No findings are reported under this section

**Section IV – Management Letter**

None was issued.

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE**  
**d/b/a**  
**PLAQUEMINES MEDICAL CENTER**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**For The Year Ended December 31, 2020**

**Section I – Internal Control and Compliance Material to the Financial Statements**

None

**Section II - Financial Statement Findings**

**A – Issues of Noncompliance**

None

**B – Significant Deficiencies**

None

**C – Material Weaknesses**

None

**Section III – Management Letter**

None

**PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE  
d/b/a  
PLAQUEMINES MEDICAL CENTER  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
For The Year Ended December 31, 2020**

**Section I – Internal Control and Compliance Material to the Financial Statements**

2020-1 Ethics Training

Management acknowledges ethics training is vital in a government agency and agrees with the finding and will develop a monitoring procedure to ensure all employees and board members comply with the annual training requirement.