Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital A Component Unit of Richland Parish Police Jury

Independent Auditor's Reports and Financial Statements

September 30, 2024 and 2023

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Independent Auditor's Report

Board of Commissioners
Hospital Service District No. 1A of the Parish of Richland
d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Delhi, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital (District), a component unit of Richland Parish Policy Jury, as of and for the years ended September 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District as of September 30, 2024 and 2023 and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

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

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

Required Supplementary Information.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation, reimbursements, benefits, and other payments to agency head or chief executive officer, combining statement of net position, and combining statement of revenues, expenses, and changes in net position

Board of Commissioners Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital

listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The schedule of compensation, reimbursements, benefits, and other payments to agency head or chief executive officer has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The combining statement of net position and combining statement of revenues, expenses, and changes in net position have not been subjected to the auditing procedures applied in the audits of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Dallas, Texas March 4, 2025

Introduction

This management's discussion and analysis of the financial performance of Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital (District) provides an overview of the District's financial activities for the years ended September 30, 2024 and 2023. It should be read in conjunction with the accompanying financial statements of the District.

Financial Highlights

- Cash and investments increased in 2024 by \$4,924,671, or 11.4%, and increased in 2023 by \$7,625,384, or 21.4%.
- The District's net position increased in both 2024 and 2023, with a \$7,007,635, or 11.9%, increase in 2024 and a \$7,602,101, or 14.9%, increase in 2023.
- The District reported operating income of \$1,623,464 and \$3,743,788 in 2024 and 2023, respectively.
- Net nonoperating revenues increased by \$1,632,269, or 47.1%, in 2024 compared to 2023 and decreased by \$242,755, or 6.5%, in 2023 compared to 2022.

Using This Annual Report

The District's financial statements consist of three statements—a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows. These statements provide information about the activities of the District, including resources held by the District but restricted for specific purposes by creditors, contributors, grantors, or enabling legislation. The District is accounted for as a business-type activity and presents its financial statements using the economic resources measurement focus and the accrual basis of accounting.

The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position

One of the most important questions asked about any hospital's finances is "Is the hospital as a whole better or worse off as a result of the year's activities?" The statement of net position and statement of revenues, expenses, and changes in net position report information about the District's resources and its activities in a way that helps answer this question. These statements include all restricted and unrestricted assets and all liabilities using the accrual basis of accounting. Using the accrual basis of accounting means that all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. The District's total net position—the difference between assets and liabilities—is one measure of the District's financial health or financial position. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors, such as changes in the District's patient base, changes in legislation and regulations, measures of the quantity and quality of services provided to its patients, and local economic factors should also be considered to assess the overall financial health of the District.

The Statement of Cash Flows

The statement of cash flows reports cash receipts, cash payments, and net changes in cash and cash equivalents resulting from four defined types of activities. It provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash and cash equivalents during the reporting period.

The District's Net Position

The District's net position is the difference between its assets and liabilities reported in the statements of net position. The District's net position increased by \$7,007,635, or 11.9%, in 2024 over 2023 and by \$7,602,101, or 14.9%, in 2023 over 2022, as shown in Table 1.

Table 1: Assets, Liabilities, a	nd Net Position
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	2024	2023	2022
ASSETS	<u> </u>		
Cash and investments	\$ 48,234,172	\$ 43,309,501	\$ 35,684,117
Patient accounts receivable, net	3,855,956	3,862,549	3,530,515
Other current assets	4,008,606	3,630,590	3,707,097
Capital assets, net	12,115,624	10,334,824	9,975,250
Other assets	236,088	236,088	236,088
Total Assets	\$ 68,450,446	\$ 61,373,552	\$ 53,133,067
LIABILITIES	Φ 0.740.750	ф 0.077.404	ф 0.000 440
Current liabilities	\$ 2,746,753	\$ 2,677,494	\$ 2,039,110
Total Liabilities	2,746,753	2,677,494	2,039,110
			_,,,,,,,,
NET POSITION			
Net investment in capital assets	11,729,552	9,835,621	9,966,417
Unrestricted	53,974,141	48,860,437	41,127,540
Total Net Position	65,703,693	58,696,058	51,093,957
Total Liabilities and Net Position	\$ 68,450,446	\$ 61,373,552	\$ 53,133,067
I Otal Elabilities and Net Position	φ 00,430,440	φ 01,373,552	φ 55,135,007

The most significant change in the District's financial position from 2023 to 2024 was the increase in cash and investments of \$4,924,671. The District had an operating income of \$1,623,464 and nonoperating revenues of \$5,101,437, which contributed to the increase in cash and investments.

The most significant change in the District's financial position from 2022 to 2023 was the increase in cash and investments of \$7,625,384. The District had an operating income of \$3,743,788 and nonoperating revenues of \$3,469,168, which contributed to the increase in cash and investments.

Operating Results and Changes in the District's Net Position

In 2024 and 2023, the District's net position increased by \$7,007,635 and \$7,602,101, respectively, as shown in Table 2.

Table 2: Operating Results and Changes in Net Position

	2024	2023	2022
Operating Revenues			
Net patient service revenue	\$ 32,086,644	\$ 31,308,408	\$30,031,947
Grant revenue	2,343,690	3,121,409	3,208,815
Other	4,092,754	2,964,581	2,977,005
Total Operating Revenues	38,523,088	37,394,398	36,217,767
Operating Expenses			
Salaries and wages	17,875,436	17,144,693	15,586,432
Employee benefits	4,677,030	3,898,658	3,935,278
Purchased services and professional fees	4,935,668	4,581,901	4,724,358
Supplies and other	8,351,685	7,063,774	6,571,948
Depreciation and amortization	1,059,805	961,584	928,902
Total Operating Expenses	36,899,624	33,650,610	31,746,918
Operating Income	1,623,464	3,743,788	4,470,849
Nonoperating Revenues			
Property taxes	911,170	846,580	880,826
Investment income	2,256,986	1,280,998	170,422
Noncapital grants and gifts	1,933,281	1,341,590	2,660,675
Total Nonoperating Revenues	5,101,437	3,469,168	3,711,923
Capital Grants	282,734	389,145	
Increase in Net Position	\$ 7,007,635	\$ 7,602,101	\$ 8,182,772

Operating Results

The first component of the overall change in the District's net position is its operating income or loss—generally, the difference between net patient service and other operating revenues and the expenses incurred to perform those services. The District has reported operating income for the past three years, 2024, 2023, and 2022. Grants and property taxes (nonoperating revenues) levied by the District have provided additional resources to enable the District to serve lower-income and other residents.

The District reported operating income of \$1,623,464 for 2024, which decreased by \$2,120,324 compared to 2023. The primary components of the change in operating results were:

- An increase in total operating expenses of approximately \$3,249,014, or 9.7%.
- A decrease in grant revenue of approximately \$777,719, or 24.9%.

The District reported operating income of \$3,743,788 for 2023, which decreased by \$727,061 compared to 2022. The primary components of the change in operating results were:

- A decrease in grant and other operating revenue of approximately \$100,000, or 1.6%.
- An increase in total operating expenses of approximately \$1,904,000, or 6.0%.

Nonoperating Revenues

Nonoperating revenues consist primarily of property taxes levied by the District, investment income, and noncapital grants and gifts. Investment income increased by \$975,988, or 76.2%, in 2024, compared to 2023, due to an increase in interest rates and higher cash and investment balances. Noncapital grants and gifts increased by \$591,691 or 44.1%, due to increased grant funding.

Capital Grants and Gifts

The District receives both capital and operating grants from various state and federal agencies for specific programs. The District received capital grants and gifts of \$282,734 and \$389,145 in 2024 and 2023, respectively.

Grant Expenses

The District actively applies for available state and federal grants. A majority of the grants are reimbursement grants requiring the District to spend the money for an approved purchase and then request reimbursement from the grantor. The revenues and expenses associated with these grants generally offset each other. The District recorded approximately \$1,933,000 and \$1,342,000 of noncapital grants and gifts in 2024 and 2023, respectively; however, the expenses associated with these grant receipts have been recorded in operating expenses for each vear.

The District's Cash Flows

Changes in the District's cash flows are consistent with changes in operating income and nonoperating revenues and expenses for 2024 and 2023, as discussed earlier.

Capital Assets

At September 30, 2024 and 2023, the District had \$12,115,624 and \$10,334,824, respectively, of net capital assets, as detailed in Note 5 to the financial statements.

Contacting the District's Financial Management

This financial report is designed to provide our patients, suppliers, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Questions about this report and requests for additional financial information should be directed to the District's Chief Executive Officer at Hospital Service District No. 1A of the Parish of Richland, 407 Cincinnati Street, Delhi, Louisiana 71232 or calling 318.878.5171.

ASSETS		2024		2023
Current Assets	•	0.000.004	•	0.500.404
Cash	\$	8,606,961	\$	8,592,491
Short-term investments – certificates of deposit		39,627,211		33,775,731
Board designated – short-term investments		-		941,279
Patient accounts receivable, net of allowance;				
2024 - \$2,681,000; 2023 - \$1,952,000		3,855,956		3,862,549
Estimated amounts due from third-party payors		1,459,143		1,163,553
Grant and other receivables		1,333,690		1,035,933
Supplies		929,352		995,183
Prepaid expenses and other		286,421		435,921
Total Current Assets		56,098,734		50,802,640
Capital Assets, Net		12,115,624		10,334,824
Other Assets		236,088		236,088
Total Assets	\$	68,450,446	\$	61,373,552

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital A Component Unit of Richland Parish Police Jury **Statements of Net Position** (Continued)

September 30, 2024 and 2023

	2024	 2023
LIABILITIES AND NET POSITION		
Current Liabilities		
Accounts payable	\$ 1,117,521	\$ 1,228,647
Accrued expenses	1,427,721	1,262,809
Revenue received in advance	30,000	58,008
Estimated self-insured health insurance costs	 171,511	 128,030
Total Current Liabilities	2,746,753	2,677,494
Net Position		
Net investment in capital assets	11,729,552	9,835,621
Unrestricted	 53,974,141	 48,860,437
Total Net Position	65,703,693	58,696,058
Total Liabilities and Net Position	\$ 68,450,446	\$ 61,373,552

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital A Component Unit of Richland Parish Police Jury Statements Revenues, Expenses, and Changes in Net Position Years Ended September 30, 2024 and 2023

		2024	2023
Operating Revenues		_	_
Net patient service revenue, net of provision for uncollectible			
accounts; 2024 - \$1,928,000; 2023 - \$1,260,000	\$	32,086,644	\$ 31,308,408
Grant revenue		2,343,690	3,121,409
Other		4,092,754	2,964,581
Total Operating Revenues		38,523,088	 37,394,398
Operating Expenses			
Salaries and wages		17,875,436	17,144,693
Employee benefits		4,677,030	3,898,658
Purchased services and professional fees		4,935,668	4,581,901
Supplies and other		8,351,685	7,063,774
Depreciation and amortization		1,059,805	 961,584
Total Operating Expenses		36,899,624	 33,650,610
Operating Income	-	1,623,464	 3,743,788
Nonoperating Revenues			
Property taxes		911,170	846,580
Investment income		2,256,986	1,280,998
Noncapital grants and gifts		1,933,281	 1,341,590
Total Nonoperating Revenues		5,101,437	 3,469,168
Income Before Capital Grants		6,724,901	7,212,956
Capital Grants		282,734	 389,145
Increase in Net Position		7,007,635	7,602,101
Net Position, Beginning of Year		58,696,058	 51,093,957
Net Position, End of Year	\$	65,703,693	\$ 58,696,058

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital A Component Unit of Richland Parish Police Jury Statements Cash Flows Years Ended September 30, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Receipts from and on behalf of patients	\$ 31,982,731	\$ 31,218,786
Payments to suppliers and contractors	(13,263,637)	(11,641,980)
Payments to employees	(22,319,783)	(20,899,574)
Other receipts, net	5,724,833	6,349,104
Net Cash Provided by Operating Activities	2,124,144	5,026,336
Cash Flows From Noncapital Financing Activities		
Property taxes supporting operations	911,170	846,580
Noncapital grants and gifts	2,013,706	1,244,250
	0.004.070	0.000.000
	2,924,876	2,090,830
Cash Flows From Capital and Related Financing Activities		
Capital grants and gifts	671,879	-
Purchase of capital assets	(3,025,206)	(830,788)
	(0.050.007)	(020.700)
	(2,353,327)	(830,788)
Cash Flows From Investing Activities		
Interest on investments	2,228,978	1,339,006
Purchase of investments	(39,366,737)	(34,776,698)
Proceeds from disposition of investments	34,456,536	5,493,147
Net Cash Used in Investing Activities	(2,681,223)	(27,944,545)
<u>-</u>		<u> </u>
Increase (Decrease) in Cash	14,470	(21,658,167)
Cash, Beginning of Year	8,592,491	30,250,658
Cash, End of Year	\$ 8,606,961	\$ 8,592,491

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital A Component Unit of Richland Parish Police Jury Statements Cash Flows

Years Ended September 30, 2024 and 2023

(Continued)

	2024	2023
Reconciliation of Operating Income to Net Cash Provided		
by Operating Activities		
Operating income	\$ 1,623,464	\$ 3,743,788
Depreciation and amortization	1,059,805	961,584
Provision for uncollectible accounts	1,927,806	1,257,977
Changes in operating assets and liabilities		
Patient accounts receivable	(1,921,213)	(1,590,011)
Estimated amounts due from third-party payors	(295,590)	396,825
Accounts payable and accrued expenses	210,398	90,006
Other assets and liabilities	 (480,526)	 166,167
Net Cash Provided by Operating Activities	\$ 2,124,144	\$ 5,026,336
Noncash Investing, Capital, and Financing Activities Capital asset acquisitions included in accounts payable and		
accrued expenses	\$ 386,072	\$ 499,203

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations and Reporting Entity

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital (District) is located in Delhi, Louisiana. The District was created on April 18, 1989 by the Richland Parish Police Jury. It is comprised of and embraces the territory contained within Ward 1 of the Parish of Richland, State of Louisiana, as constituted as of the date of the ordinance. It is a critical access hospital located in Delhi. The District provides inpatient, outpatient, and emergency care services for the residents of Delhi and the surrounding area. Admitting physicians are primarily practitioners in the local area.

Effective October 1, 1989, Richland Parish Hospital Service District No. 1 transferred operations of the District in Delhi, Louisiana, to Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital, along with all related assets, liabilities, and equity.

The District operates and manages a Federally Qualified Health Center (FQHC) d.b.a. Delhi Community Health Center. The FQHC began operations on October 8, 2012. The FQHC earns revenues by providing primary and preventive health, behavioral health, and dental care to indigent and low-income patients in the same geographic area and grants funding from the U.S. Department of Health and Human Services in support of its commitment to provide services to a higher percentage of indigent patients. The FQHC is considered an operating division of the District.

Richland Health Services, Inc. (RHI) is a separate, nonprofit corporation, which was organized exclusively to provide the required governance and oversight as stipulated by program guidelines for "Public Entity" models of the FQHC's operations for the delivery of primary and preventive healthcare services to the underserved populations in the same geographic area and does not have financial transactions. The RHI board of directors does not have the same composition as the District's board of commissioners. The District and RHI, through a coapplicant agreement, collaboratively operate the FQHC clinics. RHI is considered an affiliate rather than a component unit of the District.

The District is a political subdivision of the Richland Parish Police Jury whose jurors are elected officials. The District's commissioners are appointed by the Richland Parish Police Jury. As the governing authority of the parish for reporting purposes, the Richland Parish Police Jury is the financial reporting entity for the District. Accordingly, the District was determined to be a component unit of the Richland Parish Police Jury. The accompanying financial statements present information only on the funds maintained by the District.

Affiliated organizations include Richland Parish Hospital Service District No. 1, Richland Parish Hospital Service District No. 1B, and the Richland Parish Police Jury. The districts are related because they are all political subdivisions of the Richland Parish Police Jury who appoints their commissioners. The Delhi Health Care Foundation (Foundation) is a 501(c)3 nonprofit health organization established in order to promote and support the District in the provision of healthcare. The Foundation is a separate legal entity but is financially integrated with the District and is reported as a blended component unit of the District and does not issue separate financial statements. The Foundation had no activity during 2024 and 2023.

Basis of Accounting and Presentation

The financial statements of the District have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets, and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated or voluntary nonexchange transactions (principally federal and state grants) are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions and program-specific, government-mandated, or voluntary nonexchange transactions.

Government-mandated nonexchange transactions that are not program specific, property taxes, investment income, and interest on capital assets – related debt are included in nonoperating revenues. The District first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows and outflows of resources 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.

Patient Accounts Receivable

The District reports patient accounts receivable for services rendered at net realizable amounts from third-party payors, patients, and others. The District provides an allowance for uncollectible accounts based upon a review of outstanding receivables, historical collection information, and existing economic conditions.

Supplies

Supply inventories are stated at the lower of cost or market. Costs are determined using the first-in, first-out method.

Investments and Investment Income

Investments in nonnegotiable certificates of deposit are carried at amortized cost.

Investment income consists primarily of interest income from certificates of deposit.

Capital Assets

Capital assets are recorded at cost at the date of acquisition or acquisition value at the date of donation if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The following estimated useful lives are being used by the District.

Land improvements	10–20 years
Buildings and leasehold improvements	5–40 years
Equipment	3–20 years
Furniture	3–5 years
Vehicles	2–4 vears

Capital Asset Impairment

The District evaluates capital assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital asset has occurred. If a capital asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the capital asset historical cost and related accumulated depreciation are decreased proportionately such that the net decrease equals the impairment loss. No asset impairment was recognized during the years ended September 30, 2024 and 2023.

Compensated Absences

District policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits are earned, whether the employee is expected to realize the benefit as time off or in cash. Sick leave benefits expected to be realized as paid time off are recognized as expense when the time off occurs, and no liability is accrued for such benefits employees have earned but not yet realized. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the statements of net position date.

Risk Management

The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than employee health claims. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

The District is self-insured for a portion of its exposure to risk of loss from employee health claims. Annual estimated provisions are accrued for the self-insured portion of employee health claims and include an estimate of the ultimate costs for both reported claims and claims incurred but not yet reported.

Net Position

Net position of the District is classified in two components on its statements of net position.

Net investment in capital assets consists of capital, lease, and subscription assets net of accumulated depreciation and amortization and reduced by the outstanding balances of borrowings used to finance the purchase, use, or construction of those assets.

Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

Net Patient Service Revenue

The District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered and includes estimated retroactive revenue adjustments and a provision for uncollectible accounts. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such estimated amounts are revised in future periods as adjustments become known.

Charity Care

The District provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Because the District does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net patient service revenue.

Property Taxes

The District levies a property tax on all property subject to taxation in the service district. In 2010, a tax continuation proposition was duly carried by a majority of votes cast. Under this proposition, the District will continue to levy a tax on all property subject to taxation in the District for a period of 10 years, beginning with the year 2011 and ending in the year 2020. In 2021, the millage rate of the District was renewed for a period of 10

years, beginning with the year 2021 and ending in the year 2030 at a rate of 7.90 mils. Such rate may be subject to adjustment from time to time due to reassessment. The purpose of the tax is for constructing, maintaining, improving, and operating the District. Property taxes are collected through the local sheriff's office and remitted, net of collection fees, to the District.

Property taxes are levied by the District on October 1 of each year based on the preceding January 1 assessed property values. To secure payment, an enforceable lien attaches to the property on January 1, when the value is assessed. Property taxes become due and payable when levied on October 1. This is the date on which an enforceable legal claim arises and the District records a receivable for the property tax assessment, less an allowance for uncollectible taxes. Property taxes are considered delinquent after January 31 of the following year.

The District received approximately 2.0% of its financial support from property taxes in both 2024 and 2023. These funds were used to support the District's operating activities.

Income Taxes

As an essential government function of the parish, the District is generally exempt from federal and state income taxes under Section 115 of the Internal Revenue Code and a similar provision of state law. However, the District is subject to federal income tax on any unrelated business taxable income.

Note 2. Net Patient Service Revenue

The District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. These payment arrangements include:

Medicare. The District is certified as a Critical Access Hospital (CAH) by Medicare. As a CAH, the District is reimbursed for substantially all inpatient and outpatient services to Medicare beneficiaries based on reasonable costs. Additionally, as a CAH, the District's licensed beds are limited to 25, and the District's acute average length of stay may not exceed 96 hours. The District is reimbursed for substantially all services at tentative rates, with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicare administrative contractor.

Medicaid. Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology for certain services and at prospectively determined rates for all other services. The District is reimbursed for cost reimbursable services at tentative rates, with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicaid administrative contractor.

Other. Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment to the District using prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Approximately 49% of the net patient service revenue is from participation in the Medicare program and approximately 34% is from the state-sponsored Medicaid program for both years ended September 30, 2024 and 2023. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

The District entered into a cooperative endeavor agreement (CEA) with a regional public rural hospital (Grantor), whereby the Grantor awards an intergovernmental transfer (IGT) grant to be used solely to provide adequate and essential medically necessary and available healthcare services to the District's service population subject to the

availability of such grant funds. The aggregate IGT grant income was approximately \$2,885,000 and \$2,827,000 for the years ended September 30, 2024 and 2023, respectively, of which \$2,385,000 and \$2,327,000, respectively, is included in net patient service revenue and the residual amount is included in other operating revenue.

Note 3. Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance or other qualified investments. The District's bank balances were as follows at September 30:

	2024	2023
Insured by Federal Deposit Insurance Corporation Uninsured and uncollateralized	\$ 1,251,500 -	\$ 1,251,000 198.444
Collateralized by securities held by the pledging financial institution's Trust Department in the District's name	47,536,181	42,163,319
Total depository balance	\$ 48,787,681	\$ 43,612,763

Summary of Carrying Values

The carrying values of deposits shown above are included in the statements of net position as follows:

	2024	2023
Carrying value Deposits	\$ 48,234,172	\$ 43,309,501
Included in the following statements of net position captions Cash Short-term investments – certificates of deposit Board designated – short-term investments	\$ 8,606,961 39,627,211 	\$ 8,592,491 33,775,731 941,279
	\$ 48,234,172	\$ 43,309,501

Note 4. Patient Accounts Receivable

The District grants credit without collateral to its patients, many of whom are area residents and are insured under third-party payor agreements. Patient accounts receivable consisted of the following at September 30:

	2	024	2023
Medicare	\$ 2,	,013,691	\$ 1,907,967
Medicaid		856,828	753,281
Other third-party payors		758,701	724,936
Patients	2,	,907,467	2,428,744
	6.	,536,687	5,814,928
Less allowance for uncollectible accounts	2,	,680,731	 1,952,379
	\$ 3.	,855,956	\$ 3,862,549

Note 5. Capital Assets

Capital assets activity was as follows for the years ended September 30:

			2024		
	Beginning			Transfers/	Ending
	Balance	Additions	Disposals	Adjustments	Balance
Land	\$ 2,175,271	\$ -	\$ -	\$ 162,503	\$ 2,337,774
Land improvements	241,720	53,850	· -	Ψ 102,000	295,570
Buildings and improvements	13,085,041	8,910	(392,274)	94,418	12,796,095
Equipment	8,497,257	707,088	(79,034)	391,204	9,516,515
Vehicles	884,459	100,503	-	-	984,962
Furniture	76,557	-	_	_	76,557
Construction in progress	650,235	2,041,724	_	(683,241)	2,008,718
	25,610,540	2,912,075	(471,308)	(35,116)	28,016,191
Less accumulated depreciation					
Land improvements	291,536	15,896	-	-	307,432
Buildings and improvements	6,798,856	474,440	-	-	7,273,296
Equipment	7,188,040	465,670	(434,954)	-	7,218,756
Vehicles	801,025	75,160	-	-	876,185
Furniture	196,259	28,639			224,898
	15,275,716	1,059,805	(434,954)		15,900,567
Capital assets, net	\$ 10,334,824	\$ 1,852,270	\$ (36,354)	\$ (35,116)	\$ 12,115,624

			2023		
	Beginning Balance	Additions	Disposals	Transfers/ Adjustments	Ending Balance
Land	\$ 1,939,830	\$ 235,441	\$ -	\$ -	\$ 2,175,271
Land improvements	241,720	-	-	· -	241,720
Buildings and improvements	13,050,083	34,958	-	-	13,085,041
Equipment	8,169,726	327,531	-	_	8,497,257
Vehicles	797,289	87,170	-	-	884,459
Furniture	76,557	-	-	-	76,557
Construction in progress	14,177	636,058	-	-	650,235
	24,289,382	1,321,158			25,610,540
Less accumulated depreciation					
Land improvements	202,905	88,631	_	_	291,536
Buildings and improvements	6,325,460	473,396	-	-	6,798,856
Equipment	6,862,273	325,767	-	-	7,188,040
Vehicles	753,936	47,089	-	-	801,025
Furniture	169,558	26,701	-	-	196,259
	14,314,132	961,584			15,275,716
Capital assets, net	\$ 9,975,250	\$ 359,574	\$ -	\$ -	\$ 10,334,824

Construction in progress is stated at cost, which includes the cost of construction and other direct costs attributable to the construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and put into use. Construction in progress at September 30, 2024 represents capital improvements, including a facility replacement project. The projects will be funded through internally designated investments and proceeds from debt that management anticipates issuing in the future. As of September 30, 2024, the District incurred and capitalized approximately \$2,000,000 in construction in progress. The estimated costs of construction, equipment, and other project costs are estimated to be approximately \$88,000,000. The project is currently expected to be completed in 2029.

Note 6. Medical Malpractice Claims

The District participates in the Louisiana Patients' Compensation Fund established by the State of Louisiana to provide medical professional liability coverage to healthcare providers. The fund provides \$400,000 in coverage per occurrence above the first \$100,000 per occurrence. The first \$100,000 is covered by the Louisiana Hospital Association Malpractice and General Liability Trust. There is not a limitation placed on the number of occurrences covered.

Accounting principles generally accepted in the United States of America require a healthcare provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon the District's claims experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

Note 7. Employee Health Claims

Substantially all of the District's employees and their dependents are eligible to participate in the District's employee health insurance plan. The District is self-insured for health claims of participating employees and dependents up to an annual aggregate amount of \$45,000. Commercial stop-loss insurance coverage is purchased for claims in excess of the aggregate annual amount. A provision is accrued for self-insured employee health claims, including both claims reported and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims' experience, recently settled claims, frequency of claims, and other economic and social factors. It is reasonably possible that the District's estimate will change by a material amount in the near term. The accrual and fiscal year activity (current year expenses and claim payments made) for employee health claims is not material in 2024 and 2023.

Note 8. Pension Plan

In January 1993, the District elected to withdraw from the Social Security System. In place of the Social Security System, the District has a defined contribution 401(a) pension plan that includes a 414H contribution plan with an employer match and a 457 elective deferral compensation plan. Nationwide Trust Company is the plan administrator. Benefit provisions are contained in the plan document and were established and can be amended by action of the District's governing body.

Employees are eligible to participate upon date of employment and are immediately vested in the employer's matching contribution. Contributions to the plans by the District are determined by the board at a minimum of 6.2% of the participant's compensation. Contribution rates for plan members and the District, expressed as a percentage of covered payroll, were 6.4% and 6.1% for 2024 and 2023, respectively. Contributions made by plan members were approximately \$1,145,000 and \$1,054,000 during 2024 and 2023, respectively. Employer contributions made by the District were approximately \$1,145,000 and \$1,054,000 during 2024 and 2023, respectively. Forfeitures were not material in 2024 and 2023.

Note 9. Contingencies

Litigation

In the normal course of business, the District is, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by the District's self-insurance program (discussed elsewhere in these notes) or by commercial insurance; for example, allegations regarding employment practices or performance of contracts. The District evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of legal counsel, management records an estimate of the amount of ultimate expected loss, if any, for each. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

Workers' Compensation

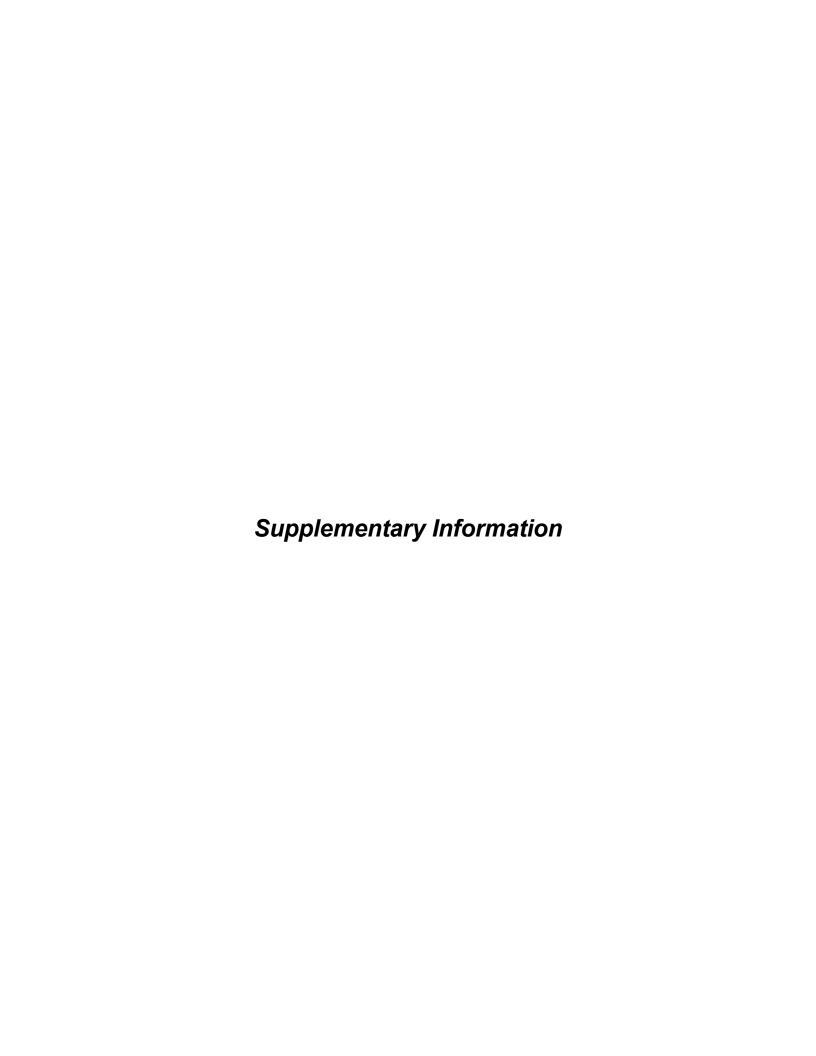
The District participates in the Louisiana Hospital Association's Self-Insurance Workmen's Compensation Trust Fund (Fund). Should the Fund's assets not be adequate to cover claims made against it, the District may be assessed its pro rata share of the resulting deficit. It is not possible to estimate the amount of assessments, if any, under this program. The portion of the Fund that is refundable to the District is included in other assets.

Employee Retention Credit

The District has filed amended federal payroll tax returns for the first three quarters of calendar year 2021 to claim approximately \$3,900,000 of Employee Retention Credits (ERC) resulting from the Covid-19 Public Health Emergency. Because of the uncertainty of the allowable credit, the District has not recorded a receivable or revenue associated with the ERC amount.

Note 10. Future Change in Accounting Principle – GASB Statement No. 101, Compensated Absences (GASB 101)

GASB 101 updates the recognition and measurement guidance for compensated absences under a unified model. It defines compensated absences and requires that liabilities be recognized for leave for which employees may receive one or more: cash payments when the leave is used for time off; other cash payments, such as payment for unused leave upon termination of employment which includes voluntary resignation or retirement; or noncash settlements, such as conversion to defined benefit postemployment benefits. GASB 101 also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. GASB 101 amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of GASB 101 are effective for the District's fiscal year ending September 30, 2025.



Year Ended September 30, 2024

Agency Head Name: Michael W. Carroll, CEO (October 1, 2023 - December 31, 2023)

Purpose Purpose	A	Amount		
Salary	\$	52,692		
Benefits – insurance		285		
Benefits – retirement		3,267		
Cell phone		586		

Agency Head Name: Mildred Greer, Interim CEO (January 1, 2024 – September 30, 2024)

Purpose	 Amount			
Salary	\$ 216,000			
Benefits – insurance	1,157			
Benefits – retirement	13,392			
Travel	546			
Cell phone	590			
Registration fees	195			
Conference travel	1,967			

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital A Component Unit of Richland Parish Police Jury Combining Statement of Net Position September 30, 2024

	н	ospital and Clinics	i Community alth Center	E	liminations		Combined
ASSETS							
Current Assets							
Cash	\$	4,713,955	\$ 3,893,006	\$	-	\$	8,606,961
Short-term investments – certificates of deposit		37,003,229	2,623,982		-		39,627,211
Patient accounts receivable, net		2,244,183	1,611,773		-		3,855,956
Due from affiliate		1,198,730	-		(1,198,730)		-
Estimated amounts due from third-party payors		1,426,137	33,006		-		1,459,143
Grant and other receivables		492,858	841,158		(326)		1,333,690
Supplies		776,277	153,075		-		929,352
Prepaid expenses and other		239,348	 47,073			-	286,421
Total Current Assets		48,094,717	9,203,073		(1,199,056)		56,098,734
Capital Assets, Net		6,480,999	5,634,625		-		12,115,624
Other Assets		236,088	 				236,088
Total Assets	\$	54,811,804	\$ 14,837,698	\$	(1,199,056)	\$	68,450,446

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital A Component Unit of Richland Parish Police Jury Combining Statement of Net Position September 30, 2024

(Continued)

	Н	ospital and Clinics	i Community alth Center	E	liminations	(Combined
LIABILITIES AND NET POSITION			 				
Current Liabilities							
Accounts payable	\$	1,020,001	\$ 97,520	\$	-	\$	1,117,521
Accrued expenses		1,314,533	113,188		-		1,427,721
Revenue received in advance		10,000	20,000		-		30,000
Estimated self-insured health insurance costs		171,511	-		-		171,511
Due to affiliate			 1,199,056		(1,199,056)		
Total Current Liabilities		2,516,045	1,429,764		(1,199,056)		2,746,753
Net Position							
Net investment in capital assets		6,094,927	5,634,625		-		11,729,552
Unrestricted		46,200,832	 7,773,309	-	-		53,974,141
Total Net Position		52,295,759	13,407,934				65,703,693
Total Liabilities and Net Position	\$	54,811,804	\$ 14,837,698	\$	(1,199,056)	\$	68,450,446

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital A Component Unit of Richland Parish Police Jury Combining Statement of Revenue, Expenses, and Changes in Net Position Year Ended September 30, 2024

	Hospital and Clinics	Delhi Community Health Center	Eliminations	Combined
Operating Revenues				
Net patient service revenue	\$ 26,936,884	\$ 5,149,760	\$ -	\$ 32,086,644
Grant revenue	-	2,343,690	-	2,343,690
Other	2,082,491	2,190,263	(180,000)	4,092,754
Total Operating Revenues	29,019,375	9,683,713	(180,000)	38,523,088
Operating Expenses				
Salaries and wages	13,130,925	4,744,511	-	17,875,436
Employee benefits	3,547,446	1,129,584	-	4,677,030
Purchased services and	, ,	, ,		, ,
professional fees	4,522,776	412,892	-	4,935,668
Supplies and other	6,214,483	2,317,202	(180,000)	8,351,685
Depreciation and amortization	651,980	407,825	-	1,059,805
•				, ,
Total Operating Expenses	28,067,610	9,012,014	(180,000)	36,899,624
Operating Income	951,765	671,699		1,623,464
Nonoperating Revenues				
Property taxes	911,170	-	-	911,170
Investment income	2,012,449	244,537	-	2,256,986
Noncapital grants and gifts	1,716,921	216,360	-	1,933,281
	<u> </u>	·		
Total Nonoperating Revenues	4,640,540	460,897		5,101,437
Income Before Capital Grants	5,592,305	1,132,596	-	6,724,901
Capital Grants	-	282,734	-	282,734
Increase in Net Position	5,592,305	1,415,330	-	7,007,635
Net Position, Beginning of Year	46,703,454	11,992,604		58,696,058
Net Position, End of Year	\$ 52,295,759	13,407,934	\$ -	\$ 65,703,693

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Board of Commissioners
Hospital Service District No. 1A of the Parish of Richland
d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Delhi, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital (District), a component unit of Richland Parish Police Jury, which comprise the District's statement of net position as of September 30, 2024, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 4, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Board of Commissioners Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital A Component Unit of Richland Parish Police Jury

Report on Compliance and Other Matters

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

Purpose of This Report

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

Forvis Mazars, LLP

Dallas, Texas March 4, 2025

Hospital Service District No. 1A of the Parish of Richland d/b/a Richland Parish Hospital and Richland Health Services, Inc.

A Component Unit of Richland Parish Police Jury

Independent Accountant's Report on Applying Agreed-Upon Procedures

For the Year Ended September 30, 2024

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Independent Accountant's Report on Applying Agreed-Upon Procedures

Board of Directors and the Louisiana Legislative Auditor Hospital Service District No. 1A of the Parish of Richland d/b/a Richland Parish Hospital and Richland Health Services, Inc. A Component Unit of Richland Parish Police Jury Delhi, Louisiana

We have performed the procedures enumerated in the attachment to this report on the control and compliance areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures as of and for the year ended September 30, 2024. The management of Hospital Service District No. 1A of the Parish of Richland d/b/a Richland Parish Hospital and Richland Health Services, Inc. (District), a component unit of Richland Parish Police Jury, is responsible for the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of testing the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures as of and for the year ended September 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are described in the attachment to this report.

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

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

Under Louisiana Revised Statue 24:513, this report is distributed by the LLA as a public document.

Forvis Mazars, LLP

Dallas, Texas March 4, 2025

Written Policies and Procedures

- 1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) Budgeting, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing,** including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements,** including processing, reviewing, and approving.
 - d) **Receipts/Collections,** including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) **Payroll/Personnel,** including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
 - f) **Contracting,** including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) **Travel and Expense Reimbursement,** including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - h) Credit Cards (and debit cards, fuel cards, purchase cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - i) **Ethics,** including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
 - j) **Debt Service,** including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - k) Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

I) **Sexual Harassment,** including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings

No exceptions were identified in the performance of the procedures listed above.

Board or Finance Committee

Procedures

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-toactual, at a minimum, on all proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Findings

The District did not have a negative unassigned fund balance in the prior year audit report. Accordingly, there are no items to report for step 2c.

The District did not have audit findings in the prior year audit report. Accordingly, there are no items to report for step 2d.

No exceptions were identified in the performance of the procedures listed above.

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select four additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g., initialed and dated or electronically logged);

- b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Findings

No exceptions were identified in the performance of the procedures listed above.

Collections (Excluding Electronic Funds Transfers)

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select five deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- 7. Randomly select two deposit dates for each of the five bank accounts selected for Bank Reconciliation procedure #3A under (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

Findings

No exceptions were identified in the performance of the procedures listed above.

Non-Payroll Disbursements (Excluding Card Purchases, Travel Reimbursements, and Petty Cash Purchases)

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select five locations (or all locations if less than five).
- 9. For each location selected under "Bank Reconciliations" #3 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #9 above, as applicable.

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

Findings

No exceptions were identified in the performance of the procedures listed above.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards

Procedures

- 12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- 13. Using the listing prepared by management, randomly select five cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported).
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
- 14. Using the monthly statements or combined statements selected under procedure #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (*i.e.*, each card should have 10 transactions subject to inspection). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Findings

No exceptions were identified in the performance of the procedures listed above.

Travel and Travel-Related Expenses Reimbursements (Excluding Card Transactions)

Procedures

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

Findings

No exceptions were identified in the performance of the procedures listed above.

Contracts

Procedures

- 16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - d) Randomly select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Findings

No exceptions were identified in the performance of the procedures listed above.

Payroll and Personnel

Procedures

- 17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 18. Randomly select one pay period during the fiscal period. For the five employees or officials selected under procedure #16 above, obtain attendance records and leave documentation for the pay period, and
 - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- 19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee's or officials' authorized pay rates in the employee's or officials' personnel files, and agree the termination payment to entity policy.
- 20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Findings

No exceptions were identified in the performance of the procedures listed above.

Ethics

Procedures

- 21. Using the five randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.

- b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- 22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Findings

Management asserts the District did not make any changes to its ethics policy during the fiscal year. Accordingly, there are no items to report for step 21b.

No exceptions were identified in the performance of the procedures listed above.

Debt Service

Procedures

- 23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of Louisiana Constitution.
- 24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Findings

Management asserts there was no debt issued during the fiscal year ended September 30, 2024, and the District did not have any debt outstanding at September 30, 2024. Accordingly, there are no items to report for steps 23 and 24.

Fraud Notice

Procedures

- 25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- 26. Observe the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Findings

Management asserts there were no misappropriations of public funds and assets during the fiscal year. Accordingly, there are no items to report for step 25.

No exceptions were identified in the performance of step 26.

Information Technology Disaster Recovery/Business Continuity

Procedures

- 27. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
 - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past three months.
 - c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select five computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- 28. Randomly select five terminated employees (or all terminated employees if less than five) using the list of terminated employees obtained in Payroll and Personnel procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- 29. Using the five randomly selected employees/officials from Payroll and Personnel procedure #17, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cyber security training as required by R.S. 42:1267. The requirements are as follows:
 - a) Hired before June 9, 2020 completed the training; and
 - b) Hired on or after June 9, 2020 completed the training within 30 days of initial service or employment.

Findings

We performed the procedure and discussed the results with management.

No exceptions were identified in the performance of steps 28 and 29.

Prevention of Sexual Harassment

Procedures

- 30. Using the five randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- 31. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

- 32. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
 - a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Findings

Management asserts the District did not receive any complaints pertaining to sexual harassment for the fiscal year. Accordingly, there are no items to report for steps 32b–32e.

No exceptions were identified in the performance of steps 30, 31, and 32a.

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital A Component Unit of Richland Parish Police Jury

Single Audit Reports

September 30, 2024

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital A Component Unit of Richland Parish Police Jury Contents
September 30, 2024

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Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital A Component Unit of Richland Parish Police Jury Schedule of Expenditures of Federal Awards Year Ended September 30, 2024

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal Assistance Listing Number (ALN)	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services				
Health Center Program Cluster Grants for New and Expanded Services under the Health Center Program	93.527		\$ -	\$ 1,291,644
Health Center Program (Community Health Centers, (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224			921,643
Total Health Center Program Cluster				2,213,287
Grants for Capital Development in Health Centers	93.526		-	282,734
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912			1,143,392
Total U.S. Department of Health and Human Services				3,639,413
U.S. Department of Agriculture Community Facilities Loans and Grants Cluster Community Facilities Loans and Grants	10.766		_	566,931
Total Community Facilities Loans and Grants Cluster				566,931
Total Expenditures of Federal Awards			\$ -	\$ 4,206,344

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital A Component Unit of Richland Parish Police Jury Notes to the Schedule of Expenditures of Federal Awards Year Ended September 30, 2024

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital (the District) under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

The District has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4. Federal Loan Programs

The District did not have any loan programs during the year ended September 30, 2024.

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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*

Independent Auditor's Report

Board of Commissioners
Hospital Service District No. 1A of the Parish of Richland
d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Delhi, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital (the District), a Component Unit of Richland Parish Police Jury, which comprise the District's statement of net position as of September 30, 2024, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 4, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Board of Commissioners Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital A Component Unit of Richland Parish Police Jury

Report on Compliance and Other Matters

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

Purpose of This Report

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

Forvis Mazars, LLP

Dallas, Texas March 4, 2025 Forvis Mazars, LLP 510 N. Valley Mills Drive, Suite 200 Waco, TX 76710 P 254.776.8244 | F 254.776.8277 forvismazars.us



Report on Compliance for the Major Federal Program, Report on Internal Control Over Compliance, and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

Board of Commissioners
Hospital Service District No. 1A of the Parish of Richland
d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Delhi, Louisiana

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital's (the District), a Component Unit of Richland Parish Police Jury, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended September 30, 2024. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2024.

Basis for Opinion on the Major Federal Program

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

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

Board of Commissioners Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital A Component Unit of Richland Parish Police Jury

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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

Board of Commissioners Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital A Component Unit of Richland Parish Police Jury

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the District, as of and for the year ended September 30, 2024, and have issued our report thereon dated March 4, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Forvis Mazars, LLP

Dallas, Texas March 27, 2025 Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital A Component Unit of Richland Parish Police Jury Schedule of Findings and Questioned Costs Year Ended September 30, 2024

Section I – Summary of Auditor's Results

Financial Statements					
1.	The type of report accordance with G		on whether the finan	cial statements aud	ited were prepared in
	☑ Unmodified	Qualified	Adverse	☐ Disclaimer	
2.	Internal control ove	er financial reporting	g :		
	Significant deficien	cy(ies) identified?		☐ Yes	None reported
	Material weakness	(es) identified?		☐ Yes	⊠ No
3.	Noncompliance ma	aterial to the financi	al statements noted	?	⊠ No
Fede	eral Awards				
4.	Internal control over	er the major federal	awards program:		
	Significant deficien	ncy(ies) identified?		☐ Yes	
	Material weakness	(es) identified?		☐ Yes	⊠ No
5.	Type of auditor's re	eport issued on com	npliance for the majo	or federal program:	
	☑ Unmodified	☐ Qualified	Adverse	Disclaimer	
6.	Any audit findings CFR 200.516(a)?	disclosed that are re	equired to be report	ed by 2	⊠ No
7.	Identification of the	major federal prog	ram:		
		Cluster	/Program		Assistance Listing Number
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program 93.912					
8.	Dollar threshold us	ed to distinguish be	etween Type A and	Type B programs: \$	750,000.
9.	Auditee qualified a	s a low-risk auditee	?	⊠ Yes	☐ No

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital A Component Unit of Richland Parish Police Jury Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2024

	ncial Statement Findings	
Reference	Eto dio o	
Number	Finding	
١	No matters are reportable.	
Section III – Fede	eral Award Findings and Questioned Costs	
Reference Number	Finding	

No matters are reportable.

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital A Component Unit of Richland Parish Police Jury Summary Schedule of Prior Audit Findings Year Ended September 30, 2024

Reference		
Number	Summary of Finding	Status

No matters are reportable.