

WASHINGTON PARISH HOSPITAL SERVICE DISTRICT NO. 1

d/b/a RIVERSIDE MEDICAL CENTER

DECEMBER 31, 2021 AND 2020

FRANKLINTON, LOUISIANA

FINANCIAL STATEMENTS
WASHINGTON PARISH HOSPITAL SERVICE DISTRICT NO. 1
d/b/a RIVERSIDE MEDICAL CENTER
DECEMBER 31, 2021 AND 2020
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Glen P. Langlinois, CPA
Gayla L. Falcon, CPA

Michael P. Broussard, CPA
Elizabeth L. Whitford, CPA
Barrett B. Perry, CPA
Elizabeth N. DeBaillon, CPA
Chadwick V. Fortier, CPA
John W. O'Bryan, CPA (Retired)

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Washington Parish Hospital Service District No.1
d/b/a Riverside Medical Center
Franklinton, Louisiana

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Washington Parish Hospital Service District No. 1, d/b/a Riverside Medical Center (Hospital), a component unit of the Washington Parish Council, State of Louisiana, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Washington Parish Hospital Service District No. 1, d/b/a Riverside Medical Center as of December 31, 2021 and 2020, and the changes in its financial position and 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Hospital 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.

MANAGEMENT'S RESPONSIBILITY 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 Hospital's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

OTHER MATTERS

Required Supplementary Information

The Hospital has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Other Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules identified in the table of contents as supplemental information are presented for purposes of additional analysis and are 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 basic 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 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 financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2022 on our consideration of the Hospital's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the hospital's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hospital's internal control over financial reporting and compliance.



LANGLINAIS BROUSSARD & KOHLENBERG
(A Corporation of Certified Public Accountants)
Abbeville, LA
June 23, 2022

WASHINGTON PARISH HOSPITAL SERVICE DISTRICT NO. 1
d/b/a RIVERSIDE MEDICAL CENTER
FRANKLINTON, LOUISIANA

STATEMENT OF NET POSITION

DECEMBER 31,

ASSETS

	<u>2021</u>	<u>2020</u>
Current Assets		
Cash and Cash Equivalents	\$ 8,449,205	\$ 8,457,718
Patient Accounts Receivable, less Allowance for Doubtful Accounts of \$2,673,002 and \$2,903,628, respectively	3,527,531	4,357,442
Estimated Third-Party Payor Settlements	2,450,799	2,839,229
Inventory	820,291	733,896
Prepaid Expenses	177,996	146,410
Ad Valorem Tax Receivable	1,127,163	1,389,790
Other Receivables	1,549,991	1,573,684
	<u>18,102,976</u>	<u>19,498,169</u>
ASSETS WHOSE USE IS LIMITED:		
By Bond Indenture	<u>99,211</u>	<u>98,580</u>
Total Assets Whose Use is Limited	<u>99,211</u>	<u>98,580</u>
Capital Assets		
Property, Plant and Equipment	28,187,814	27,936,154
Less Accumulated Depreciation	<u>(22,272,654)</u>	<u>(21,484,079)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>5,915,160</u>	<u>6,452,075</u>
Total Assets	<u>\$ 24,117,347</u>	<u>\$ 26,048,824</u>

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

WASHINGTON PARISH HOSPITAL SERVICE DISTRICT NO. 1
d/b/a RIVERSIDE MEDICAL CENTER
FRANKLINTON, LOUISIANA

STATEMENT OF NET POSITION

DECEMBER 31,

LIABILITIES AND NET POSITION

	2021	2020
Current Liabilities		
Accounts Payable	\$ 2,140,649	\$ 2,493,647
Current Maturities of Debt	535,976	2,472,210
Estimated Third-Party Payor Settlements	2,456,859	3,220,540
Patient Accounts - Credit Balances	312,537	319,144
Accrued Salaries	511,218	475,055
Accrued Compensated Absences	951,238	949,945
Accrued Payroll Liabilities and Health Insurance Reserve	302,676	253,373
Accrued Interest Payable	20,044	36,696
	7,231,197	10,220,610
Long-Term Debt		
Leases Payable	558,892	807,510
2017 Series of Indebtedness	446,000	526,000
2019 Series of Indebtedness	855,000	870,000
Paycheck Protection Program	-	524,014
	1,859,892	2,727,524
Total Long-Term Debt	1,859,892	2,727,524
Total Liabilities	9,091,089	12,948,134
Net Position		
Invested in Assets, Net of Related Debt	3,519,292	3,635,095
Restricted	99,211	98,580
Unrestricted	11,407,755	9,367,015
	15,026,258	13,100,690
Total Net Position	15,026,258	13,100,690
Total Liabilities and Net Position	\$ 24,117,347	\$ 26,048,824

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

WASHINGTON PARISH HOSPITAL SERVICE DISTRICT NO. 1
d/b/a RIVERSIDE MEDICAL CENTER
FRANKLINTON, LOUISIANA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

DECEMBER 31,

	2021	2020
Operating Revenues		
Net Patient Service Revenue before Provision for Doubtful Accounts	\$ 25,873,353	\$ 23,485,863
Less: Provisions for Doubtful Accounts	(1,546,433)	(1,653,168)
Net Patient Service Revenue after Provision for Doubtful Accounts	24,326,920	21,832,695
Ad Valorem Taxes	1,625,346	1,474,146
Intergovernmental Transfers - Operating	5,576,263	3,615,100
Other Operating Revenue	326,269	332,764
Total Operating Revenues	31,854,798	27,254,705
Operating Expenses		
Salaries	14,056,107	12,196,047
Employee Benefits	4,377,588	3,944,049
Outside Services and Professional Fees	6,086,788	5,980,546
Depreciation and Amortization	1,066,262	1,139,850
Supplies and Other Expenses	7,090,149	6,496,867
Total Operating Expenses	32,676,894	29,757,359
Gain (Loss) from Operations	(822,096)	(2,502,654)
Non-Operating Revenues (Expenses)		
Non-Operating Grants	2,787,952	105,165
Provider Relief Funds	-	6,118,065
Rental Income	52,014	44,241
Interest Income	31,916	28,140
Interest Expense	(124,218)	(171,722)
Total Non-Operating Revenues (Expenses)	2,747,664	6,123,889
Change in Net Position	1,925,568	3,621,235
Beginning Net Position	13,100,690	9,479,455
Ending Net Position	\$ 15,026,258	\$ 13,100,690

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

WASHINGTON PARISH HOSPITAL SERVICE DISTRICT NO. 1
d/b/a RIVERSIDE MEDICAL CENTER
FRANKLINTON, LOUISIANA

STATEMENT OF CASH FLOWS

DECEMBER 31,

	2021	2020
Cash Flows from Operating Activities		
Receipts from Patients and Third-Party Payors	\$ 24,322,516	\$ 23,547,618
Receipts from Ad Valorem Taxes	1,887,973	1,163,481
Receipts from Intergovernmental Transfers	5,835,741	3,821,970
Payments to Suppliers	(12,737,544)	(11,993,043)
Payments to Employees for Salaries and Benefits	(18,530,843)	(16,268,314)
Net Cash Flows Provided By Operating Activities	777,843	271,712
Cash Flows from Non-Capital Financing Activities		
Proceeds from Provider Relief Funds	-	6,118,065
Proceeds From Notes Payable	251,625	3,402,503
Payments on Notes Payable	(143,001)	(770,679)
Net Cash Flows Provided By Non-Capital Financing Activities	108,624	8,749,889
Cash Flows from Investing Activities		
Interest and Rental Income	83,930	72,381
Net Cash Flows Provided By Investing Activities	83,930	72,381
Cash Flows from Capital and Related Financing Activities		
Purchases of Capital Assets	(251,658)	(1,264,351)
Interest Paid on Debt Obligations	(140,870)	(156,727)
Payment of Lease Obligations	(585,751)	(532,063)
Net Cash Flows Used in Capital and Related Financing Activities	(978,279)	(1,953,141)
Net Increase (Decrease) in Cash and Cash Equivalents	(7,882)	7,140,841
Cash and Cash Equivalents at Beginning of the Year	8,556,298	1,415,457
Cash and Cash Equivalents at Ending of the Year	\$ 8,548,416	\$ 8,556,298

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

WASHINGTON PARISH HOSPITAL SERVICE DISTRICT NO. 1
d/b/a RIVERSIDE MEDICAL CENTER
FRANKLINTON, LOUISIANA

STATEMENT OF CASH FLOWS

DECEMBER 31,

	2021	2020
Reconciliation of Income from Operations to Net Cash Flows		
Provided by (Used In) Operating Activities		
Net Loss from Operations	\$ (822,096)	\$ (2,502,654)
Adjustments to Reconcile Operating Income (Loss) to Net Cash		
Provided by (Used in) Operating Activities:		
Depreciation and Amortization	1,066,262	1,139,850
Provision for Doubtful Accounts	1,546,433	1,653,168
Increase in Patient Accounts Receivable	(539,605)	(863,641)
Decrease (Increase) in Ad Valorem Taxes Receivable	262,627	(310,665)
Increase in Inventory	(86,395)	(21,239)
Increase in Prepaid Expenses	(31,586)	(55,921)
Decrease in Other Receivables	23,693	346,678
Decrease (Increase) in Estimated Third-Party Payor Settlements Receivable	388,430	(1,266,236)
(Decrease) Increase in Estimated Third-Party Payor Settlements Payable	(763,681)	2,528,357
Decrease in Accounts Payable	(352,998)	(463,131)
Increase in Accrued Salaries	36,163	92,971
Increase in Accrued Compensated Absences	1,293	78,450
Increase (Decrease) in Accrued Payroll Liabilities and Health Insurance Reserve	49,303	(84,275)
Net Cash Flows Provided By (Used In) Operating Activities	\$ 777,843	\$ 271,712

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

WASHINGTON PARISH HOSPITAL SERVICE DISTRICT NO. 1
d/b/a RIVERSIDE MEDICAL CENTER
FRANKLINTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

NOTE 1: DESCRIPTION OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Washington Parish Hospital Service District No. 1, d/b/a Riverside Medical Center (the Hospital) is an acute care facility created pursuant to Louisiana Revised Statutes of 1950, Title 46, Chapter 10. It is the Hospital's mission to provide its community with high quality care and education in a friendly, caring and professional manner. The administration of the Hospital is governed by a Board of Commissioners consisting of members appointed by the Washington Parish Council.

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

GASB Codification Section 2100 established criteria for determining which component units should be considered part of the reporting entity for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria include:

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

Because the Council appoints all of the members of the Hospital's governing board and has the ability to impose its will on the Hospital, the Hospital is a component unit of Washington Parish Council. The basic financial statements present information only on the funds maintained by the Hospital and do not present information on the Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

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 and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Enterprise Fund Accounting

The Hospital uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. The basic financial statements include Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, money market accounts and certificates of deposit with an original maturity of three months or less, excluding amounts restricted as to use by Board designation, other arrangements under trust agreements, or with third-party payors.

Restricted Assets

Assets whose use is limited include funds set aside by the Board of Commissioners to satisfy deposit requirements of the Hospital's debt agreements.

WASHINGTON PARISH HOSPITAL SERVICE DISTRICT NO. 1
d/b/a RIVERSIDE MEDICAL CENTER
FRANKLINTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

NOTE 1: DESCRIPTION OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Capital Assets

The Hospital's capital assets are reported at historical cost. Contributed capital assets are reported at their estimated fair value at the time of contribution, which is then treated as cost. Equipment under lease is stated at the sum of the initial measurement of the lease liability plus any payments made to the lessor at or before the commencement of the lease term plus initial direct cost necessary to place the lease asset in service. Maintenance, repairs and minor replacements, and improvements are expensed as incurred. Major replacements and improvements are capitalized at cost.

Description of property, plant and equipment is calculated on the straight-line method using the following estimated asset lives:

Land Improvements	15-20 years
Buildings and Building Improvements	20-40 years
Computers and Furniture	3- 7 years

Leased equipment is amortized on the straight-line method over the shorter of the lease term or estimated useful lives of the assets.

Inventory

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

Cost of Borrowing

Except for capital assets acquired through gifts, contributions, or capital grants, interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Interest earned on these same borrowed funds, before the funds are spent on the construction of the capital assets, is also capitalized.

Restricted Resources

The Hospital first applies restricted resources when expenditures are incurred for purposes for which both restricted and unrestricted net assets are available.

Net Position

GASB 63 and GASB Codification Section P80, states that net position is equal to assets plus deferred outflows of resources less liabilities and deferred inflows of resources. Net position classifications are defined as follows:

Invested in Capital Assets, Net of Related Debt consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position invested in capital assets, net of related debt, excludes unspent debt proceeds.

Restricted Net Position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets may be restricted when there are limitations imposed on their use either through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position consists of net position that does not meet the definition of the two preceding categories.

WASHINGTON PARISH HOSPITAL SERVICE DISTRICT NO. 1
d/b/a RIVERSIDE MEDICAL CENTER
FRANKLINTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

NOTE 1: DESCRIPTION OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Operating Revenue and Expenses

The Hospital's statement of revenues, expenses and changes in net position distinguishes between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing healthcare services-the Hospital's principal activity and from ad valorem taxes elected to be used for operations. Non-exchange revenues, including taxes designated for debt service, grants, and contributions received for purposes other than capital asset acquisition, are reported as non-operating revenues. Operating expenses are all expenses incurred to provide healthcare services, other than financing costs.

Compensated Absences

Full-time employees are granted vacation in varying amounts as established by Hospital policy. Unused vacation days earned, up to a maximum range of 288-448 hours per year, depending on tenure, may be carried forward and accumulated. Effective January 1, 2018, the Hospital adopted a new policy that applies to employees hired after the effective date that limits the maximum range to 160-280 hours per year, depending on tenure. In the event of termination, an employee is reimbursed for accumulated vacation days. In addition, full and part-time employees are also granted sick pay at a rate of 0.02313 hours per paid hour as established by Hospital policy. Unused sick pay, up to a maximum of 480 hours, may be accumulated. Unused sick pay is not payable upon termination, unless the employee has a balance in the Reserve EIT bank, which was created to "grandfather in" eligible employees at the time the extended sick policy was revised. These employees are paid at the rate of one-half their current hourly rate, for each accrued hour of sick time, not to exceed 480 hours.

Accrued compensated absences on the Hospital's Statement of Net Position were \$951,238 and \$949,945 for years ended December 31, 2021 and 2020, respectively.

Risk Management

The Hospital is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice; and employee health, dental and accidental benefits. Commercial insurance coverage is purchased for claims arising from such matters.

Investment in Debt and Equity Securities

Investments in debt and equity securities are reported at fair value except for short-term highly liquid investments that have a remaining maturity at the time they are purchased of one year or less. These investments are carried at amortized costs. Interest, dividends, gains, and losses, both realized and unrealized, on investments in debt and equity securities are included in non-operating revenue when earned.

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare - Effective July 1, 2004, the Hospital was approved for "critical access" status under the Medicare Rural Hospital Flexibility Program. The program allows States to designate rural facilities as "critical access hospitals" if they are located a sufficient distance from other hospitals, make available 24-hour emergency care, maintain no more than 25 inpatient beds, and keep inpatients no longer than 96 hours (except where weather or emergency conditions dictate, or a Peer Review Organization waives the limit). Payments for inpatient/outpatient services under critical access are on the basis of reasonable costs.

Prior to July 1, 2004, the Hospital was paid for inpatient acute care services rendered to Medicare program beneficiaries under prospectively determined rates-per-discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. The prospectively determined classification of patients and the appropriateness of the patients' admissions are subject to a validation review by a Medicare peer review organization, which is under contract with the Hospital to perform such reviews.

WASHINGTON PARISH HOSPITAL SERVICE DISTRICT NO. 1
d/b/a RIVERSIDE MEDICAL CENTER
FRANKLINTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

NOTE 1: DESCRIPTION OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Cost reimbursed services are paid at tentative rates, with final settlement determined after submission of annual cost reports and the completion of audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been settled by the Medicare fiscal intermediary through December 31, 2018.

Medicaid Inpatient services rendered to Medicaid and Medicaid Managed Care Organizations ("MCOs") program beneficiaries are reimbursed at a fixed rate per day for medical/surgical patients. Outpatient services for traditional Medicaid and MCO program beneficiaries are reimbursed under a cost reimbursement methodology, with certain limitations and exceptions. The Hospital is reimbursed at an interim rate with final settlement determined after submission of annual cost reports filed by the Hospital and audits thereof by the Medicaid fiscal intermediary. The Hospital's Medicaid cost reports have been settled by the Medicaid fiscal intermediary through December 31, 2014.

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

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for bad debts related to uninsured patients in the period the services are provided.

Ad valorem Taxes

Property taxes were levied on January 1, on property values assessed on that date. Notices of tax liability are mailed on or about November 1, of the same year and are due and payable at that time. All unpaid taxes levied become delinquent January 1, of the following year. Property tax revenues are recognized in the same fiscal year within which they are billed because they are considered available in that period. Available includes those property tax receivables expected to be collected within sixty days after year end. However, the receivable for property taxes is recorded at January 1, the lien date.

A special election was held on Saturday, April 21, 2012 where the taxpayers approved a 10-year, 18 mills tax for "acquiring, constructing, improving, maintaining and operating the hospital and medical buildings and facilities, including equipment and fixtures, of the District". For the fiscal years ended 2021 and 2020, this was the only millage assessed by the Hospital.

Ad valorem taxes make up approximately 4.7% and 5.4% of the hospital's financial support for the years ended December 31, 2021 and 2020, respectively.

Income Taxes

The Hospital is a political subdivision and exempt from taxes.

Advertising

The Hospital expenses advertising costs as incurred. Advertising expenses incurred during the years ended December 31, 2021 and 2020, totaled \$28,027 and \$11,407, respectively.

Environmental Matters

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

WASHINGTON PARISH HOSPITAL SERVICE DISTRICT NO. 1
d/b/a RIVERSIDE MEDICAL CENTER
FRANKLINTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

NOTE 1: DESCRIPTION OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Reclassifications

To be consistent with current year classifications, some items from the previous year have been reclassified with no effect on net position.

NOTE 2: CASH AND CASH EQUIVALENTS

State law requires collateralization of all deposits with federal depository insurance and other acceptable collateral in specific amounts. The Hospital's bylaws require that all bank balances be insured or collateralized by U.S. government securities held by the pledging financial institution's trust department in the name of the Hospital.

The carrying amounts of deposits are included in the Hospital's Statement of Net Position as follows:

	2021	2020
Insured (FDIC)	\$ 250,000	\$ 250,000
Collateralized by securities held by the pledging financial institution's trust department in the Hospital's name	9,653,931	10,098,360
Total Collateral Held for Bank Balances	\$ 9,903,931	\$ 10,348,360
 Total Carrying Value per Bank	 \$ 8,983,736	 \$ 8,819,742

For the Purposes of cash flows, cash and cash equivalents for the years ended December 31 are as follows:

	2021	2020
Total Cash and Cash Equivalents	\$8,548,416	\$8,556,298

NOTE 3: ACCOUNTS RECEIVABLE - PATIENTS

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with Medicaid, Commercial and Self-pay patients, the Hospital records a significant provision for bad debts in the period of service on the basis of its past experience and on the age of the receivable balance. The aged balance indicates that third-party claims have reached an age where the probability of payment is low and the self-pay patients are unable or unlikely to pay the portion of their bill for which they are financially responsible. The difference between the standard rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Patient's Accounts Receivable consists of the following:

	2021	2020
Total Patient Accounts Receivable	\$ 9,919,063	\$ 11,916,807
LESS: Allowances for Doubtful Accounts and Contractual Allowances	(6,391,532)	(7,559,365)
 Net Patient Accounts Receivable	 \$ 3,527,531	 \$ 4,357,442

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NOTES TO FINANCIAL STATEMENTS

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NOTE 4: ACCOUNTS RECEIVABLE - OTHER

Other Receivables consist of the following:

	2021	2020
FMP Receivable	\$ 1,191,000	\$ 1,450,478
Other Receivables	358,991	123,206
Total Accounts Receivable - Other	\$ 1,549,991	\$ 1,573,684

NOTE 5: RELATED PARTY RECEIVABLE

During the year ended December 31, 2015, the Hospital elected to make health care coverage available for members of the Hospital Board that are not otherwise eligible for Medicare or an employer sponsored health plan.

Included in the other receivables balance described in Note 4, the Hospital has accrued \$500 in 2021 and 2020, in relation to amounts receivable by board members enrolled in the Hospital's health plan for their portion of the Healthcare premium.

NOTE 6: MAJOR SOURCE OF REVENUE

The Hospital participates in the Medicare and Medicaid programs as a provider of medical services to program beneficiaries. The Hospital derived approximately 75% and 77% of its gross patient service revenue in 2021 and 2020, respectively, from patients covered by the Medicare and Medicaid programs. The Hospital received Intergovernmental Revenue of \$5,576,263 and \$3,615,100, which accounted for 16% and 11% of total revenues for the years ended December 31, 2021 and 2020, respectively.

NOTE 7: NET PATIENT SERVICE REVENUE

Patient service revenue, net of contractual allowances and discounts, recognized in the period from major payor sources, is as follows.

Net Patient Service Revenue by Payor before Provision for Doubtful Accounts:

	2021	2020
Medicare	\$ 4,070,807	\$ 4,122,352
Medicaid	7,386,680	6,323,415
All Other Payors	14,415,866	13,040,096
Total Net Patient Service Revenue Before Provision for Doubtful Accounts	\$ 25,873,353	\$ 23,485,863

The following schedule represents Total Net Patient Service Revenue:

	2021	2020
Gross Patient Service Revenue	\$ 76,440,370	\$ 68,412,047
LESS: Contractual Adjustments	(50,567,017)	(44,926,184)
Net Patient Service Revenue Before Provision for Doubtful Accounts	25,873,353	23,485,863
Provision for Doubtful Accounts	(1,546,433)	(1,653,168)
Net Patient Service Revenue after Provision for Doubtful Accounts	\$ 24,326,920	\$ 21,832,695

NOTE 8: CHARITY CARE

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. The Hospital maintains records to identify and monitor the level of charity care it provides. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The records include the amount of charges foregone for services and supplies furnished under its charity care policy. The Hospital did not have charity care patients for the years ended December 31, 2021 and 2020.

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NOTE 9: CAPITAL ASSETS

Property, plant, and equipment, by major category, are as follows:

	December 31, 2021			
	Beginning Balance	Additions	Deletions	Ending Balance
Land Improvements	\$ 900,225	\$ -	\$ -	\$ 900,225
Buildings	15,122,942	96,725	3,599	15,216,068
Equipment	7,648,889	285,555	274,085	7,660,359
Right of Use Building	334,085	-	-	334,085
Right of Use Equipment	3,777,893	252,091	7,078	4,022,906
Total Right of Use Assets	4,111,978	252,091	7,078	4,356,991
Gross Capital Assets	27,784,034	634,371	284,762	28,133,643
Less: Accumulated Depreciation	(18,951,103)	(549,356)	277,522	(19,222,937)
Less: Accumulated Depreciation-Right of Use	(2,532,976)	(516,741)	-	(3,049,717)
Gross Accumulated Depreciation	(21,484,079)	(1,066,097)	277,522	(22,272,654)
Depreciable Capital Assets, Net	6,299,955	(431,726)	7,240	5,860,989
Land	42,921	-	-	42,921
Construction in Progress	109,199	-	97,949	11,250
Net Capital Assets	\$ 6,452,075	\$ (431,726)	\$ 105,189	\$ 5,915,160

	December 31, 2020			
	Beginning Balance	Additions	Deletions	Ending Balance
Land Improvements	\$ 900,225	\$ -	\$ -	\$ 900,225
Buildings	15,024,480	108,810	10,348	15,122,942
Equipment	7,580,867	1,174,548	1,106,526	7,648,889
Right of Use Building	334,085	-	-	334,085
Right of Use Equipment	2,970,304	1,041,825	234,236	3,777,893
Total Right of Use Assets	3,304,389	1,041,825	234,236	4,111,978
Gross Capital Assets	26,809,961	2,325,183	1,351,110	27,784,034
Less: Accumulated Depreciation	(18,434,744)	(970,318)	453,959	(18,951,103)
Less: Accumulated Depreciation-Right of Use	(2,229,649)	(537,563)	234,236	(2,532,976)
Gross Accumulated Depreciation	(20,664,393)	(1,507,881)	688,195	(21,484,079)
Depreciable Capital Assets, Net	6,145,568	817,302	662,915	6,299,955
Land	42,921	-	-	42,921
Construction in Progress	31,829	97,949	20,579	109,199
Net Capital Assets	\$ 6,220,318	\$ 915,251	\$ 683,494	\$ 6,452,075

Depreciation and amortization expense for the years ended December 31, 2021 and 2020 amounted to \$1,066,262 and \$1,139,850, respectively.

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DECEMBER 31, 2021 AND 2020

NOTE 10: LONG-TERM DEBT

Long-term debt at December 31, 2021 and 2020, consists of the following:

	2021	2020
2017 Series of Indebtedness, payable in semi-annual installments at a 3.51% interest rate, maturity in 2027	\$ 526,000	\$ 604,000
2019 Series of Indebtedness dated February 12, 2019 with final maturity annual interest of 5.25%, maturing March 1, 2033, with interest payable semi-annually	870,000	885,000
Right of Use Obligation, of the Canon CDXI Upgrade, payable in 60 monthly installments at a 4.65% interest rate, maturity in 2025	40,642	51,368
Right of Use Obligation, of Fresenius Kabi IV Pumps, payable in 60 monthly installments at a 6.8% interest rate, maturity in 2022	10,143	26,624
Right of Use Obligation, of Infinitt Workstation, payable in 60 monthly installments at a 7.00% interest rate, maturity in 2022	891	3,444
Right of Use Obligation, of Infinitt PACS System, payable in 60 monthly installments at a 7.36% interest rate, maturity in 2022	14,251	54,971
Right of Use Obligation, of the Aquilion Prime 800 Cat Scan Machine, payable in 36 monthly installments at a 4.74% interest rate, maturity in 2023	52,732	103,028
Right of Use Obligation, of Infinix Cath Lab System, payable in 36 monthly installments at a 4.75% interest rate, maturity in 2023	59,373	115,997
Right of Use Obligation, of 3D Mammo & Dexa Machine, payable in 60 monthly installments at a 5.019% interest rate, maturity in 2025	265,769	341,309
Right of Use Obligation, of RadPro Omera Digital System, payable in 60 monthly installments at a 3.79% interest rate, maturity in 2025	170,315	214,975
Right of Use Obligation, of VapoTherm Respiratory System, payable in 12 monthly installments at 1.56% interest rate, maturity in 2022.	1,284	-
Right of Use Obligation, of the Olympus Videoscope, payable in 60 monthly installments at a 4.13% interest rate, maturity in 2021	-	14,289
Right of Use Obligation, of the GE Nuclear Medicine System, payable in 60 monthly installments at a 3.82% interest rate, maturity in 2021	-	25,266
Right of Use Obligation, of a GE Ultrasound Logic S8 XD Clear, payable in 60 monthly installments at a 2.09% interest rate, maturity in 2022	14,508	28,688

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NOTE 10: LONG-TERM DEBT, CONTINUED

Right of Use Obligation, of a GE Ultrasound Vivid E90, payable in 60 monthly installments at a 2.19% interest rate, maturity in 2023	40,656	68,606
Right of Use Obligation, of Olympus Gastrosopes and Colonoscopes, payable in 36 monthly installments at a 2.19% interest rate, maturing in 2022	16,350	40,433
Right of Use Obligation, of Beckman IS Billing hardware, payable in 72 monthly installments at a 2.09% interest rate, maturity in 2023	1,808	3,221
Right of Use Obligation, of Beckman DHX800, payable in 60 monthly installments at a 2.09% interest rate, maturity in 2022	2,558	12,656
Right of Use Obligation, of a Cannon Copier, payable in 60 monthly installments at a 2.19% interest rate, maturity in 2023	49,917	77,594
Right of Use Obligation, of a Cannon Copier, payable in 56 monthly installments at a 2.19% interest rate, maturity in 2023	1,503	2,336
Right of Use Obligation, of a Cannon Copier, payable in 48 monthly installments at a 2.19% interest rate, maturity in 2023	1,441	2,240
Right of Use Obligation, of a Cannon Copier, payable in 46 monthly installments at a 2.19% interest rate, maturity in 2023	1,811	2,816
Right of Use Obligation, of a Cannon Copier, payable in 45 monthly installments at a 2.19% interest rate, maturity in 2023	1,811	2,816
Right of Use Obligation, of a Carefusion ICU Medical Station, payable in 60 monthly installments at a 2.09% interest rate, maturity in 2022	1,319	9,134
Right of Use Obligation, of Carefusion Medical Workstation, payable in 60 monthly installments at a 2.09% interest rate, maturity in 2022	20,205	59,987
Right of Use Obligation, of Olympus Eye Scopes, payable in 45 monthly installments at a 2.09% interest rate, maturity in 2021	-	5,194
Right of Use Obligation, of a Pitney Bowes Postage Machine, payable in 20 quarterly installments at a 2.19% interest rate, maturity in 2023	6,654	9,944
Right of Use Obligation, of a Werfem ACL Top 300, payable in 60 monthly installments at a 3.98% interest rate, maturity in 2021	-	6,288
Right of Use Obligation, of a Winthrop Portable Care Stream, payable in 60 monthly installments at a 3.98% interest rate, maturity in 2021	-	9,132
Right of Use Obligation, of a Winthrop Telephone System, payable in 60 monthly installments at a 3.98% interest rate, maturity in 2021	-	12,289
Right of Use Obligation, of Seven Seven Investments Building, payable in 60 monthly installments at a 4.00% interest rate, maturity in 2022	5,950	23,333
Right of Use Obligation, of Nuclear Medicine System, payable in 60 monthly installments at a 6.00% interest rate, maturity in 2026	97,724	-

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

NOTE 10: LONG-TERM DEBT, CONTINUED

Right of Use Obligation, of Olympus Eye Med, payable in 42 monthly installments at a 3.25% interest rate, maturity in 2024	120,253	-
Small Business Administration Paycheck Protection Program Loan dated May 5, 2020, bearing an interest rate of 1.0%, with payments due monthly	-	2,332,755
Line of Credit issued on May 20, 2020 for \$1,100,000, bearing an interest rate of 5.50%, with payments due 2021	-	50,001
Total Long-term Debt	2,395,868	5,199,734
Less: Current Portion	(535,976)	(2,472,210)
Long-term Portion	\$ 1,859,892	\$ 2,727,524

A summary of long-term debt activity for the years ended September 30, 2021 and 2020, consists of the following:

	December 31, 2021			
	Beginning Balance	Additions	Reductions	Ending Balance
Lease Obligations	\$ 1,327,978	\$ 251,625	\$ 579,735	\$ 999,868
Line of Credit	50,001		50,001	-
2017 Series of Indebtedness	604,000		78,000	526,000
2019 Series of Indebtedness	885,000		15,000	870,000
Paycheck Protection Program Loan	2,332,755		2,332,755	-
Total	\$ 5,199,734	\$ 251,625	\$ 3,055,491	\$ 2,395,868

	December 31, 2020			
	Beginning Balance	Additions	Reductions	Ending Balance
Lease Obligations	\$ 838,203	\$ 1,021,838	\$ 532,063	\$ 1,327,978
Line of Credit	-	50,001	-	50,001
Note Payable - Pharmacy and Cost Report Repayment Plans	680,679	-	680,679	-
2017 Series of Indebtedness	679,000	-	75,000	604,000
2019 Series of Indebtedness	900,000		15,000	885,000
Paycheck Protection Program Loan	-	2,332,755	-	2,332,755
Total	\$ 3,097,882	\$ 3,404,594	\$ 1,302,742	\$ 5,199,734

Balance due within one year:

	2021	2020
Lease Obligations	\$ 440,976	\$ 520,468
Line of Credit	-	50,001
2017 Series of Indebtedness	80,000	78,000
2019 Series of Indebtedness	15,000	15,000
Paycheck Protection Program Loan	-	1,808,741
Total	\$ 535,976	\$ 2,472,210

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

NOTE 10: LONG-TERM DEBT, CONTINUED

Scheduled repayments on long-term debt are as follows:

	December 31, 2021					
	Notes Payable			Right of Use		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 95,000	\$ 58,118	\$ 153,118	\$ 443,098	\$ 31,383	\$ 474,481
2023	98,000	54,849	152,849	241,814	19,729	261,543
2024	101,000	51,465	152,465	210,538	10,260	220,798
2025	104,000	47,976	151,976	83,279	2,567	85,846
2026	107,000	44,373	151,373	21,139	613	21,752
2027 - 2031	606,000	164,481	770,481	-	-	-
2032 - 2034	285,000	22,576	307,576	-	-	-
Total	<u>\$ 1,396,000</u>	<u>\$ 443,838</u>	<u>\$ 1,839,838</u>	<u>\$ 999,868</u>	<u>\$ 64,552</u>	<u>\$ 1,064,420</u>

	December 31, 2020					
	Notes Payable			Right of Use		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 1,953,804	\$ 93,237	\$ 2,047,041	\$ 520,401	\$ 41,597	\$ 561,998
2022	619,014	59,910	678,924	401,660	25,323	426,983
2023	98,000	55,574	153,574	195,400	13,373	208,773
2024	101,000	52,220	153,220	149,574	6,299	155,873
2025	104,000	48,756	152,756	58,881	655	59,536
2026 - 2030	578,000	188,464	766,464	-	-	-
2031 - 2033	420,000	44,626	464,626	-	-	-
Total	<u>\$ 3,873,818</u>	<u>\$ 542,787</u>	<u>\$ 4,416,605</u>	<u>\$ 1,325,916</u>	<u>\$ 87,247</u>	<u>\$ 1,413,163</u>

Interest expense incurred on long-term debt was \$124,218 and \$171,722 for the years ended December 31, 2021 and 2020, respectively.

NOTE 11: LEASES

The Hospital leases office space to various tenants, including physicians. Rental income received under these arrangements totaled \$52,014 and \$44,241 for the years ended December 31, 2021 and 2020, respectively.

NOTE 12: CONCENTRATIONS OF CREDIT RISK

The Hospital grants credit to patients, substantially all of whom are local residents. The Hospital generally does not require collateral or other security extending credit to patients; however, it routinely obtains assignments of (or is otherwise entitled to receive) patients' benefits payable under health insurance programs, plans or policies (e.g., Medicare, Medicaid, Blue Cross and commercial insurance policies).

The mix of gross receivables from patients and third-party payors at December 31, are as follows:

	2021	2020
Medicare	32%	45%
Medicaid	17%	20%
Commercial and other third-party payors, and patients	51%	35%
	<u>100%</u>	<u>100%</u>

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DECEMBER 31, 2021 AND 2020

NOTE 13: DEFINED CONTRIBUTION PLAN

The Hospital offers to its employees a single employer defined contribution plan, the Riverside Medical Center Retirement Plan, in accordance with Internal Revenue Code Section 457. Substantially all employees who have completed one year of service are eligible to participate. Under the plan, the maximum deferral offered to the employees is \$19,500 for December 31, 2021 and 2020 as defined in the plan agreement. The Hospital is required to match 100% of the employees' deferral, not to exceed 3% of the employees' salary or maximum deferral. Participants become fully vested after five years, with no graduated vesting occurring between years one through four. Employer contributions were \$185,380 and \$166,463 for the years ended December 31, 2021 and 2020, respectively. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries, and the benefits may not be diverted to any other use. Forfeitures may be used to reduce future Hospital contributions. Forfeitures reflected in pension expense as a reduction of employer contributions were \$3,127 and \$17,760 for the years ended December 31, 2021 and 2020, respectively.

The Hospital has no liability for losses under the plan. An independent administrator serves as trustee of the employees' deferrals and the Hospital's matching contributions. Each employee chooses from an array of investment options offered by the administrator.

NOTE 14: CONTINGENCIES

The Hospital evaluates contingencies based upon the best available evidence. The Hospital believes that no allowances for loss contingencies are considered necessary. To the extent that resolution of contingencies results in amounts, which vary, from the Hospital's estimates, future earnings will be charged or credited.

The principal contingencies are described below.

Third Party Cost-Based Charges

The Hospital is contingently liable for retroactive adjustments made by the Medicare and Medicaid programs as a result of their examinations as well as retroactive changes in interpretations applying statutes, regulations and general instructions of those programs. The amount of such adjustments cannot be determined.

Professional Liability Risk

The Hospital is contingently liable for losses from professional liability not underwritten by the Hospital's insurance carrier.

Workman's Compensation Risk

The Hospital participated in the Louisiana Hospital Association Self-Insurance Workmen's Compensation Trust Fund in 2021 and 2020. Should the fund's assets not be adequate to cover claims made against it, the Hospital may be assessed its pro rata share of the resulting deficit. It is not possible to estimate the amount of additional assessments, if any.

Accordingly, the Hospital is contingently liable for assessments for the Louisiana Hospital Association Trust Fund. The trust fund presumes to be a "Grantor Trust" and, accordingly, income and expenses are prorated to member hospitals.

Self-Insurance for Health Insurance

The Hospital has elected to self-insure employees, board members, and eligible dependents health claims. The self-insured claims are processed through a plan administrator. The Hospital's self-insured plan has stop-loss insurance coverage for claims in excess of \$50,000 per individual per plan year, unless the individual is specifically identified by the plan to have a different stop-loss coverage.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

NOTE 14: CONTINGENCIES, CONTINUED

Laws and Regulations

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. These laws and regulations include, but are not limited to, accreditation, licensure, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in exclusion from government healthcare program participation, together with the imposition of significant fines and penalties, as well as significant repayment for past reimbursement for patient services received. While the Hospital is subject to similar regulatory reviews, management believes the outcome of any such regulatory review will not have a material adverse effect on the Hospital's financial position.

NOTE 15: NET POSITION

Net position for the years ended December 31, are as follows:

	2021	2020
Invested in Capital Assets, net of related debt	\$ 3,519,292	\$ 3,635,095
Restricted for:		
Bond Indenture	99,211	98,580
Unrestricted	11,407,755	9,367,015
Total Net Position	\$ 15,026,258	\$ 13,100,690

NOTE 16: GRANT REVENUE

The Hospital entered into a cooperative endeavor agreement (CEA) with a regional public rural hospital (Grantor) whereby the Grantor awards as an intergovernmental transfer (IGT) to be used solely to provide adequate and essential medically necessary and available healthcare services to the Hospital's service population subject to the availability of such grant funds. The aggregate IGT grant income recognized is \$5,576,263 and \$3,615,100 for the years ended December 31, 2021 and 2020, respectively.

NOTE 17: RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In May 2020, the GASB issued Statement 96. The objective of GASB 96, Subscription-Based Information Technology Arrangements, is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The requirements of GASB 96 are effective for fiscal years beginning after June 15, 2022. Earlier application is encouraged.

In June 2020, the GASB issued Statement 97. The objectives of GASB 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—An Amendment of GASB Statements 14 and 84, and a Supersession of GASB 32, are to increase consistency and comparability related to a component unit not having a governing board and the primary government performs the governing board duties and mitigates costs associated with reporting contribution plans. The requirements of GASB 97 are effective for fiscal years beginning after June 15, 2022. Earlier application is encouraged.

NOTE 18: CARES ACT FUNDING

In response to the COVID-19 pandemic, Congress passed H.R. 748, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") which was signed into law by the President on March 27, 2020. This Act established several different tranches of funds meant to ensure businesses would be able to continue paying their employees and other bills despite the COVID related declines in patient volumes and revenues and increase in operating costs. Riverside Medical Center received funds from three of the different portions of CARES Act funds: The Small Business Administration's Paycheck Protection Program, the Medicare Accelerated and Advanced Payment Program, and Provider Relief Funds.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

NOTE 18: CARES ACT FUNDING, CONTINUED

Paycheck Protection Program

The Hospital received \$2,332,755 on May 5, 2020. This money was to be used for payroll costs, utility payments, lease agreements, and interest on mortgage obligations. Under the terms of the Program, if certain criteria are met when the Hospital applies for loan forgiveness, all or part of the loan could be forgiven. Any portion that is not forgiven must be repaid over two years at an interest rate of 1%. As of June 24, 2021, the Paycheck Protection Program loan of \$2,332,755 and accrued interest of \$38,037 was forgiven by the Small Business Administration. The loan forgiveness amount was recognized as other non-operating revenue and the accrued interest forgiven amount was recognized as interest income.

Medicare Accelerated and Advanced Program

The Hospital received \$2,705,253 in Medicare Accelerated and Advanced Payments on April 17, 2020. This program was in existence prior to COVID-19 but was amended and expanded by the Act for the purposes of providing a source of more funding to Medicare Part A providers and Part B suppliers. If these funds are not repaid within one year from the date they were received, CMS will recover the funds by way of recoupment of twenty-five (25) percent of Medicare payments owed to the Hospital for the first eleven (11) months, then recouped at fifty (50) percent for the next six (6) months. The total recoupment will take place over a maximum of twenty-nine (29) months. After that time, a demand letter will be issued for any remaining balance due subject to an interest rate of four (4) percent. CMS began recouping funds during the 2021 fiscal year, and the Hospital has a balance due of \$1,828,774 as of December 31, 2021.

Provider Relief Funds

The Hospital received \$6,118,065 under this section of the CARES Act. The terms and conditions require that recipients be able to demonstrate that lost net patient revenues and increased expenses attributable to COVID 19, excluding expenses and losses that have been reimbursed from other sources, exceed the total amount of Provider Relief funding received. The Hospital has recognized \$6,118,065 of the available funds as an offset to lost net patient revenue in the 2020 fiscal year. The Hospital recognized this as non-operating revenue per the guidance laid out in GASB Technical Bulletin 2020-1.

NOTE 19: SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 23, 2022.

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SCHEDULE OF REVENUE

DECEMBER 31,

	2021			2020
	INPATIENT	OUTPATIENT	TOTAL	TOTAL
Daily Patient Services				
Medical and Surgical	\$ 648,440	\$ 789,999	\$ 1,438,439	\$ 1,657,565
Intensive Care	181,059	4,640	185,699	155,750
Swing Bed	109,515	-	109,515	28,200
Total Daily Patient Services	<u>939,014</u>	<u>794,639</u>	<u>1,733,653</u>	<u>1,841,515</u>
Other Nursing Services				
Emergency Services	124,968	7,532,104	7,657,072	6,948,753
Operating and Recovery Rooms	242,070	5,259,515	5,501,585	4,650,585
Total Other Nursing Services	<u>367,038</u>	<u>12,791,619</u>	<u>13,158,657</u>	<u>11,599,338</u>
Other Professional Services				
Anesthesiology	70,198	1,009,906	1,080,104	1,011,197
Cardiac Rehab	-	226,380	226,380	172,101
Cardiopulmonary	1,314,500	917,457	2,231,957	1,801,573
Cardiologist Clinic	-	67,771	67,771	74,852
CT Scan	176,855	7,249,989	7,426,844	6,515,785
Cath Lab	50,729	1,647,913	1,698,642	3,430,305
Dialysis	29,750	28,050	57,800	42,500
Dietary	8,335	5,361	13,696	12,906
Echo and Doppler	85,022	966,620	1,051,642	1,436,216
Electrocardiology/Electroencephalography	35,591	762,231	797,822	777,160
Family Care Clinic	-	1,522,383	1,522,383	1,151,487
Hospice	11,781	-	11,781	47,685
Hospitalist	319,520	260,829	580,349	672,973
Infusion Therapy	25,316	1,420,273	1,445,589	1,451,668
Internal Medicine	-	1,283,556	1,283,556	1,159,446
Laboratory	1,040,327	18,711,010	19,751,337	16,469,129
Mammography	-	768,139	768,139	689,807
MRI	7,368	660,973	668,341	540,518
Nuclear Medicine	52,621	1,813,565	1,866,186	1,154,370
Pediatric Internal Medicine Clinic	-	1,501,650	1,501,650	1,313,058
Pharmacy	2,989,983	6,431,802	9,421,785	7,519,430
Physician Offices	-	10,604	10,604	30,091
Radiology	110,856	2,053,012	2,163,868	1,978,313
Speech/Occupational/Physical Therapy	139,014	2,612,172	2,751,186	2,391,975
Thomas Clinic	-	1,048,237	1,048,237	1,137,459
Riverside Medical Center Surgery Center	-	84,337	84,337	89,174
Ultrasound	42,860	1,188,297	1,231,157	1,118,682
Wound Care	-	784,917	784,917	781,334
Total Other Professional Services	<u>6,510,626</u>	<u>55,037,434</u>	<u>61,548,060</u>	<u>54,971,194</u>
Gross Patient Service Revenue	<u>\$ 7,816,678</u>	<u>\$ 68,623,692</u>	76,440,370	68,412,047
Less: Contractual Adjustments			<u>(50,567,017)</u>	<u>(44,926,184)</u>
Net Patient Service Revenue before Provision for Doubtful Accounts			<u>\$ 25,873,353</u>	<u>\$ 23,485,863</u>

WASHINGTON PARISH HOSPITAL SERVICE DISTRICT NO. 1
d/b/a RIVERSIDE MEDICAL CENTER
FRANKLINTON, LOUISIANA

SCHEDULE OF OTHER REVENUE

DECEMBER 31,

	<u>2021</u>	<u>2020</u>
Other Operating Revenue		
Cafeteria	\$ 67,448	\$ 65,514
Vending	16,100	18,547
Other	<u>242,721</u>	<u>248,703</u>
 Total Other Operating Revenue	 <u>\$ 326,269</u>	 <u>\$ 332,764</u>

WASHINGTON PARISH HOSPITAL SERVICE DISTRICT NO. 1
d/b/a RIVERSIDE MEDICAL CENTER
FRANKLINTON, LOUISIANA

SCHEDULE OF EXPENSES

DECEMBER 31,

	2021	2020
Salaries		
Administrative	\$ 1,684,037	\$ 1,516,176
Anesthesiology	367,714	372,411
Cardiac Rehab	45,866	40,522
Cardiopulmonary	671,209	565,898
Cath Lab	185,155	165,097
Central Services and Supply	90,925	86,662
CT Scan	67,321	61,832
Dietary	172,855	142,227
Echo and Doppler	67,334	66,926
Electrocardiology	46,477	35,611
Emergency Services	1,766,744	1,450,459
Franklinton Clinic	774,441	641,817
Hospitalist	555,743	208,271
Housekeeping	239,576	203,014
Infusion Therapy	150,520	127,893
Intensive Care	154,677	145,476
Laboratory	997,236	855,767
Mammography	54,384	46,664
Medical and Surgical	984,017	860,583
Nuclear Medicine	73,602	71,632
Nursing Administration	752,502	660,561
Operating and Recovery Rooms	218,521	192,402
Pediatric Internal Medicine Clinic	539,065	538,050
Physician Office	507,127	547,609
Plant Operations	234,436	200,335
Radiology	416,689	385,316
Social Services	139,897	133,235
Speech/Occupational/Physical Therapy	756,831	618,281
Surgery Center	488,710	406,845
Thomas Clinic	698,372	699,560
Ultrasound	154,124	148,915
	\$ 14,056,107	\$ 12,196,047
Total Salaries	\$ 14,056,107	\$ 12,196,047

WASHINGTON PARISH HOSPITAL SERVICE DISTRICT NO. 1
d/b/a RIVERSIDE MEDICAL CENTER
FRANKLINTON, LOUISIANA

SCHEDULE OF EXPENSES

DECEMBER 31,

	<u>2021</u>	<u>2020</u>
Outside Services and Professional Fees		
Administrative	1,724,738	1,390,995
Cardiology	806,317	732,586
Cath Lab	2,054	2,504
CT Scan	500	500
Dialysis	43,150	34,375
Dietary	43,897	34,866
Electrocardiology/Electroencephalography	7,175	27,950
Emergency Services	1,375,878	1,411,764
Franklinton Clinic	3,212	2,485
Hospitalist	-	266,112
Housekeeping	64,712	63,698
Information Technology	387,957	378,092
Laboratory	602,269	540,516
Mammography	3,900	6,700
Med/Surge	7,725	-
MRI	218,200	203,500
Nuclear Medicine	6,284	6,416
Operating and Recovery Rooms	2,609	19,561
Pediatric Internal Medicine Clinic	2,095	624
Pharmacy	444,377	469,800
Physician Office	1,805	1,251
Plant Operations	43,437	39,344
Radiology	9,967	9,107
Social Services	4,709	4,605
Speech/Occupational/Physical Therapy	14,088	9,876
Surgery Center	1,606	1,664
Swingbed	2,400	2,400
Thomas Clinic	49,127	65,055
Wound Care	212,600	254,200
	<u> </u>	<u> </u>
Total Outside Services and Professional Fees	<u>\$ 6,086,788</u>	<u>\$ 5,980,546</u>

WASHINGTON PARISH HOSPITAL SERVICE DISTRICT NO. 1
d/b/a RIVERSIDE MEDICAL CENTER
FRANKLINTON, LOUISIANA

SCHEDULE OF EXPENSES

DECEMBER 31,

	<u>2021</u>	<u>2020</u>
Supplies and Other Expenses		
Administrative	\$ 1,366,175	\$ 1,250,183
Anesthesiology	23,023	23,214
Cardiac Rehab	7,915	11,201
Cardiopulmonary	153,206	126,666
Cath Lab	273,287	396,543
Central Services and Supply	20,435	17,931
CT Scan	110,196	114,156
Dietary	137,041	126,699
Echo and Doppler	23,275	22,771
Electrocardiology/Electroencephalography	4,491	5,060
Emergency Services	196,858	157,491
Franklinton Clinic	116,161	71,017
Housekeeping	72,590	78,184
Hospitalist	-	268
Information Technology	107,062	114,841
Infusion Therapy	51,805	48,461
Intensive Care	26,064	23,824
Laboratory	1,355,780	1,145,936
Mammography	115,557	59,501
Medical and Surgical	114,500	132,913
MRI	23,691	20,703
Nuclear Medicine	64,783	52,662
Nursing Administration	24,993	27,852
Operating and Recovery Rooms	291,463	251,669
Pediatric Internal Medicine Clinic	160,796	106,772
Pharmacy	1,131,054	1,098,733
Physician Office	145,294	110,846
Plant Operations	692,088	618,070
Radiology	134,710	113,353
Social Services	20,177	17,539
Speech/Occupational/Physical Therapy	38,595	56,739
Surgery Center	9,533	9,249
Swing Bed	4,316	8,014
Thomas Clinic	60,164	65,744
Ultrasound	9,565	8,522
Wound Care	3,506	3,540
	<u>7,090,149</u>	<u>6,496,867</u>
Total Supplies and Other Expenses	<u>\$ 7,090,149</u>	<u>\$ 6,496,867</u>

WASHINGTON PARISH HOSPITAL SERVICE DISTRICT NO. 1
d/b/a RIVERSIDE MEDICAL CENTER
FRANKLINTON, LOUISIANA

SCHEDULE OF GOVERNING BOARD EXPENSES

DECEMBER 31,

	2021	2020
Jerry Thomas	\$ 750	\$ 750
Donna Steele	450	600
JT Thomas	600	450
Pam Breland	825	825
Malcolm Wascom	900	825
Lori Schilling	675	900
Richard Watts	900	825
Tammy Magruder	900	900
Cynthia August	750	750
William Ferrante	300	900
Total Governing Board Expenses	\$ 7,050	\$ 7,725

WASHINGTON PARISH HOSPITAL SERVICE DISTRICT NO. 1
d/b/a RIVERSIDE MEDICAL CENTER
FRANKLINTON, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO CHIEF EXECUTIVE OFFICER

DECEMBER 31,

	2021	2020
Peter Sullivan		
Our Lady of the Angels - Contract Labor	\$ 250,000	\$ 250,000
Conference Travel	-	600
Reimbursements	315	970
	\$ 250,315	\$ 251,570



Glen P. Langlinais, CPA
Gayla L. Falcon, CPA

Michael P. Broussard, CPA
Elizabeth L. Whitford, CPA
Barrett B. Perry, CPA
Elizabeth N. DeBaillon, CPA
Chadwick V. Fortier, CPA
John W. O'Bryan, CPA (Retired)

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

Board of Commissioners
Washington Parish Hospital Service District No. 1
d/b/a Riverside Medical Center
Franklinton, Louisiana

We have audited, in accordance with generally accepted auditing standards of the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Washington Parish Hospital Service District No. 1, d/b/a Riverside Medical Center (the Hospital), a component unit of the Washington Parish Council, State of Louisiana, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the hospital's basic financial statements as listed in the table of contents, and have issued our report thereon dated June 23, 2022.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying "Schedule of Findings and Questioned Costs and Management's Corrective Action Plan", we did identify certain deficiencies in internal control that we consider to be material weaknesses.

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 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. We consider the deficiencies described in the accompanying "Schedule of Findings and Questioned Costs and Management's Corrective Action Plan" as items 2021-1 and 2021-2 to be material weaknesses.

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.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Hospital's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 did not identify findings of noncompliance.

THE HOSPITAL'S RESPONSE TO FINDINGS

The Hospital's response to the findings identified in our audit is described in the accompanying "Schedule of Findings and Questioned Costs and Management's Corrective Action Plan". The Hospital's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

This report is intended for the information and use of the Board of Commissioners and management of the Hospital, others within the organization, federal awarding agencies, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



LANGLINAIS BROUSSARD & KOHLENBERG
(A Corporation of Certified Public Accountants)
Abbeville, LA
June 23, 2022

WASHINGTON PARISH HOSPITAL SERVICE DISTRICT NO. 1
d/b/a RIVERSIDE MEDICAL CENTER
FRANKLINTON, LOUISIANA

Finding 2021-2 Preparation of Full Disclosure Financial Statements

Criteria: Management is responsible for the preparation and presentation of financial statements according to Generally Accepted Accounting Principles (GAAP). These principles include disclosure requirements.

Condition and Cause: The Hospital does not prepare full-disclosure GAAP Financial Statements.

Effect: The Hospital relied on its outside auditors to assist in the preparation of external financial statements and related disclosures.

Recommendation: Hospital's management and accounting personnel should review the draft financial statements and note disclosures prior to approving them and accepting responsibility for their contents and presentation.

Management Response: Management has reviewed the draft financial statements and agrees with the findings.

Section III: Management Letter Items

There were no management letter items for the fiscal years ended December 31, 2021 and 2020.

WASHINGTON PARISH HOSPITAL SERVICE DISTRICT NO. 1
d/b/a RIVERSIDE MEDICAL CENTER
FRANKLINTON, LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2020

Finding 2020-1 Proposed Audit Adjustments

The proposed audit adjustments had a material effect on the financial statements.

Status: Unresolved; See Finding 2021-1

Finding 2020-2 Preparation of Full Disclosure Financial Statements

Management is responsible for the preparation and presentation of financial statements according to Generally Accepted Accounting Principles (GAAP). These principles include disclosure requirements.

Status: Unresolved; See Finding 2021-2

WASHINGTON PARISH HOSPITAL SERVICE DISTRICT NO. 1

d/b/a RIVERSIDE MEDICAL CENTER

SINGLE AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2021

FRANKLINTON, LOUISIANA

WASHINGTON PARISH HOSPITAL SERVICE DISTRICT NO. 1

d/b/a RIVERSIDE MEDICAL CENTER

DECEMBER 31, 2021

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM, REPORT ON
INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Commissioners
Washington Parish Hospital Service District No. 1
d/b/a Riverside Medical Center
Franklinton, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Washington Parish Hospital Service District no. 1, a component unit of the Washington Parish Council, State of Louisiana, d/b/a Riverside Medical Center's (hereinafter "Hospital") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Hospital's major federal programs for the year ended December 31, 2021. The Hospital's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

Management of the Hospital is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Hospital's internal control over

compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Hospital's internal control over compliance.

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

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

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

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

We have audited the financial statements of the Hospital as of and for the year ended December 31, 2021, and have issued our report thereon dated June 23, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted 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.

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



LANGLINAIS BROUSSARD & KOHLENBERG
(A Corporation of Certified Public Accountants)
Abbeville, Louisiana

June 23, 2022

Riverside Medical Center
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2021

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Federal Expenditures (\$)</i>
U.S. Department of Health and Human Services Health Resources and Services Administration COVID-19 CARES Act Provider Relief Fund	93.498	\$ <u>4,319,639</u>

The accompanying notes are an integral part of this schedule

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Washington Parish Hospital Service District No. 1
d/b/a Riverside Medical Center
Franklinton, Louisiana

We have performed the procedures described in Schedule A – Procedures and Results, which were agreed to by Washington Parish Hospital Service District No. 1, d/b/a Riverside Medical Center (Hospital), a component unit of Washington Parish Council, State of Louisiana, and on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Hospital's management is responsible for those C/C areas identified in the SAUPs.

The Hospital has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule A – Procedures and Results.

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

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

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly,

this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Langlinais Broussard & Kohlenberg

LANGLINAIS BROUSSARD & KOHLENBERG
(A Corporation of Certified Public Accountants)
Abbeville, Louisiana

June 23, 2022

Schedule A – Procedures and Results

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget

Result: Policy provided included all of the above functions.

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.

Result: Policy provided included all of the above functions.

c) **Disbursements**, including processing, reviewing, and approving

Result: Policy provided included all of the above functions.

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).

Result: Policy provided included all of the above functions.

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(s) rate of pay or approval and maintenance of pay rate schedules.

Result: Policy provided included all of the above functions.

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

Result: Policy provided included all of the above functions.

g) **Credit Cards (and debit cards, fuel cards, P-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)

Result: Policy provided included all of the above functions.

h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Result: Policy provided included all of the above functions.

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Result: Policy provided included all of the above functions.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Result: Policy provided included all of the above functions.

- 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.

Result: Policy provided included all of the above functions.

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

Result: Policy provided included all of the above functions.

Board of Commissioners

- 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.

Result: The Board met at least monthly with additional special meeting called as needed.

- 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-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds.

Result: The entity has both board meetings and finance committee meetings. It was noted that both groups regularly examined budget to actual comparisons as well as other financial data.

- 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.

Result: Procedure Not Applicable – No exceptions noted in prior year.

Bank Reconciliations

3. Obtain a listing of client 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 4 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 selected each account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged)

Result: Bank reconciliations include such evidence without exception.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Result: Bank reconciliations include evidence of management review without exception.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Result: Management has researched outstanding checks of more than 12 months.

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 5 deposit sites (or all deposit sites if less than 5).

Result: Document provided; no exceptions noted.

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. 5 collection locations for 5 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 that are responsible for cash collections do not share cash drawers/registers.
Result: Documentation provided; no exceptions noted.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
Result: Documentation provided; no exceptions noted.
 - c) Each employee responsible for collecting cash is not 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.
Result: Documentation provided; no exceptions noted.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
Result: Documentation provided; no exceptions noted.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
Result: Documentation provided; no exceptions noted.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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.
Result: Procedure performed; no exceptions noted.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
Result: Procedure performed; no exceptions noted.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
Result: Procedure performed; no exceptions noted
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
Result: All selected cash collections were deposited within one day of collection no exceptions noted.
 - e) Trace the actual deposit per the bank statement to the general ledger.

Result: Procedure performed; no exceptions noted

Non-Payroll Disbursements (excluding card purchases/payments, 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 5 locations (or all locations if less than 5).

Result: Documents provided; no exceptions noted.

9. For each location selected under #8 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:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Result: Documents provided; no exceptions noted.

- b) At least two employees are involved in processing and approving payments to vendors.

Result: Documents provided; no exceptions noted.

- 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.

Result: Documents provided; no exceptions noted.

- 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.

Result: Documents provided; no exceptions noted.

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 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a.) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

Result: Procedure performed; no exceptions noted.

- b.) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Result: Procedure performed; no exceptions noted.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.

Result: Documents provided; no exceptions noted.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) 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 that 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.

Result: Procedure performed; no exceptions noted.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Result: Procedure performed; no exceptions noted.

13. Using the monthly statements or combined statements selected under #12 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 testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). 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.

Result: Procedure performed; no exceptions noted.

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

14. 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 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- 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).

Result: Documents provided; per diem rates adhere to current GSA rates.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Result: Documentation provided; no exceptions noted.

- c) Observe that 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 policy (procedure #1h).

Result: Documentation provided; no exceptions noted.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Result: Documentation provided; no exceptions noted.

Contracts

15. 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 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Result: Procedure performed; none of the selected contracts were required to be subject to the Louisiana Public Bid Law.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

Result: Procedure performed; none of the selected contracts were required to be approved by the governing body/board.

- 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, was approval documented).

Result: Procedure performed; none of the selected contracts were amended.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Result: Procedure performed; all invoices agree to the terms and conditions of the contract.

Payroll and Personnel

16. Obtain a listing of employees and elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Result: Documentation provided; no exceptions noted.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #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). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Result: Procedure performed; no exceptions noted.

- b) Observe whether supervisors approved the attendance and leave of the selected employees/officials.

Result: Procedure performed; no exceptions noted.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Result: Procedure performed; no exceptions noted.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Result: Procedure performed; no exceptions noted.

18. 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 or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Result: Procedure performed; no exceptions noted.

19. 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.

Result: Procedure performed; no exceptions noted.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 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 fiscal period.

Result: Procedure not applicable to the selected employees.

- 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.

Result: Procedure not applicable to the selected employees.

Debt Service

21. 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 that State Bond Commission approval was obtained for each debt instrument issued.

Result: All debt instruments were approved by State Bond Commission.

22. 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).

Result: Procedure performed; no exceptions noted.

Fraud Notice

23. 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.

Result: Procedure performed; no misappropriations were reported.

24. 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.

Result: Notice required by R.S.24:523.1 was found on premises and on the website.

Information Technology Disaster Recovery/Business Continuity

25. 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 no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

Result: Procedure performed; results discussed with management; backups occur daily on the cloud.

- b) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if 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 3 months.

Result: Procedure performed; results discussed with management no exceptions noted.

- 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 5 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.

Result: Procedure performed; results discussed with management software used is Microsoft Windows Defender.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 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

Result: Procedure performed with the exception of one employee.

27. 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).

Result: Procedure performed; sexual harassment policy and complaint procedures were found on its website.

28. 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:

1. Number and percentage of public servants in the agency who have completed the training requirements;

Result: Report not filed.

2. Number of sexual harassment complaints received by the agency;

Result: Report not filed.

3. Number of complaints which resulted in a finding that sexual harassment occurred;

Result: Report not filed.

4. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

Result: Report not filed.

5. Amount of time it took to resolve each complaint.

Result: Report not filed.

Management Response: We are aware of the findings and are working on a plan/process to correct the findings.

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Hospital under programs of the federal government for the year ended December 31, 2021. The information in the schedule is presented in accordance with the requirements of the 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 Hospital, it is not intended to and does not present the net position, changes in net position, or the cash flows of the Hospital.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are presented on the accrual basis of accounting.

NOTE 3 SUB-RECIPIENTS

There were no payments to sub-recipients for the fiscal year ended December 31, 2021.

NOTE 4 INDIRECT COST RATE

The hospital did not apply indirect costs to the program.

NOTE 5 REPORTING

Amounts reported on the SEFA for Provider Relief Funds are based upon the required September 30, 2021 report submission to the Health Resources and Services Administration (HRSA).

HOSPITAL SERVICE DISTRICT NO.1 of the Parish of Washington,
STATE OF LOUISIANA, a component unit of the Washington Parish Council,
d/b/a Riverside Medical Center

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2021

Section I. Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No
Significant deficiency(ies) identified? None reported

Noncompliance material to the financial statements noted? No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? No
Significant deficiency(ies) identified? None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR200.516(a)? No

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
93.498	CARES Act Providers Relief Fund

Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000

Auditee qualified as "low-risk" auditee? No

Section II. Financial Statement Findings

None.

Section III. Federal Award Findings and Questioned Costs

None.

HOSPITAL SERVICE DISTRICT NO.1 of the Parish of Washington,
STATE OF LOUISIANA, a component unit of the Washington Parish Council,
d/b/a Riverside Medical Center

SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2021

None.