

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

DECEMBER 31, 2024 AND 2023

FRANKLINTON, LOUISIANA



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FINANCIAL STATEMENTS
WASHINGTON PARISH HOSPITAL SERVICE DISTRICT NO. 1
d/b/a RIVERSIDE MEDICAL CENTER
DECEMBER 31, 2024 AND 2023
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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

OPINION

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, 2024 and 2023, 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, 2024 and 2023, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Hospital and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital'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 May 22, 2025 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

LANGLINAIS BROUSSARD & KOHLENBERG
(A Corporation of Certified Public Accountants)
Abbeville, LA
May 22, 2025

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

STATEMENT OF FINANCIAL POSITION

DECEMBER 31,

<u>ASSETS</u>		
	<u>2024</u>	<u>2023</u>
Current Assets		
Cash and Cash Equivalents	\$ 1,530,146	\$ 9,597,389
Investments	7,249,782	-
Patient Accounts Receivable, less Allowance for Doubtful Accounts of \$2,762,711 and \$2,215,006, respectively	4,226,287	3,492,349
Estimated Third-Party Payor Settlements	2,650,276	1,855,533
Inventory	696,128	733,086
Prepaid Expenses	145,464	131,766
Ad Valorem Tax Receivable	1,657,453	1,583,084
Other Receivables	268,592	532,736
Total Current Assets	<u>18,424,128</u>	<u>17,925,943</u>
ASSETS WHOSE USE IS LIMITED:		
By Bond Indenture	<u>103,420</u>	<u>102,055</u>
Total Assets Whose Use is Limited	<u>103,420</u>	<u>102,055</u>
Capital Assets		
Property, Plant and Equipment	29,104,822	27,471,999
Less Accumulated Depreciation	<u>(21,351,141)</u>	<u>(21,403,022)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>7,753,681</u>	<u>6,068,977</u>
Total Assets	<u><u>\$ 26,281,229</u></u>	<u><u>\$ 24,096,975</u></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 FINANCIAL POSITION

DECEMBER 31,

LIABILITIES AND NET POSITION

	<u>2024</u>	<u>2023</u>
Current Liabilities		
Accounts Payable	\$ 1,173,172	\$ 1,315,260
Current Maturities of Debt	516,075	533,464
Estimated Third-Party Payor Settlements	1,404,432	1,208,534
Patient Accounts - Credit Balances	97,671	35,219
Accrued Salaries	765,772	608,108
Accrued Compensated Absences	1,010,388	988,482
Accrued Payroll Liabilities and Health Insurance Reserve	344,807	421,347
Accrued Interest Payable	16,753	17,888
	<u>5,329,070</u>	<u>5,128,302</u>
Total Current Liabilities		
	5,329,070	5,128,302
Long-Term Debt		
Leases Payable	913,901	878,384
2017 Series of Indebtedness	188,000	277,000
2019 Series of Indebtedness	810,000	825,000
	<u>1,911,901</u>	<u>1,980,384</u>
Total Long-Term Debt		
	1,911,901	1,980,384
Total Liabilities	<u>7,240,971</u>	<u>7,108,686</u>
Net Position		
Invested in Assets, Net of Related Debt	5,325,705	3,555,129
Restricted	103,420	102,055
Unrestricted	13,611,133	13,331,105
	<u>19,040,258</u>	<u>16,988,289</u>
Total Net Position		
	19,040,258	16,988,289
Total Liabilities and Net Position	<u>\$ 26,281,229</u>	<u>\$ 24,096,975</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 REVENUES, EXPENSES, AND CHANGES IN NET POSITION

DECEMBER 31,

	<u>2024</u>	<u>2023</u>
Operating Revenues		
Net Patient Service Revenue before Provision for Doubtful Accounts	\$ 27,673,771	\$ 28,042,871
Less: Provisions for Doubtful Accounts	<u>(1,833,799)</u>	<u>(1,465,913)</u>
Net Patient Service Revenue after Provision for Doubtful Accounts	25,839,972	26,576,958
Ad Valorem Taxes	1,801,909	1,695,729
Intergovernmental Transfers - Operating	4,441,285	5,471,682
Other Operating Revenue	<u>3,494,874</u>	<u>2,008,421</u>
Total Operating Revenues	<u>35,578,040</u>	<u>35,752,790</u>
Operating Expenses		
Salaries	14,798,344	14,294,500
Employee Benefits	4,729,353	4,771,372
Outside Services and Professional Fees	5,722,357	6,528,398
Depreciation and Amortization	1,089,641	981,260
Supplies and Other Expenses	<u>7,401,531</u>	<u>7,035,893</u>
Total Operating Expenses	<u>33,741,226</u>	<u>33,611,423</u>
Gain from Operations	<u>1,836,814</u>	<u>2,141,367</u>
Non-Operating Revenues (Expenses)		
Non-Operating Grants	35,653	27,034
Rental Income	64,939	48,739
Interest Income	266,463	29,435
Interest Expense	(148,815)	(113,937)
Loss on the Sale of Assets	<u>(3,085)</u>	<u>(14,110)</u>
Total Non-Operating Revenues (Expenses)	<u>215,155</u>	<u>(22,839)</u>
Change in Net Position	2,051,969	2,118,528
Beginning Net Position	<u>16,988,289</u>	<u>14,869,761</u>
Ending Net Position	<u><u>\$ 19,040,258</u></u>	<u><u>\$ 16,988,289</u></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 CASH FLOWS

DECEMBER 31,

	2024	2023
Cash Flows from Operating Activities		
Receipts from Patients and Third-Party Payors	\$ 27,933,315	\$ 27,899,673
Receipts from Ad Valorem Taxes	1,727,540	1,651,012
Receipts from Intergovernmental Transfers	4,799,455	5,353,512
Payments to Suppliers	(13,018,758)	(12,801,243)
Payments to Employees for Salaries and Benefits	(19,617,625)	(19,035,886)
Net Cash Flows Provided By Operating Activities	<u>1,823,927</u>	<u>3,067,068</u>
Cash Flows from Investing Activities		
Interest and Rental Income	331,402	78,174
Loss on the Sale of Assets	3,085	14,110
Net Cash Flows Provided By Investing Activities	<u>334,487</u>	<u>92,284</u>
Cash Flows from Non-Capital Financing Activities		
Grant Income	35,653	27,034
Net Cash Provided by Non-Capital Financing Activities	<u>35,653</u>	<u>27,034</u>
Cash Flows from Capital and Related Financing Activities		
Purchases of Investments	(7,249,782)	-
Purchases of Capital Assets	(2,774,344)	(1,656,219)
Proceeds From Notes Payable	542,538	904,599
Payments on Notes Payable	(101,000)	(98,000)
Interest Paid on Debt Obligations	(149,950)	(115,032)
Payment of Lease Obligations	(527,407)	(388,934)
Net Cash Flows Used in Capital and Related Financing Activities	<u>(10,259,945)</u>	<u>(1,353,586)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(8,065,878)	1,832,800
Cash and Cash Equivalents at Beginning of the Year	<u>9,699,444</u>	<u>7,866,644</u>
Cash and Cash Equivalents at Ending of the Year	<u>\$ 1,633,566</u>	<u>\$ 9,699,444</u>

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

STATEMENT OF CASH FLOWS

DECEMBER 31,

	2024	2023
Reconciliation of Income from Operations to Net Cash Flows		
Provided by Operating Activities		
Net Loss from Operations	\$ 1,836,814	\$ 2,141,370
Adjustments to Reconcile Operating Income (Loss) to Net Cash		
Provided by (Used in) Operating Activities:		
Depreciation and Amortization	\$ 1,089,641	\$ 981,261
Provision for Doubtful Accounts	1,833,799	1,465,913
Increase in Patient Accounts Receivable	(2,505,285)	(1,272,985)
Increase in Ad Valorem Taxes Receivable	(74,369)	(44,717)
Decrease in Inventory	36,958	22,902
(Increase) Decrease in Prepaid Expenses	(13,698)	157,331
Decrease (Increase) in Other Receivables	264,144	(225,645)
(Increase) Decrease in Estimated Third-Party Payor Settlements Receivable	(800,917)	175,773
Increase in Estimated Third-Party Payor Settlements Payable	195,898	429,109
Decrease in Accounts Payable	(142,088)	(785,950)
Increase in Accrued Salaries	157,664	9,885
Increase (Decrease) in Accrued Compensated Absences	21,906	(26,149)
(Decrease) Increase in Accrued Payroll Liabilities and Health Insurance Reserve	(76,540)	38,970
Net Cash Flows Provided By (Used In) Operating Activities	<u>\$ 1,823,927</u>	<u>\$ 3,067,068</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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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, 2024 AND 2023

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. Subscription-based information technology arrangement is stated at the sum of the initial measurement of the subscription liability plus any payments made to the lessor at or before the commencement of the subscription term plus initial direct cost necessary to place the subscription asset in service. Subscription-based information technology arrangements are amortized on the straight-line method over the shorter of the subscription term or estimated useful lives of the assets. Subscription-based information technology arrangement is stated at the sum of the initial measurement of the subscription liability plus any payments made to the lessor at or before the commencement of the subscription term plus initial direct cost necessary to place the subscription asset in service. Subscription-based information technology arrangements are amortized on the straight-line method over the shorter of the subscription 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

WASHINGTON PARISH HOSPITAL SERVICE DISTRICT NO. 1
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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

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.

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 \$1,010,388 and \$988,482 for years ended December 31, 2024 and 2023, 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:

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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

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.

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, 2022.

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, 2017.

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.

On August 15, 2020 the taxpayers renewed 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 2024 and 2023, this was the only millage assessed by the Hospital.

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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

Ad valorem taxes make up approximately 5.0% and 4.7% of the hospital's financial support for the years ended December 31, 2024 and 2023, 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, 2024 and 2023, totaled \$12,205 and \$28,805, 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.

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: BANK DEPOSITS AND INVESTMENTS

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:

	2024	2023
Insured (FDIC)	\$ 250,000	\$ 250,000
Collateralized by securities held by the pledging financial institution's trust department in the Hospital's name	10,279,218	11,163,004
Total Collateral Held for Bank Balances	<u>\$ 10,529,218</u>	<u>\$ 11,413,004</u>
Total Carrying Value per Bank	<u>\$ 1,825,120</u>	<u>\$ 10,095,546</u>

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

	2024	2023
Total Cash and Cash Equivalents	<u>\$1,633,566</u>	<u>\$9,699,448</u>

For December 31, 2024 and 2023, respectively, investment income, cash equivalents, and other investments are comprised of the following:

	2024	2023
Interest Income	<u>\$ 266,463</u>	<u>\$ 29,435</u>

Investments consists of assets held in The Louisiana Asset Management Pool (LAMP) which is an investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. It is administered by Louisiana Asset Management Pool, Incorporated, a nonprofit corporation, which is subject to the regulatory oversight of the Treasurer of the State of Louisiana. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA R.S. 33:2955.

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DECEMBER 31, 2024 AND 2023

NOTE 2 - BANK DEPOSITS AND INVESTMENTS, CONT

LAMP is designed to be highly liquid and prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days. Investments are reported at fair value on the Statement of Net Position. The fair value for these investments is not materially different from its reported amounts.

At year end, the Hospital's investment balances were as follows:

	Carrying Market Amount	
	2024	2023
LAMP (AAAm/Standard & Poor)	\$7,249,782	\$-

Fair Value of Financial Instruments.

FASB Accounting Standards Codification Topic 820, "Fair Value Measurements (Topic 820)". Topic 820 requires disclosures that stratify balance sheet amounts measured at fair value based on the inputs used to derive fair value measurements.

These levels are:

Level 1 - inputs are based upon adjusted quoted prices for identical instruments traded in active markets.

Level 2 - inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of assets or liabilities.

Level 3 - inputs are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

All investments are based on Level 1 inputs. The hospital relies on the valuation procedures and methodologies of the external managers hired specifically to invest in such securities or in strategies which employ such securities.

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.

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DECEMBER 31, 2024 AND 2023

NOTE 3: ACCOUNTS RECEIVABLE - PATIENTS, CONTINUED

Patient's Accounts Receivable consists of the following:

	2024	2023
Total Patient Accounts Receivable	\$ 11,995,260	\$ 9,286,173
LESS: Allowances for Doubtful Accounts and Contractual Allowances	(7,768,973)	(5,793,824)
Net Patient Accounts Receivable	<u>\$ 4,226,287</u>	<u>\$ 3,492,349</u>

NOTE 4: ACCOUNTS RECEIVABLE - OTHER

Other Accounts Receivable consists of the following:

	2024	2023
FMP Receivable	\$ -	\$ 358,170
Other Receivables	268,592	174,566
Total Accounts Receivable - Other	<u>\$ 268,592</u>	<u>\$ 532,736</u>

NOTE 5: 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 73% and 75% of its gross patient service revenue in 2024 and 2023, respectively, from patients covered by the Medicare and Medicaid programs. The Hospital received Intergovernmental Revenue of \$4,441,285 and \$5,471,682, which accounted for 15% and 14% of total revenues for the years ended December 31, 2024 and 2023, respectively.

NOTE 6: 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:

	2024	2023
Medicare	\$ 4,207,477	\$ 3,867,699
Medicaid	6,518,542	6,922,732
All Other Payors	16,947,752	17,252,440
Total Net Patient Service Revenue Before Provision for Doubtful Accounts	<u>\$ 27,673,771</u>	<u>\$ 28,042,871</u>

The following schedule represents Total Net Patient Service Revenue:

	2024	2023
Gross Patient Service Revenue	\$ 73,721,879	\$ 76,414,797
LESS: Contractual Adjustments	(46,048,108)	(48,371,926)
Net Patient Service Revenue Before Provision for Doubtful Accounts	27,673,771	28,042,871
Provision for Doubtful Accounts	(1,833,799)	(1,465,913)
Net Patient Service Revenue after Provision for Doubtful Accounts	<u>\$ 25,839,972</u>	<u>\$ 26,576,958</u>

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DECEMBER 31, 2024 AND 2023

NOTE 7: 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, 2024 and 2023.

NOTE 8: CAPITAL ASSETS

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

December 31, 2024

	Beginning Balance	Additions	Deletions	Ending Balance
Land Improvements	\$ 907,028	\$ -	\$ 5,000	\$ 902,028
Buildings	14,908,982	212,099	27,574	15,093,507
Equipment	6,585,016	381,257	814,579	6,151,694
Software Subscriptions	135,373	100,376	-	235,749
Right of Use Building	415,534	-	-	415,534
Right of Use Equipment	4,142,299	442,162	297,455	4,287,006
Total Right of Use Assets	4,557,833	442,162	297,455	4,702,540
Gross Capital Assets	27,094,232	1,135,894	1,144,608	27,085,518
Less: Accumulated Depreciation	(18,329,705)	(506,611)	844,068	(17,992,248)
Less: Accumulated Amortization-Software Subscription	(12,862)	(58,598)	-	(71,460)
Less: Accumulated Depreciation-Right of Use	(3,060,455)	(524,432)	297,454	(3,287,433)
Gross Accumulated Depreciation	(21,403,022)	(1,089,641)	1,141,522	(21,351,141)
Depreciable Capital Assets, Net	5,691,210	46,253	3,086	5,734,377
Land	42,921	-	-	42,921
Construction in Progress	334,846	1,641,537	-	1,976,383
Net Capital Assets	6,068,977	\$ 1,687,790	\$ 3,086	\$ 7,753,681

December 31, 2023

	Beginning Balance	Additions	Deletions	Ending Balance
Land Improvements	\$ 900,225	\$ 7,400	\$ 597	\$ 907,028
Buildings	15,231,848	67,000	389,866	14,908,982
Equipment	7,768,013	352,524	1,535,521	6,585,016
Software Subscriptions	-	135,373	-	135,373
Right of Use Building	415,534	-	-	415,534
Right of Use Equipment	4,208,232	770,326	836,259	4,142,299
Total Right of Use Assets	4,623,766	770,326	836,259	4,557,833
Gross Capital Assets	28,523,852	1,332,623	2,762,243	27,094,232
Less: Accumulated Depreciation	(19,704,900)	(543,999)	1,919,194	(18,329,705)
Less: Accumulated Amortization-Software Subscription	-	(12,862)	-	(12,862)
Less: Accumulated Depreciation-Right of Use	(3,462,203)	(424,399)	826,147	(3,060,455)
Gross Accumulated Depreciation	(23,167,103)	(981,260)	2,745,341	(21,403,022)
Depreciable Capital Assets, Net	5,356,749	351,363	16,902	5,691,210
Land	42,921	-	-	42,921
Construction in Progress	11,250	334,846	11,250	334,846
Net Capital Assets	\$ 5,410,920	\$ 686,209	\$ 28,152	\$ 6,068,977

Depreciation and amortization expense for the years ended December 31, 2024 and 2023 amounted to \$1,089,641 and \$981,260, respectively.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 9: LONG-TERM DEBT

Long-term debt at December 31, 2024 and 2023, consists of the following:

	<u>2024</u>	<u>2023</u>
2017 Series of Indebtedness, payable in semi-annual installments at a 3.51% interest rate, maturity in 2027	\$ 277,000	\$ 363,000
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	825,000	840,000
Right of Use Obligation, of the Canon CDXI Upgrade, payable in 60 monthly installments at a 4.65% interest rate, maturity in 2025	5,309	17,637
Right of Use Obligation, of GE Vivid E95 System, payable in 60 monthly installments at a 1.73% interest rate, maturity in 2028	90,284	115,717
Right of Use Obligation, of the Canon Mobile X-Ray System payable in 60 monthly installments at a 7.50% interest rate, maturity in 2028	81,035	100,037
Right of Use Obligation, of Carefusion Pyxis Medical Dispenser, payable in 60 monthly installments at a 3.49% interest rate, maturity in 2028	219,497	276,014
Right of Use Obligation, of 3D Mammo & DEXA Machine, payable in 60 monthly installments at a 5.019% interest rate, maturity in 2025	15,063	102,850
Right of Use Obligation, of RadPro Omera Digital System, payable in 60 monthly installments at a 3.79% interest rate, maturity in 2025	25,733	75,762
Right of Use Obligation, of the CVI Injector System, payable in 60 monthly installments at a 7.28% interest rate, maturity in 2027	24,211	30,036
Right of Use Obligation, of Infinitt PACS G7 System, payable in 60 monthly installments at a 8.07% interest rate, maturity in 2027	38,525	49,436
Right of Use Obligation, of Beckman DHX690T, payable in 60 monthly installments at a 0.00% interest rate, maturity in 2028	93,233	116,572
Right of Use Obligation, of a Cannon Copier, payable in 56 monthly installments at a 10.19% interest rate, maturity in 2028	78,328	91,823
Right of Use Obligation, of Nuclear Medicine System, payable in 60 monthly installments at a 6.00% interest rate, maturity in 2026	42,038	61,721
Right of Use Obligation, of Olympus Eye Med, payable in 42 monthly installments at a 3.25% interest rate, maturity in 2024	-	41,392

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DECEMBER 31, 2024 AND 2023

NOTE 9: LONG-TERM DEBT, CONTINUED

Right of Use Obligation, of Seven Seven Investments Building, payable in 60 monthly installments at a 4.00% interest rate, maturity in 2027	40,036	56,085
Right of Use Obligation, of Olympus Eye Med, payable in 24 monthly installments at a 4.57% interest rate, maturity in 2024	-	3,124
Right of Use Obligation, of GE Logiq Fortis System , payable in 60 monthly installments at a 2.50% interest rate, maturity in 2027	48,157	64,356
Right of Use Obligation, of Mindray Monitoring System , payable in 60 monthly installments at a 8.69% interest rate, maturity in 2029	330,296	-
Right of Use Obligation, of Pitney Bowes Postage Machine , payable in 60 monthly installments at a 26.35% interest rate, maturity in 2029	8,310	-
Right of Use Obligation, of Cardiac Rehab Monitoring System , payable in 36 monthly installments at a 8.54% interest rate, maturity in 2027	37,680	-
Software Subscription, of Abbott Rapid Software, payable in 5 yearly installments at a 3.05% interest rate, maturity in 2027	31,445	41,314
Software Subscription, of Velocity Software, payable in 3 yearly installments at a 3.38% interest rate, maturity in 2025	4,021	7,910
Software Subscription, of Cerner Dragon, payable in 5 yearly installments at a 2.87% interest rate, maturity in 2027	44,917	59,062
Software Subscription, of Change Interquall, payable in 3 yearly installments at a 3.62% interest rate, maturity in 2026	9,213	-
Software Subscription, of Cerner Electronic Lab, payable in 5 yearly installments at a 2.82% interest rate, maturity in 2027	17,882	-
Software Subscription, of Comsolutions, payable in 36 Monthly installments at a 3.44% interest rate, maturity in 2027	40,763	-
Total Long-term Debt	2,427,976	2,513,848
Less: Current Portion	(516,075)	(533,464)
Long-term Portion	<u>\$ 1,911,901</u>	<u>\$ 1,980,384</u>
Balance due within one year:		
	2024	2023
Lease Obligations	\$ 412,075	\$ 432,464
2017 Series of Indebtedness	89,000	86,000
2019 Series of Indebtedness	15,000	15,000
Total	<u>\$ 516,075</u>	<u>\$ 533,464</u>

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 9: LONG-TERM DEBT, CONTINUED

A summary of long-term debt activity for the years ended December 31, 2024 and 2023, consists of the following:

December 31, 2024

	Beginning Balance	Additions	Reductions	Ending Balance
Lease Obligations	\$ 1,202,562	\$ 442,159	\$ 466,988	\$ 1,177,733
Software Subscriptions	108,286	100,376	60,419	148,243
2017 Series of Indebtedness	363,000	-	86,000	277,000
2019 Series of Indebtedness	840,000	-	15,000	825,000
Total	<u>\$ 2,513,848</u>	<u>\$ 542,535</u>	<u>\$ 628,407</u>	<u>\$ 2,427,976</u>

December 31, 2023

	Beginning Balance	Additions	Reductions	Ending Balance
Lease Obligations	\$ 795,183	\$ 769,226	\$ 361,847	\$ 1,202,562
Software Subscriptions	\$ -	\$ 135,373	\$ 27,087	\$ 108,286
2017 Series of Indebtedness	446,000	-	83,000	363,000
2019 Series of Indebtedness	855,000	-	15,000	840,000
Total	<u>\$ 2,096,183</u>	<u>\$ 904,599</u>	<u>\$ 486,934</u>	<u>\$ 2,513,848</u>

Scheduled repayments on long-term debt are as follows:

December 31, 2024

	Notes Payable			Right of Use		
	Principal	Interest	Total	Principal	Interest	Total
2025	104,000	48,756	152,756	\$ 412,075	\$ 73,282	485,357
2026	107,000	45,183	152,183	383,673	49,945	433,618
2027	111,000	41,469	152,469	335,377	27,307	362,684
2028	115,000	39,375	154,375	179,225	7,476	186,701
2029	120,000	33,981	153,981	15,625	170	15,795
2030 - 2034	545,000	73,082	618,082	-	-	-
Total	<u>\$ 1,102,000</u>	<u>\$ 281,846</u>	<u>\$ 1,383,846</u>	<u>\$ 1,325,976</u>	<u>\$ 158,179</u>	<u>\$ 1,484,155</u>

December 31, 2023

	Notes Payable			Right of Use		
	Principal	Interest	Total	Principal	Interest	Total
2024	101,000	51,465	152,465	\$ 432,464	\$ 59,122	491,586
2025	104,000	47,976	151,976	296,849	39,984	336,833
2026	107,000	44,373	151,373	259,338	25,744	285,082
2027	111,000	40,619	151,619	235,652	12,057	247,709
2028	635,000	138,825	773,825	86,545	1,410	87,955
2029 - 2033	145,000	7,613	152,613	-	-	-
Total	<u>\$ 1,203,000</u>	<u>\$ 330,871</u>	<u>\$ 1,533,871</u>	<u>\$ 1,310,848</u>	<u>\$ 138,317</u>	<u>\$ 1,449,165</u>

Interest expense incurred on long-term debt was \$148,815 and \$113,937 for the years ended December 31, 2024 and 2023, respectively.

NOTE 10: LEASES

The Hospital leases office space to various tenants, including physicians. Rental income received under these arrangements totaled \$64,939 and \$48,739 for the years ended December 31, 2024 and 2023, respectively.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 11: 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:

	2024	2023
Medicare	41%	43%
Medicaid	20%	18%
Commercial and other third-party payors, and patients	39%	39%
	<u>100%</u>	<u>100%</u>

NOTE 12: 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 \$23,000 and \$22,500 for December 31, 2024 and 2023 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 \$206,530 and \$198,236 for the years ended December 31, 2024 and 2023, 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 \$1,684 and \$4,050 for the years ended December 31, 2024 and 2023, 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 13: 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 2024 and 2023. 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.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 13: CONTINGENCIES, CONTINUED

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 and eligible dependents health claims. Each policy has a \$50,000 aggregate deductible that needs to be met before the deductible is applied. Each individual must reach \$80,000 before reinsurance reimburses.

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 14: NET POSITION

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

	2024	2023
Invested in Capital Assets, net of related debt	\$ 5,325,705	\$ 3,555,129
Restricted for:		
Bond Indenture	103,420	102,055
Unrestricted	13,611,133	13,331,105
Total Net Position	<u>\$ 19,040,258</u>	<u>\$ 16,988,289</u>

NOTE 15: 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 \$4,441,285 and \$5,471,682 for the years ended December 31, 2024 and 2023, respectively.

NOTE 16: RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

As of the date of this report, there were no new pronouncements that affect the Hospital.

NOTE 17: SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, May 22, 2025.

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SCHEDULE OF REVENUE

DECEMBER 31,

	2024			2023
	INPATIENT	OUTPATIENT	TOTAL	TOTAL
Daily Patient Services				
Medical and Surgical	\$ 204,228	\$ 496,700	\$ 700,928	\$ 788,365
Intensive Care	8,688	3,518	12,206	31,350
Swing Bed	354,310	-	354,310	403,877
Total Daily Patient Services	567,226	500,218	1,067,444	1,223,592
Other Nursing Services				
Emergency Services	23,812	8,329,855	8,353,667	8,499,981
Operating and Recovery Rooms	455,357	4,637,764	5,093,121	3,432,154
Total Other Nursing Services	479,169	12,967,619	13,446,788	11,932,135
Other Professional Services				
Anesthesiology	72,614	1,011,510	1,084,124	757,974
Cardiac Rehab	-	220,224	220,224	214,760
Cardiopulmonary	460,706	876,084	1,336,790	1,370,370
Cardiologist Clinic	-	-	-	589,514
CT Scan	94,100	9,868,747	9,962,847	9,483,296
Cath Lab	-	-	-	2,274,104
Dietary	1,405	3,376	4,781	4,863
Echo and Doppler	28,086	826,439	854,525	1,599,979
Electrocardiology/Electroencephalography	8,968	575,570	584,538	800,224
Family Care Clinic	-	1,130,199	1,130,199	1,446,894
Hospice	10,098	-	10,098	7,293
Hospitalist	135,083	162,221	297,304	332,932
Infusion Therapy	15,448	1,261,625	1,277,073	1,220,877
Internal Medicine	-	1,307,258	1,307,258	1,292,598
Laboratory	366,434	20,537,969	20,904,403	22,117,463
Mammography	-	788,644	788,644	824,431
MRI	7,882	700,346	708,228	726,068
Nuclear Medicine	19,067	831,399	850,466	1,157,565
Pediatric Internal Medicine Clinic	-	2,276,386	2,276,386	1,887,094
Pharmacy	1,597,466	6,289,040	7,886,506	6,651,954
Radiology	16,079	1,927,959	1,944,038	2,077,661
Speech/Occupational/Physical Therapy	247,399	3,049,407	3,296,806	3,377,855
Thomas Clinic	-	1,253,054	1,253,054	1,254,801
Riverside Medical Center Surgery Center	-	119,036	119,036	67,637
Ultrasound	28,034	1,081,179	1,109,213	1,234,395
Wound Care	1,106	-	1,106	486,468
Total Other Professional Services	3,109,975	56,097,672	59,207,647	63,259,070
Gross Patient Service Revenue	\$ 4,156,370	\$ 69,565,509	73,721,879	76,414,797
Less: Contractual Adjustments			(46,048,108)	(48,371,926)
Net Patient Service Revenue before Provision for Doubtful Accounts			\$ 27,673,771	\$ 28,042,871

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

SCHEDULE OF OTHER REVENUE

DECEMBER 31,

	<u>2024</u>	<u>2023</u>
Other Operating Revenue		
Cafeteria	\$ 86,459	\$ 73,829
Vending	19,096	16,882
Other	<u>3,389,319</u>	<u>1,917,710</u>
 Total Other Operating Revenue	 <u>\$ 3,494,874</u>	 <u>\$ 2,008,421</u>

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

SCHEDULE OF EXPENSES

DECEMBER 31,

	2024	2023
Salaries		
Administrative	\$ 1,932,150	\$ 1,927,217
Anesthesiology	406,736	395,673
Cardiac Rehab	61,224	71,146
Cardiopulmonary	719,304	717,166
Cath Lab	-	182,886
Central Services and Supply	117,253	100,323
CT Scan	66,149	76,794
Dietary	199,663	196,527
Echo and Doppler	82,581	78,310
Electrocardiology	40,465	45,570
Emergency Services	1,612,820	1,569,733
Franklinton Clinic	965,089	725,838
Housekeeping	246,697	223,332
Infusion Therapy	160,287	167,829
Intensive Care	37,602	61,556
Laboratory	1,109,724	1,019,431
Mammography	57,776	62,734
Medical and Surgical	1,148,217	1,134,712
Nuclear Medicine	76,262	74,816
Nursing Administration	1,014,874	955,152
Operating and Recovery Rooms	260,451	222,577
Pediatric Internal Medicine Clinic	776,790	732,814
Physician Office	447,279	424,949
Plant Operations	307,461	249,060
Radiology	574,260	497,686
Social Services	165,844	138,721
Speech/Occupational/Physical Therapy	932,934	861,129
Surgery Center	387,941	471,290
Thomas Clinic	744,899	762,314
Ultrasound	145,612	147,215
 Total Salaries	 <u>\$ 14,798,344</u>	 <u>\$ 14,294,500</u>

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

SCHEDULE OF EXPENSES

DECEMBER 31,

	<u>2024</u>	<u>2023</u>
Outside Services and Professional Fees		
Administrative	\$ 1,589,407	\$ 1,533,488
Cardiology	1,680	969,733
Cath Lab	-	5,796
CT Scan	1,500	1,614
Dietary	48,992	46,553
Electrocardiology/Electroencephalography	500	21,417
Echo and Doppler	-	239
Emergency Services	1,340,935	1,371,608
Franklinton Clinic	43,555	28,478
Hospitalist	767,226	544,076
Housekeeping	75,371	74,849
Information Technology	438,091	440,142
Laboratory	357,021	378,442
Mammography	3,900	6,600
Med/Surge	1,610	1,008
MRI	242,100	222,714
Nuclear Medicine	7,202	9,171
Pediatric Internal Medicine Clinic	65,890	46,618
Pharmacy	563,734	568,315
Physician Office	5,126	2,670
Plant Operations	87,540	61,232
Radiology	11,101	10,634
Social Services	2,153	5,069
Speech/Occupational/Physical Therapy	14,362	12,727
Surgery Center	7,899	1,199
Swingbed	11,108	9,878
Thomas Clinic	34,354	29,718
Wound Care	-	124,410
	<u> </u>	<u> </u>
Total Outside Services and Professional Fees	<u>\$ 5,722,357</u>	<u>\$ 6,528,398</u>

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

SCHEDULE OF EXPENSES

DECEMBER 31,

	<u>2024</u>	<u>2023</u>
Supplies and Other Expenses		
Administrative	\$ 1,669,981	\$ 1,414,558
Anesthesiology	16,752	14,843
Cardiac Rehab	2,632	4,484
Cardiopulmonary	124,864	116,139
Cath Lab	46,693	290,230
Central Services and Supply	20,654	14,914
CT Scan	131,113	125,610
Dietary	160,165	155,986
Echo and Doppler	19,828	23,590
Electrocardiology/Electroencephalography	8,747	17,381
Emergency Services	175,992	182,933
Franklinton Clinic	122,624	106,017
Housekeeping	76,240	72,944
Hospitalist	16,694	-
Information Technology	96,445	90,779
Infusion Therapy	42,995	43,945
Intensive Care	5,063	3,667
Laboratory	1,287,187	1,294,057
Mammography	52,419	52,166
Medical and Surgical	56,530	64,733
MRI	31,351	24,906
Nuclear Medicine	48,705	54,262
Nursing Administration	46,109	42,130
Operating and Recovery Rooms	323,359	189,582
Pediatric Internal Medicine Clinic	137,165	136,147
Pharmacy	1,575,586	1,321,966
Physician Office	92,565	111,683
Plant Operations	748,419	761,068
Radiology	127,793	146,636
Social Services	4,349	14,450
Speech/Occupational/Physical Therapy	34,317	36,453
Surgery Center	15,459	7,812
Swing Bed	1,270	628
Thomas Clinic	74,107	85,399
Ultrasound	7,234	9,855
Wound Care	125	3,940
	<u> </u>	<u> </u>
Total Supplies and Other Expenses	<u>\$ 7,401,531</u>	<u>\$ 7,035,893</u>

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

SCHEDULE OF GOVERNING BOARD EXPENSES

DECEMBER 31,

	<u>2024</u>	<u>2023</u>
Jerry Thomas	\$ -	\$ 75
Grayson Ball	825	825
Robin Fabre	825	375
JT Thomas	900	600
Pam Breland	825	900
Malcolm Wascom	825	825
Lori Schilling	900	825
Tammy Magruder	825	825
Cynthia August	750	750
Arthur Westbrook	750	-
Randy Magee	<u>825</u>	<u>750</u>
Total Governing Board Expenses	<u>\$ 8,250</u>	<u>\$ 6,750</u>

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,

	<u>2024</u>	<u>2023</u>
Peter Sullivan		
Salary	-	28,014
Benefits- Insurance	-	203
	<u>\$ -</u>	<u>\$ 28,217</u>
Sean Johnson		
Salary	-	100,917
Benefits- Insurance	-	125
	<u>\$ -</u>	<u>\$ 101,042</u>
Darell Lavender		
Salary	220,000	29,615
Benefits- Insurance	21,992	-
Reimbursement/Moving Expenses	3,224	8,516
	<u>\$ 245,216</u>	<u>\$ 38,131</u>

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, 2024 and 2023, 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 May 22, 2025.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hospital's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying "Schedule of Findings and Questions Costs and Management's Corrective Action Plan" as items 2024-1 and 2024-2 that we consider to be material weaknesses.

REPORT ON 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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not identify findings of noncompliance.

THE HOSPITAL'S RESPONSE TO FINDINGS


Government Auditing Standards requires the auditor to perform limited procedures on the Hospital's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Hospital's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
May 22, 2025

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS AND MANAGEMENT'S CORRECTIVE ACTION PLAN

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

We have audited 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, 2024 and 2023 and have issued our report thereon dated May 22, 2025.

We conducted our audit 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, and the provisions of OMB Circular A-133. Our audit of the financial statements as of December 31, 2024 and 2023 resulted in unmodified opinions.

Section I: Summary of Auditor's Reports

Report on Internal Control and Compliance Material to the Financial Statements:

Compliance:

Compliance Material to Financial Statements No

Internal Control:

Material Weaknesses: Yes

Significant Deficiencies: No

Section II: Financial Statement Findings

Material Weaknesses

Finding 2024-1 Proposed Audit Adjustments

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

Condition and Cause: The proposed audit adjustments primarily included adjustments to cost report settlements.

Effect: Hospital management has reviewed and approved these proposed audit adjustments.

Recommendation: Hospital management should continue to monitor interim financial statements in order to identify adjustments that need to be booked.

Management Response: Management will monitor the interim financial statements in order to identify adjustments that need to be booked.

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

Finding 2024-2 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 of the financial statements and agrees with their findings.

Section III: Management Letter Items

There were no management letter items for the fiscal years ended December 31, 2024 and 2023.

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, 2024

Finding 2023-1 Proposed Audit Adjustments

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

Status: Unresolved; See Finding 2024-1

Finding 2023-2 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 2024-2

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, 2024 through December 31, 2024. 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, 2024 through December 31, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are 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

May 22, 2025

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
Result: Policy provided included all of the above functions.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
Result: Policy provided included all of the above functions.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
Result: Policy provided included all of the above functions.
 - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
Result: Policy provided included all of the above functions.
 - v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
Result: Policy provided included all of the above functions.
 - vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Result: Policy provided included all of the above functions.
 - vii. ***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.
 - viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
Result: Policy provided included all of the above functions.
 - ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained

to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Result: Policy provided included all of the above functions.

- x. ***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.

- xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Result: Policy provided included all of the above functions.

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

Result: Policy provided included all of the above functions.