CPHD #2

CATAHOULA PARISH HOSPITAL SERVICE DISTRICT NO. 2

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2025

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Rozier McKay & Willis CERTIFIED PUBLIC ACCOUNTANTS

June 11, 2026

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Catahoula Parish Hospital Service District No. 2

Report on the Audited Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Catahoula Parish Hospital Service District No. 2, a component unit of the Catahoula Parish Police Jury, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District, as of December 31, 2025, and the respective changes in financial position and cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplemental information listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements

themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 11, 2026, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Rozier, McKay & Willis

ROZIER, MCKAY, & WILLIS
Certified Public Accountants

CATAHOULA PARISH HOSPITAL DISTRICT NO 2.

Statement of Net Position
December 31, 2025

	Business-Type Activities Enterprise Fund
ASSETS	
Current Assets	
Cash and cash equivalents	$ 4,147,968
Investments	5,365,499
Receivables (net)	1,613,326
Prepaid Expenses	151,641
Total current assets	11,278,434
Non Current Assets	
Leased Asset (net)	24,976
Subscription Based Technology (net)	43,975
Capital Assets	
Non-Depreciable Assets	182,677
Depreciable capital assets, net	3,726,536
Other Assets	182,518
Total assets	15,439,116
LIABILITIES	
Current Liabilities	
Accounts and other payables	26,649
Accrued Expenses	84,405
Unearned Revenues	67,467
Total Current Liabilities	178,521
Long-term liabilities	
Compensated Absences	132,801
Contractual Obligation	
Due within one year	100,000
Due in more than one year	25,000
Subscription Based Technology Obligation	
Due within one year	36,568
Due in more than one year	9,232
Lease Obligation	
Due within one year	20,569
Due in more than one year	5,193
Total Long-Term Liabilities	329,363
Total liabilities	507,884
NET POSITION	
Invested in Capital Assets (Net)	3,909,213
Unrestricted	11,022,019
Total Net Position	14,931,232
Total Liabilities and Net Position	$ 15,439,116

See accompanying notes and accountants' report

CATAHOULA PARISH HOSPITAL DISTRICT NO 2.

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year Ended December 31, 2025

	Business-Type Activities Enterprise Fund
Operating Revenues:	
Net patient revenues	$ 5,883,225
Total Operating Revenues	5,883,225
Operating Expenses:	
Salaries	4,788,979
Payroll taxes and related benefits	1,169,332
Insurance	85,731
Medical supplies	837,513
Contractual	1,183,075
Utilities and telephone	173,289
Depreciation and amortization	392,901
Repairs and maintenance	167,005
Office Supplies	112,821
Rent and lease expense	43,992
Other expenses	109,093
Total Operating Expenses	9,063,731
Operating Income (Loss)	(3,180,506)
Noncapital Subsidies	
Grant proceeds	3,082,456
340B Proceeds	1,040,442
Accountable Care Organization Proceeds	227,700
Ad Valorem Taxes	9,810
Total noncapital subsidies	4,360,408
Operating income (loss) and noncapital subsidies	1,179,902
Other Nonoperating Revenues (Expenses):	
Interest revenue	193,084
Net increase (decrease) in fair value of investment securities	24,041
Other revenues	23,267
Total other nonoperating revenue (expenses)	240,392
Change in Net Position	1,420,294
Net Position - beginning, originally reported	13,451,812
Prior Period Adjustment	59,126
Net Position - beginning, as restated	13,510,938
Total net position - ending	$ 14,931,232

See accompanying notes and accountants' report

CATAHOULA PARISH HOSPITAL DISTRICT NO 2.

Statement of Cash Flows Proprietary Funds

Year Ended December 31, 2025

	Business-Type Activities Enterprise Fund
Cash flow from operating activities:	
Cash received from patients	$ 5,840,060
Cash payments to suppliers of goods and services	(3,952,101)
Cash payments to employees for services	(4,767,775)
Net cash provided (used) by operating activities	(2,879,816)
Cash flows from non-capital financing activities:	
Operating grants received	3,024,247
Accountable care organization proceeds	119,103
340B Proceeds	873,545
Ad Valorem taxes received	7,430
Net cash provided (used) by non-capital financing activities	4,024,325
Cash flows from capital and related financing activities:	
Repayment of Lease Obligation	(19,779)
Repayment of Subscription Based Information Technology Obligation	(35,161)
Capital Asset Acquisition	(127,040)
Net cash provided (used) by capital and related financing activities	(181,980)
Cash flows from investing activities:	
Purchase of Investment Securities	(5,970,447)
Receipts from Paydowns and Maturities	629,000
Interest and other income	148,231
Net cash provided (used) by investing activities	(5,193,216)
Net increase (decrease) in cash	(4,230,687)
Beginning cash balance	8,378,655
Ending cash balance	$ 4,147,968
Reconciliation of operating income (loss) to net cash	
Operating income (loss)	$ (3,180,506)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	392,901
(Increase) decrease in operating accounts receivable	(43,165)
(Increase) decrease in prepaid expenses	73,359
(Decrease) increase in operating accounts payable	(143,609)
(Decrease) increase in accrued expenses	25,343
(Decrease) increase in compensated absences	(4,139)
Net cash provided (used) by operating activities	$ (2,879,816)

Supplemental Disclosure of Cash Flow Information:

During the year ended December 31, 2025, the District had investing activities that did not result in cash receipts:

Appreciation in Accountable Care Organization Investmei	$ 59,976
Net Increase in Fair Value of Investments	24,041
Total investing activities	$ 84,017

There were no other operating, investing, or financing activities that did not result in cash reciepts or payments.

See accompanying notes and accountants' report

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Basis of Presentation

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

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

Financial Reporting Entity

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

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

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

Basis of Presentation

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

Measurement Focus and Basis of Accounting

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

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

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

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

Use of Estimates

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

Cash and Cash Equivalents

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

Statement Of Cash Flows

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

Restricted Assets

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

Compensated Absences

Accumulated unpaid vacation and compensatory pay have been accrued when incurred.

Capital Assets

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

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

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

Other Asset

The District is a limited partner in the Louisiana Primary Care Accountable Care Organization, LLC (LPCACO) with an interest of 3.45% and has no ability to influence the operating or financial policies of the partnership. The equity method is used to account for its investment. Under that method, the District records income based on partnership allocations. The ordinary business income of the LPCACO allocated to the District is $59,976 and distributions of $167,723. Subsequent to year end, the District has not received the distribution.

Investments

The Authority is authorized by state law to acquire certain investment securities including obligations of the United States or its agencies. Investments are reported at fair value based on valuation techniques described in Note 3.

NOTE 2-CASH AND CASH EQUIVALENTS

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

At December 31, 2025, the District has $4,185,359 in deposits (collected bank balance). These deposits are secured from risk by $3,658,204 of federal deposit insurance and pledged securities with a market value of $1,104,875. The pledged securities are held by a custodial bank in the name of the pledging institution (fiscal agent). However, State Law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 – INVESTMENT SECURITIES

The Authority's investment policy outlines permissible investment vehicles for earning a secure return on investments held for future use. Investments held at year end are summarized as follows:

	Total Investments	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
United States Agency Securities	$ 100,000	----	$ 100,000	----
Certificates of Deposit	1,065,922	----	1,065,922	----
Corporate Bonds	4,199,577	----	4,199,577	----
Total	$ 5,365,499	$ ----	$ 5,365,499	$ ----

Securities classified in Level 2 of the fair value hierarchy are valued using evaluations, which may be matrix or model-based techniques. These estimates are obtained from various sources and assume normal market conditions and transaction volumes.

Credit Risk

The District typically manages credit risk by limiting investments to securities that are guaranteed by the United States government, issued by agencies of the United States government or issued by organizations that receive investment grade ratings from a recognized rating agency. The investments described above are typically not rated by recognized credit rating agencies. Information regarding credit risk is provided as follows:

- United States Agency Securities are rated investment grade (AA+) by Standard and Poor.
- Certificates of deposit are insured by the Federal Deposit Insurance Corporation and are not subject to rating agency evaluations.
- Corporate bonds are rated as investment grade by recognized rating agencies. Standard and Poor or equivalent ratings for the portfolio are presented as follows:

Credit Rating		
S&P or Fitch	Moody's	
AA+	Aaa	$ 26,915
AA-	Aa2	37,567
A	Aa3	300,063
A+	A1	350,359
A-	A1	301,449
A+	A2	100,427
A	A2	317,021
A	A3	228,551
A-	A3	1,714,162
BBB+	A1	99,747
BBB+	A2	176,395
BBB+	A3	546,921
Total		$ 4,199,577

Interest Rate Risk

Interest rate risk refers to exposure to fair value losses arising from increasing interest rates. Interest rate risk associated with United States Agency Securities, Certificates of Deposit, and Corporate Bonds increases in proportion to the length of time to maturity. Maturity schedules associated with these investment securities are presented as follows:

		Investment Maturities (In Years)			
	Fair Value	Less Than 1	1 – 5	6 – 10	More Than 10
United States Agency Securities	100,000	----	100,000	----	----
Certificates of Deposit	1,065,922	370,241	695,681	----	----
Taxable Municipal Bonds	4,199,577	3,207,067	992,510	----	----

NOTE 4 - AD VALOREM TAXES

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

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

NOTE 5 - RECEIVABLES

The receivables at December 31, 2025, are as follows:

Accounts Receivable	
Medicare	$ 1,631,321
Medicaid	409,075
Insurance	1,074,068
Other	62,239
Total	3,176,703
Due from Other Governmental Units	
Health and Human Services	202,649
Other Receivables	
340B Receivable	166,897

Accountable Care Organization	167,723
Interest Receivable	92,153
Advalorem Tax Receivable	7,737
Total Other Receivables	434,510
Total Accounts Receivable	3,813,862
Allowance for Contractual Adjustment	(1,997,887)
Total Receivables	$ 1,613,326

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

NOTE 6 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Disposals	Ending Balance
Non Depreciable Capital Assets				
Land	$ 182,677	$ ----	$ ----	$ 182,677
Depreciable Capital Assets				
Buildings and Improvements	$ 4,779,664	$ 127,040	$ ----	$ 4,906,704
Medical Equipment	1,429,928	----	----	1,429,928
Office Equipment	634,170	----	----	634,170
Vehicles	162,647	----	----	162,647
Accumulated Depreciation	(3,069,172)	(337,741)	----	(3,406,913)
Total Depreciable Capital Assets	$ 3,937,237	$ (210,701)	$ ----	$ 3,726,536

Depreciation expense for the year ended December 31, 2025 is $337,741.

NOTE 7 – COMPENSATED ABSENCES

Changes in the District's long-term debt for the year ended December 31, 2025 are presented as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Compensated Absences	$ 136,940	$ ----	$ 4,139	$ 132,801

NOTE 8 - RISK MANAGEMENT

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

NOTE 9 - RETIREMENT PLAN

The District participates in a Section 457 and 403b defined contribution retirement plan for its employees. This plan allows for elective deferrals for participants with an employer match. The amount of pension expense for the current year is $176,378.

NOTE 10 - CONTINGENCIES

Existing conditions that may have future financial consequences are referred to as contingencies. Contingencies existing at December 31, 2025 are described as follows:

Grant Contingencies - General

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

Third-Party Reimbursements

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

NOTE 11 – ACCOUNTS AND OTHER PAYABLES

Accounts and other payables are amounts due to vendors and payroll liabilities at December 31, 2025.

NOTE 12 - SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

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

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

	Principal	Interest	Total
2026	$ 36,568	$ 1,832	$ 38,400
2027	9,232	368	9,600
Total	$ 45,800	$ 2,200	$ 48,000

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

	Initial Value	Accumulated Amortization	Remaining Balance
Subscription Based Technology	$ 105,539	$ 61,564	$ 43,975

NOTE 13 - LEASES

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

Leased Equipment	$ 59,942
Accumulated Amortization	(34,966)
Leased Assets	$ 24,976

The lease obligation at year end is summarized below:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Long-Term Portion
Leased Equipment	$ 45,541	$ ----	$ 19,779	$ 25,762	$ 20,569	$ 5,193

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

Year Ended June 30th	Principal	Interest
2026	$ 20,569	$ 1,030
2027	5,193	208
Total Payments	$ 25,762	$ 1,238

NOTE 14 – PRIOR PERIOD ADJUSTMENT

In the previous year, receivables from the Accountable Care Organization were not recorded. A prior period adjustment is necessary to recognize the revenues in the appropriate period. The effect on the prior financial statements is presented as follows:

	As Originally Reported	Prior Period Adjustment	As Restated
Change in Net Position	$ 894,926	$ 59,126	$ 954,052
Net Position Beginning	12,556,886	----	12,556,886
Net Position Ending	$ 13,451,812	$ 59,126	$ 13,510,938

June 11, 2026

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

Board of Commissioners
Catahoula Parish Hospital Service District No. 2

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activity of the Catahoula Parish Hospital Service District No. 2 (the District) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated June 11, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective

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

Purpose of this Report

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

ROZIER, MCKAY, & WILLIS
Certified Public Accountants

June 11, 2026

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

Board of Commissioners
Catahoula Parish Hospital Service District No. 2

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Catahoula Parish Hospital Service District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended December 31, 2025. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Catahoula Parish Hospital Service District No. 2 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

ROZIER, MCKAY, & WILLIS
Certified Public Accountants

Catahoula Parish Hospital Service District No. 2
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2025

PART I – SUMMARY OF AUDITORS' RESULTS:

Financial Statements

- The Independent Auditor's Report on the financial statements for the Catahoula Parish Hospital Service District No. 2 as of December 31, 2025, and for the year then ended expressed an unmodified opinion.
- No deficiencies in internal control over financial reporting were reported in connection with the audit.
- No instance of noncompliance material to the financial statements were disclosed during the audit.

Federal Awards

- No control deficiencies involving major federal award programs were disclosed during the audit. Accordingly, there were no material weaknesses applicable to major federal award programs.
- The Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with the Uniform Circular expressed an unmodified opinion on compliance for major programs
- The audit did not disclose any audit findings which are required to be reported as findings and questioned costs.
- Major programs for the year ended December 31, 2025 are presented as follows:

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

- A threshold of $1,000,000 was used for distinguishing between Type A and Type B programs for purposes of identifying major programs.
- The Catahoula Parish Hospital Service District No. 2 is considered to be a low risk auditee as defined by Uniform Guidance.

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

- There are no matters to report.

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

- There are no matters to report.

Catahoula Parish Hospital Service District No. 2

Managements Corrective Action Plan

For the Year Ended December 31, 2025

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

Catahoula Parish Hospital Service District No. 2

Schedule of Prior Year Findings and Questioned Costs

For the Year Ended December 31, 2025

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

CATAHOULA PARISH HOSPITAL DISTRICT NO. 2

Schedule of Expenditure of Federal Financial Awards
For the year ended December 31, 2025

FEDERAL GRANTOR / Pass-through Grantor / Program Title	Assistance Listing Number	Federal Expenditures
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Direct Program - Community Health Center	93.224	$ 3,082,456
Total Health Center Cluster		3,082,456
Total Department of Health and Human Services		3,082,456
Total Expenditure of Federal Awards		$ 3,082,456

Note

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

CATAHOULA PARISH HOSPITAL DISTRICT NO. 2

Schedule of Compensation, Benefits, and Other Payments
to Agency Head or Chief Executive Officer
Year ended December 31, 2025

Agency Head Name	**Debra Miesch**
Purpose	
Salary	156,671
Benefits	
Health Insurance	10,316
Life, Accidental Death, Long-term	4,133
Reimbursements	-

APPENDIX A
Statewide Agreed-Upon Procedures

Rozier McKay & Willis CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountant's Report
On Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, which were agreed to by the Catahoula Parish Hospital Service District #2 (the Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

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

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

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

Rozier, McKay & Willis

Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana
June 4, 2026

Written Policies and Procedures		
Agreed-Upon Procedure	**Results**	**Managements' Response**
1 Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories. • Budgeting • Purchasing • Disbursements • Receipts • Payroll/Personnel • Contracting • Credit Cards • Travel and expense reimbursements • Ethics • Debt Service • Disaster Recovery / Business Continuity • Sexual Harassment	The District maintains a comprehensive set of policies necessary to comply with their federal grantor agency that covers each of the categories with the following exceptions: • Debt and budgeting are not applicable to the District, therefore the District does not have a policy.	***The results did not include findings or criticisms.***

Board (or Finance Committee)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
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:	Board minutes were obtained and reviewed for the fiscal period.	***The results did not include findings or criticisms.***
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.	The board meets monthly with a quorum.	***The results did not include findings or criticisms.***
b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*	The board information includes financial statements.	***The results did not include findings or criticisms.***
c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes	There were no deficit fund balances on the previous report.	***The results did not include findings or criticisms.***

Board (or Finance Committee)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.		
d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.	Not applicable due to no findings in the previous report.	***The results did not include findings or criticisms.***

Bank Reconciliations		
Agreed-Upon Procedure	**Results**	**Managements' Response**
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 list was obtained and a month was selected for each location.	***The results did not include findings or criticisms.***
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);	All reconciliations were prepared within 2 months of the related statement closing date.	***The results did not include findings or criticisms.***
a) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and	The bank reconciliation included evidence that a member of management reviewed them within 1 month of reconciliation.	***The results did not include findings or criticisms.***
b) 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.	There were no items outstanding longer than 12 months.	***The results did not include findings or criticisms.***

Collections (excluding EFTs)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
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).	A list of deposit sites and collection locations has been furnished and management has represented the list is complete.	***The results did not include findings or criticisms.***
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.	Employees do not share cash drawers.	***The results did not include findings or criticisms.***

Collections (excluding EFTs)			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
	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.	The employee collecting cash at each location may deposit the small amounts collected but a member of management at the administrative offices reconciles the collection documentation each day.	***The results did not include findings or criticisms.***
	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.	The CFO posts collection entries to the general ledger. The CFO does not collect any cash.	***The results did not include findings or criticisms.***
	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.	The CFO posts collection entries to the general ledger and does not collect any cash.	***The results did not include findings or criticisms.***
6	Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.	Coverage of theft is maintained.	***The results did not include findings or criticisms.***
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) . Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as	Two deposit dates were chosen at random for each deposit site.	***The results did not include findings or criticisms.***

Collections (excluding EFTs)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:		
a. Observe that receipts are sequentially pre-numbered.	Receipts are sequentially numbered as applicable.	***The results did not include findings or criticisms.***
b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.	Information appearing on a deposit slip was supported by documentation.	***The results did not include findings or criticisms.***
c. Trace the deposit slip total to the actual deposit per the bank statement.	Deposit agreed with bank statement.	***The results did not include findings or criticisms.***
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).	Deposits are made within one business day of receipt.	***The results did not include findings or criticisms.***
e. Trace the actual deposit per the bank statement to the general ledger.	Deposits agreed with amounts reported on the general ledger.	***The results did not include findings or criticisms.***

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
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).	All disbursements are processed at the administrative offices in Sicily Island.	***The results did not include findings or criticisms.***
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.	Request for purchases are made to the supervisor who requested a PO from the accounts payable associate. The PO is approved by the CEO who then gives approval to the department supervisor for purchase.	***The results did not include findings or criticisms.***
	b) At least two employees are involved in processing and approving payments to vendors.	Payments to vendors are processed by the accounts payable clerk, the CEO, and a board member.	***The results did not include findings or criticisms.***
	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.	The accounting system does not provide such a limitation. However, the CEO reviews every vendor prior to payment.	***The results did not include findings or criticisms.***

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
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.	The checks are mailed by someone who does not process payments.	***The results did not include findings or criticisms.***
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 that the disbursement matched the related original invoice/billing statement.	Disbursements are supported by documentation.	***The results did not include findings or criticisms.***
b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.	The CEO documents approval of every invoice. Also a board member reviews invoices and signs each check.	***The results did not include findings or criticisms.***
11 Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized	Each electronic disbursement is properly approved.	***The results did not include findings or criticisms.***

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.		

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	**Results**	**Managements' Response**
12 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.	A list was provided and re[presentations obtained.	***The results did not include findings or criticisms.***
13 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) was reviewed and approved, in writing, by someone other than the authorized card holder.	All credit/debit card statements are reviewed and approved by someone other than card holder.	***The results did not include findings or criticisms.***
b. Observe that finance charges and late fees were not assessed on the selected statements.	There were no finance charges or late fees assessed.	***The results did not include findings or criticisms.***

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	**Results**	**Managements' Response**
14 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).	The credit card statements did have supporting or written documentation of business/public purpose.	***The results did not include findings or criticisms.***
15 Using the list of terminated employees obtained in Payroll and Personnel procedure number 3 (below); Identify those employees who had access to cards; Randomly select 5 terminated employees (or all terminated employees with card access if less than 5); Observe evidence that the cards have been deactivated for these terminated employees	No terminated employees had access to the credit card.	***The results did not include findings or criticisms.***

Travel and Expense Reimbursement		
Agreed-Upon Procedure	**Results**	**Managements' Response**
16 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:	Management provided a list of all travel and travel-related expense reimbursements and provided representation that the list is complete .	***The results did not include findings or criticisms.***
a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).	The per diem rates agreed with the rates established by the GSA.	***The results did not include findings or criticisms.***
b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.	Actual costs reimbursed are supported by itemized receipt.	***The results did not include findings or criticisms.***
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).	Each reimbursement is supported by documentation of public purpose.	***The results did not include findings or criticisms.***
d. Observe that each reimbursement was reviewed and approved, in writing, by	All reimbursements are properly approved.	***The results did not include findings or criticisms.***

Travel and Expense Reimbursement		
Agreed-Upon Procedure	**Results**	**Managements' Response**
someone other than the person receiving reimbursement.		

Contracts		
Agreed-Upon Procedure	**Results**	**Managements' Response**
17 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:	Management provided a list of all agreements/contracts and provided representation that the lists is complete.	***The results did not include findings or criticisms.***
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.	As applicable, the contracts are properly bid.	***The results did not include findings or criticisms.***
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).	The governing board has given the CEO authority to approve contracts.	***The results did not include findings or criticisms.***
c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.	N/A, none of the contracts have been amended.	***The results did not include findings or criticisms.***
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.	Each payment is supported by an invoice, agrees with the contract terms, and the invoice and payment agreed with the contract terms and conditions.	***The results did not include findings or criticisms.***

Payroll and Personnel			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
18	Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.	A listing and representation were provided.	***The results did not include findings or criticisms.***
19	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/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).	Daily attendance and leave were documented where applicable	***The results did not include findings or criticisms.***
	b. Observe that supervisors approved the attendance and leave of the selected employees/officials.	Supervisor approval was present where applicable.	***The results did not include findings or criticisms.***
	c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.	Leave taken was reflected in the leave records where applicable.	***The results did not include findings or criticisms.***
20	Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination	The listing was obtained and representations provided. For the two employees selected vacation pay provided to the employees upon termination agreed with cumulative record.	***The results did not include findings or criticisms.***

Payroll and Personnel			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
	payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.		
21	Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.	Based on managements representations, filings and payments were performed in a timely manner.	***The results did not include findings or criticisms.***

Ethics			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
22	Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:		
	a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.	Each employee selected completed the hour of training during the fiscal period.	***The results did not include findings or criticisms.***
	b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.	Each employee selected attested that they read the ethics policy during the fiscal period.	***The results did not include findings or criticisms.***
22	Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.	The human resources director is the ethics designee.	***The results did not include findings or criticisms.***

Debt Service			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
23	Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.	Not applicable – The District has no debt.	Not applicable.
25	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.	Not applicable – The District has no debt.	Not applicable.

Fraud Notice		
Agreed-Upon Procedure	**Results**	**Managements' Response**
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.	Based on representations obtained there are no misappropriations.	***The results did not include findings or criticisms.***
26 Observe that 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.	The notice is posted in the administrative buildings.	***The results did not include findings or criticisms.***

Information Technology Disaster Recovery /Business Continuity			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
27	Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**	We performed the procedures and discussed with management.	***Not applicable.***
a.	Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.	We performed the procedures and discussed with management.	***Not applicable.***
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.	We performed the procedures and discussed with management.	***Not applicable.***
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.	We performed the procedures and discussed with management.	***Not applicable.***
28	Randomly select 5 terminated employees (or all terminated employees if less than 5) using	We performed the procedures and discussed with management.	***Not applicable.***

Information Technology Disaster Recovery /Business Continuity		
Agreed-Upon Procedure	**Results**	**Managements' Response**
the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.		
29 Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267[1]. The requirements are as follows: 1. Hired before June 9, 2020 - completed the training; and 2. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.	We performed the procedures and discussed with management.	***Not applicable.***

[1] While it appears to be a good practice for charter schools to ensure its employees are trained to keep their information technology assets safe from cyberattack, charter schools do not appear required to comply with 42:1267. An individual charter school, though, through specific provisions of its charter, may mandate that all employees/officials receive cybersecurity training.

Sexual Harassment		
Agreed-Upon Procedure	**Results**	**Managements' Response**
30 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.	All employees selected had completed their required training during the current year.	***The results did not include findings or criticisms.***
31 Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).	The complaint procedure is posted.	***The results did not include findings or criticisms.***
32 Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344: a. Number and percentage of public servants in the agency who have completed the training requirements; b. Number of sexual harassment complaints received by the agency; c. Number of complaints which resulted in a finding that sexual harassment occurred; d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and e. Amount of time it took to resolve each complaint.	The report was produced.	***The results did not include findings or criticisms.***