PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE

d/b/a
PLAQUEMINES MEDICAL CENTER

FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Plaquemines Parish Hospital Service District Number One d/b/a Plaquemines Medical Center (the Center), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements.

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 Plaquemines Parish Hospital Service District Number One d/b/a Plaquemines Medical Center as of December 31, 2021, and the respective changes in financial position, and cash flows thereof 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 the auditing standards generally accepted in the United States of America and 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 Center 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.

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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Center'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 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 misstatements, 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 Center'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 Center's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, *Schedule of Employer's Proportionate Share of Net Pension Liability* and *Schedule of Employer's Contributions* on pages 4-9 and 38-39, be presented to supplement the basic financial statements. Such information is the responsibility of the management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Center's basic financial statements. The accompanying Schedule of Compensation, Benefit and Other Payments to Agency Head or Chief Executive Officer and 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,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, Schedule of Compensation, Benefit and Other Payments to Agency Head or Chief Executive Officer and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2022, on our consideration of the Plaquemines Parish Hospital Service District Number One d/b/a Plaquemines Medical Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Plaquemines Parish Hospital Service District Number One d/b/a Plaquemines Medical Center's internal control over financial reporting and compliance.

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
July 28, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Plaquemines Parish Hospital Service District Number One (d/b/a Plaquemines Medical Center) (the "Center") annual financial report presents the Center's financial performance during the fiscal year that ended on December 31, 2021. This should be read in conjunction with the financial statements and the accompanying notes to those financial statements in this report.

Financial Highlights

- The Center's total assets decreased by $473,188, or approximately .85%.
- During the year, the Center's total operating revenue increased by $548,924 or 40.17%, to $1,915,338 from the prior year while operating expenses increased $1,292,667 or 16.52% to $9,115,991. The Center had loss from operations of $7,200,653, which is approximately 376% of total operating revenue. This compares to the prior fiscal year's loss from operations of $6,456,910, or 473% of operating revenue.
- The Center received $2,168,426 and $2,648,466 in 2021 and 2020, respectively, in ad valorem tax revenue for the operations of the facility.
- The Center received $2,469,008 and $3,016,440 in 2021 and 2020, respectively in special millage ad valorem tax revenue for operations, construction, and new programs for the facility.
- During the fiscal year, the Center made capital investments for a total of $503,043.

Required Financial Statements

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

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

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

Required Financial Statements (Continued)

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

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

Financial Analysis of the Center

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

Net Position

The following table presents a summary of the Center's Statement of Net Position for each of the fiscal years ended December 31, 2021 and 2020:

TABLE 1
Condensed Consolidated Statements of Net Position

	2021	2020	Dollar Change	Percent Change
Assets				
Current assets	$ 33,114,296	$ 33,621,384	$ (507,088)	-1.51%
Capital assets - net	21,762,208	22,286,272	(524,064)	-2.35%
Pension assets	557,964	-	557,964	0.00%
Total Assets	55,434,468	55,907,656	(473,188)	-0.85%
Deferred Outflows of Resources				
Deferred outflows of related net pension liability	625,398	436,215	189,183	43.37%
Total Assets and Deferred Outflows of Resources	$ 56,059,866	$ 56,343,871	$ (284,005)	-0.50%
Liabilities				
Current liabilities	$ 581,893	$ 697,312	$ (115,419)	-16.55%
Non-current liabilities	-	12,419	(12,419)	-100.00%
Total Liabilities	581,893	709,731	(127,838)	-18.01%
Deferred Inflows of Resources				
Deferred inflows of related net pension liability	1,155,426	575,793	579,633	100.67%
Net Position				
Net investment in capital assets	21,762,208	22,286,272	(524,064)	-2.35%
Unrestricted	32,560,339	32,772,075	(211,736)	-0.65%
Total Net Position	54,322,547	55,058,347	(735,800)	-1.34%
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 56,059,866	$ 56,343,871	$ (284,005)	-0.50%

As can be seen in Table 1, total assets decreased by $473,188 to $55,434,468 in fiscal year 2021, from $55,907,656 in fiscal year 2020. The change in total net position is primarily due to the excess of expenses over revenues in fiscal year 2021.

Summary of Revenue and Expenses

The following table presents a summary of the Center's historical revenues and expenses for each of the fiscal years ended December 31, 2021 and 2020:

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

	Year Ended December 31		Dollar	Percent
	2021	2020	Change	Change
Operating Revenues:				
Net patient service revenue	$ 1,839,560	$ 1,324,559	$ 515,001	38.88%
Lab and other services revenue	7,178	2,954	4,224	142.99%
Discount programs	68,600	38,901	29,699	76.35%
Total Operating Revenues	1,915,338	1,366,414	548,924	40.17%
Operating Expenses:				
Salaries and employee benefits	3,860,456	3,070,526	789,930	25.73%
Supplies, contract services, equipment, and fees	2,376,408	2,127,670	248,738	11.69%
Other operating expenses	1,899,227	1,641,084	258,143	15.73%
Depreciation	979,900	984,044	(4,144)	-0.42%
Total Operating Expenses	9,115,991	7,823,324	1,292,667	16.52%
Operating Loss	(7,200,653)	(6,456,910)	(743,743)	11.52%
Non-Operating Revenue:				
Ad valorem tax revenue, operating	2,168,426	2,648,466	(480,040)	-18.13%
Ad valorem tax revenue special millage	2,469,008	3,016,440	(547,432)	-18.15%
Grants and other assistance	1,739,787	1,068,247	671,540	62.86%
Loss on disposal of assets	(47,207)	(1,132)	(46,075)	4070.23%
Miscellaneous	107,534	88,042	19,492	22.14%
Investment income	11,135	185,750	(174,615)	-94.01%
Other	16,170	19,636	(3,466)	-17.65%
Total Non-Operating Revenue	6,464,853	7,025,449	(560,596)	-7.98%
Change in Net Position	(735,800)	568,539	(1,304,339)	-229.42%
Net Position-Beginning	55,058,347	54,489,808	568,539	1.04%
Net Position-Ending	$ 54,322,547	$ 55,058,347	$ (735,800)	-1.34%

Sources of Revenue

Operating Revenue

Patient service revenue includes revenue from the Medicare and Medicaid programs and patients, or their third-party payors. Reimbursement for the Medicare and Medicaid programs and the third-party payors is based upon established rates and contracts. The difference between the covered charges and the established contract is recognized as a contractual allowance. The provision for bad debt increased approximately \$127,661 or 3% to \$4,171,393 in 2021 from \$4,043,732 in 2020.

Investment Income

The Center holds funds that are invested primarily in Louisiana Asset Management Pool, a local government investment pool. Investments had a total return of \$11,135 and \$185,750 during fiscal years 2021 and 2020, respectively.

Operating and Financial Performance

The following summarizes the Center's statements of revenue and expenses as between 2021 and 2020:

Overall activity at the Center, as measured by patient-visits and procedures, performed directly by the Center, increased 44% to 27,320 visits and procedures in 2021 from 18,933 visits and procedures in 2020. Net patient service revenue per patient visit/procedure decreased 4% to \$67.33 per patient visit/procedure in 2021 from \$69.96 per patient visit/procedure in 2020.

Patient visits and procedures related to COVID-19 testing increased by 1,563 to 6,052 in 2021 from 4,489 in 2020. The reimbursement rate for these tests was approximately \$40 per visit. The decrease in net patient service revenue per patient visit/procedure for 2021, is primarily due to the increased quantity of COVID-19 testing performed and the rate of reimbursement.

TABLE 3
Patient visits and Procedures Statistical Data

	Year Ended December31	
Description	2021	2020
Clinic	20,243	14,250
Primary Care	6,710	4,226
Workers Compensation Patients	367	457
Total	27,320	18,933

Operating and Financial Performance (continued)

Salaries and related benefits expense increased $789,930 or 25.734%, to $3,860,456 in 2021 from $3,860,456 in 2020. As a percentage of operating revenue, salary and related benefits expense was approximately 202% and 225% for the fiscal years ended December 31, 2021 and 2020, respectively. During the COVID-19 pandemic, the Board recognized the vital services provided by the Center and the increased challenges faced in maintaining operations of the healthcare facility. At the Jan 21, 2021 meeting, the Board authorized temporary implementation of emergency pay for the Center's employees. This resulted in increased salary and related benefits expense for 2021; the increase was partially funded through federal funding.

Supplies, contract services, equipment, and fees and other operating expenses increased $248,738 or 11.69% the year ended December 31, 2021.

Depreciation expense decreased $4,144 for the year ended December 31, 2021. For the fiscal years ended December 31, 2021 and 2020 depreciation expense was $979,900 and $984,044, respectively.

Total operating expenses increased by $1,292,667 for the year ended December 31, 2021, for the reasons discussed above.

Capital Assets

At the end of 2021, the Center had a decrease in net capital assets of $524,064. This amount represents a net decrease of 2% over last year.

Capital Assets, net of depreciation are shown below:

	Year Ended December 31		
Description	2021	2020	Change
Land	$ 127,597	$ 127,597	$ -
Buildings	25,974,178	25,588,991	385,187
Equipment and Furniture	2,877,750	2,892,282	(14,532)
Less: Accumulated Depreciation	(7,217,317)	(6,322,598)	(894,719)
Net Capital Assets	$ 21,762,208	$ 22,286,272	$ (524,064)

Contacting the Plaquemines Medical Center

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

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

FINANCIAL STATEMENTS

PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE
d/b/a
PLAQUEMINES MEDICAL CENTER
CONSOLIDATED STATEMENT OF NET POSITION
For the Year Ended December 31, 2021

Assets	
Current Assets:	
Cash and cash equivalents	$ 27,307,906
Ad valorem tax revenue receivable (net of estimated uncollectibles of $416,044)	4,842,106
Accounts receivable	945
Patient accounts receivable (net of estimated uncollectibles of $4,171,393)	315,845
Grant income receivable	430,607
Prepaid expenses	136,226
Inventories	80,661
Total Current Assets	33,114,296
Non-Current Assets:	
Capital assets (net of accumulated depreciation of $7,217,317)	21,762,208
Net pension asset	557,964
Total Non-Current Assets	22,320,172
Total Assets	55,434,468
Deferred Outflows of Resources	
Deferred outflows of related net pension liability	625,398
Liabilities	
Current Liabilities:	
Accounts payable	309,542
Accrued expenses	271,251
Unearned revenue	600
Deposits on hold	500
Total Current Liabilities	581,893
Deferred Inflows of Resources	
Deferred inflows of related net pension liability	1,155,426
Net Position	
Net investment in capital assets	21,762,208
Unrestricted	32,560,339
Total Net Position	$ 54,322,547

The accompanying notes are an integral part of these statements.

PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE
d/b/a
PLAQUEMINES MEDICAL CENTER
CONSOLIDATED STATEMENT OF REVENUES AND EXPENSES
For the Year Ended December 31, 2021

Operating Revenues	
Net patient service	$ 1,839,560
Lab and other services	7,178
Drug discount program	68,600
Total Operating Revenues	1,915,338
Operating Expenses	
Salaries and related	3,860,456
Professional fees	595,775
Medical supplies	566,553
Repairs and maintenance	320,711
Purchased services	1,809,855
Depreciation	979,900
Utilities and telephone	237,648
Insurance	351,524
Administrative expense	393,509
Other expense	60
Total Operating Expenses	9,115,991
Operating Loss	(7,200,653)
Non-Operating Revenues (Expenses)	
Ad valorem tax revenue, operating	2,168,426
Ad valorem tax revenue, special millage	2,469,008
Grants and other assistance	1,739,787
Loss on disposal of assets	(47,207)
Miscellaneous	107,534
Investment income	11,135
Other	16,170
Total Non-Operating Revenues	6,464,853
Excess of Expenses over Revenues	$ (735,800)

The accompanying notes are an integral part of these statements.

PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE
d/b/a
PLAQUEMINES MEDICAL CENTER
CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION
For the Year Ended December 31, 2021

	Unrestricted
Net Position at December 31, 2020	$ 55,058,347
Excess of expenses over revenues	(735,800)
Net Position at December 31, 2021	$ 54,322,547

The accompanying notes are an integral part of these statements.

PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE
d/b/a
PLAQUEMINES MEDICAL CENTER
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

Cash Flows from Operating Activities:		
Revenue collected	$	1,906,601
Cash payments to employees and for employee-related costs		(4,005,107)
Cash payments for operating expenses		(4,255,866)
Net Cash Used in Operating Activities		(6,354,372)
Cash Flows from Non-Capital Financing Activities:		
Grants and other assistance		1,289,511
Ad valorem taxes		2,527,448
Ad valorem taxes - special millage		2,877,268
Other		97,022
Net Cash Provided by Non-Capital Financing Activities		6,791,249
Cash Flows from Capital And Related Financing Activities:		
Purchase of capital assets (property, plant and equipment)		(503,043)
Net Cash Used in Capital and Related Financing Activities		(503,043)
Cash Flows from Investing Activities:		
Investment income		11,135
Net Cash Provided by Investing Activities		11,135
Net Decrease in Cash and Cash Equivalents		(55,031)
Cash and Cash Equivalents, Beginning of Year		27,362,937
Cash and Cash Equivalents, End of Year	$	27,307,906
Reconciliation of Loss from Operations to Net Cash Used in Operating Activities:		
Operating loss	$	(7,200,653)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation and amortization		979,900
Bad debt expense		127,661
Pension expense, net of employer contributions		(153,180)
Changes in operating assets and liabilities:		
Accounts receivable		(136,049)
Prepaid expenses		(15,576)
Inventories		6,207
Accounts payable and accrued expenses		37,318
Net Cash Used in Operating Activities	$	(6,354,372)

The accompanying notes are an integral part of these statements.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The financial statements include the accounts of the following entities:

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

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

Reporting Entity

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Subsequent Event Review - Management of the Center has reviewed subsequent events through July 28, 2022, which is the date the financial statements were available to be issued and concluded no disclosure is required in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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

> Net Investment in Capital Assets - This component of net position consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
>
> Restricted - This component of net position consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
>
> Unrestricted - All other net position is reported in this category.

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

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

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

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

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

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

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

Compensated Absences

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

At December 31, 2021, employees have accumulated and vested $137,139 of annual leave benefits, which is recorded as a current liability.

Property Tax Calendar

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

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

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

At December 31, 2021, the Center has cash equivalents (book balances) as follows:

Demand Deposits	$ 750
Checking Accounts	4,919,700
Total Cash and Cash Equivalents Held at Fiscal Agent Bank	4,920,450
Investment in Louisiana Asset Management Pool (LAMP)	22,387,456
Total Cash and Cash Equivalents	$ 27,307,906

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

Custodial Credit Risk – Deposits Held at Fiscal Agent Bank - At December 31, 2021, the Center had $4,981,143 in deposits (collected bank balances). These deposits are secured from risk by $500,000 of federal deposit insurance and $5,315,315 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). At December 31, 2021, none of the Center's deposits with the financial institutions were under collateralized.

Custodial Credit Risk – Investment in Louisiana Asset Management Pool (LAMP)- At December 31, 2021, the Center had The Center's investments in the Louisiana Asset Management Pool (LAMP) total $22,387,456. LAMP is a local government investment pool established as a cooperative effort to enable public entities of the State of Louisiana to aggregate funds for investments. LAMP is rated AAAm by Standard & Poor's. In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.165 because the Investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc.; a nonprofit corporation organized under the laws of the State of Louisiana and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP

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

issues a publicly available financial report that includes financial statements and required supplementary information. The financial report is designed to provide a general overview of LAMP's finances for those with an interest in LAMP's finances. Access to the report can be found on the Louisiana Legislative Auditor's website, www.lla.la.gov, or by contacting LAMP at 650 Poydras St., Suite 2220, New Orleans, LA, 70130.

For the year ended December 31, 2021, the Center had no noncash investing and financing transactions.

NOTE 3 –PREPAID ITEMS

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

NOTE 4 – AD VALOREM TAX RECEIVABLES AND REVENUES

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

The Plaquemines Parish Hospital Service District Number One levies an annual ad valorem tax on all property subject to taxation in the District. The tax is collected to defray the cost of the Center's operations. For 2021, the millage was 2.89 mills, and is set to expire in 2024

The Plaquemines Parish Hospital Service District Number One levies an annual ad valorem tax on all property subject to taxation in the District. The tax is collected for the purpose of acquiring, constructing, improving, maintaining and/or operating hospital facilities and equipment of and for the District. For 2021, the millage was 3.29 mills, and is set to expire in 2031.

The Center calculates on allowance of uncollectible ad valorem tax revenues of the current year assessment that is does not expect to collect in the upcoming year. The percentage of allowance for uncollectible ad valorem receivable for 2021 is approximately 9%.

NOTE 5 – GRANTS AND OTHER FINANCIAL ASSISTANCE

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

Hurricane Katrina – The center had activity from FEMA related eligible work expensed in prior years. Grant income recognized in the current year was $449,177. This is due to FEMA project appeal decisions on an open PW and PW closeout activity. For the year ended December 31, 2021, the Center has $364,964 of outstanding reimbursement requests which were submitted to FEMA.

Hurricane Laura – The Center had reimbursable expenses related to emergency work. The grant income recognized in the current year was $5,848. For the year ended December 31, 2021, the Center has no outstanding reimbursement requests which were submitted to FEMA.

Hurricane Sally – The Center had reimbursable expenses related to emergency work. The grant income recognized in the current year was $1,338. For the year ended December 31, 2021, the Center had $1,338 of revenue receivable.

Hurricane Zeta – The Center had reimbursable expenses related to emergency work. The grant income recognized in the current year was $55,913. For the year ended December 31, 2021, the Center had $8,577 of revenue receivable.

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

Health Center Program - The purpose of this funding is to provide operational support for service delivery sites to improve the health of Plaquemines Parish underserved communities and vulnerable populations by expanding access to affordable, accessible, quality, and cost-effective primary health care services. The total amount of the grant is $920,833. Grant income recognized in the current year was $606,597. For the year ended December 31, 2021, the Center had $53,766 of revenue receivable.

Health Center Coronavirus Aid, Relief, and Economic Security (CARES) Act Program - The purpose of this funding is to provide operational support for the detection of coronavirus and/or the prevention, diagnosis, and treatment of COVID-19, including maintaining or increasing health center capacity and staffing levels during a coronavirus related public health emergency. Funding may support a wide range of in-scope activities. The total amount of the grant is $503,000. Grant income recognized in the current year was $411,005. For the year ended December 31, 2021, the Center had no outstanding revenue receivable.

Expanding Capacity for Coronavirus Testing (ECT) Program - The purpose of this funding is to support health centers abilities to prevent, prepare for, and respond to COVID-19. Funds may be used for necessary expenses to purchase, administer, and expand capacity testing to monitor and suppress COVID-19. The total amount of the grant is $104,164. Grant income recognized in the current year was $46,095. For the year ended December 31, 2021, the Center had $1,962 of revenue receivable.

NOTE 5 – GRANTS AND OTHER FINANCIAL ASSISTANCE (CONTINUED)

American Rescue Plan Funding for Health Centers Program - The purpose of this funding is to support health centers to prevent, mitigate, and respond to COVID-19 and to enhance health care services and infrastructure. The total amount of the grant is $553,875. Grant income recognized in the current year was $977. For the year ended December 31, 2021, the Center had no outstanding revenue receivable.

American Rescue Plan Health Center Infrastructure Support Program - The purpose of this funding is to support construction, expansion, alteration, renovation, and other capital improvements to modify, enhance, and expand health care infrastructure. The total amount of the grant is $504,279. For the year ended December 31, 2021, the Center had no grant revenue or outstanding revenue receivable.

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

Provider Relief Fund Program - The purpose of this funding is to support healthcare-related expenses or lost revenue attributable to COVID-19 and to ensure uninsured Americans can get treatment for COVID-19. The total amount of the funding is $206,506. Income recognized in the current year was $137,007. For the year ended December 31, 2021, the Center had no outstanding revenue receivable.

Coronavirus Relief Fund Program - The purpose of this funding is to cover the cost of necessary expenditures incurred due to the public health emergency with respect to COVID–19 between March 1, 2020, to September 30, 2021. Income recognized in the current year was $16,330. For the year ended December 31, 2021, the Center had no outstanding revenue receivable

NOTE 6 – CAPITAL ASSETS

Capital assets and depreciation activities of and for the year ended December 31, 2021, is as follows:

Description	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Depreciated				
Land	$ 127,597	$ -	$ -	$ 127,597
Capital Assets Depreciated				
Buildings	25,588,991	385,187	-	25,974,178
Equipment at cost	2,892,282	117,856	132,388	2,877,750
Less accumulated depreciation	(6,322,598)	(979,900)	(85,181)	(7,217,317)
Total	22,158,675	(476,857)	47,207	21,634,611
Capital Assets, Net	$ 22,286,272	$ (476,857)	$ 47,207	$ 21,762,208

During the year 2021, the Center recorded depreciation expense in the amount of $979,900.

NOTE 7 – MALPRACTICE INSURANCE

During 1976, the State of Louisiana enacted legislation that created a statutory limit of $500,000 for each medical professional liability claim and established the Louisiana Patient Compensation Fund (State Insurance Fund) to provide professional liability insurance to participating health care providers. The Center participates in the State Insurance Fund, which provides up to $400,000 coverage for settlement amounts in excess of $100,000 per claim, which is supplemented by an excess liability policy with a $3,000,000 per claim limit and a $5,000,000 aggregate limit.

NOTE 8 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Certain payments to vendors that relate to 2021 activity have been accrued. These payments will be made following the year end December 31, 2021.

NOTE 9 - THIRD-PARTY PAYOR ARRANGEMENTS

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

NOTE 10 – NET PATIENT SERVICE REVENUE

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

Following is a summary of contractual and other adjustment to arrive at net patient service revenues for the year ended December 31, 2021:

Gross patient revenue	$ 3,325,741
Less: Bad debt	(127,661)
Contractual adjustments	(1,358,520)
Net patient revenue	$ 1,839,560

NOTE 11 – LEASE REVENUE

The Center generates revenue through the lease of office space. Lease income recognized in the current year was $68,375. Following is a schedule of future minimum lease income for non-cancelable operating leases as of December 31, 2021:

Fiscal year:	
2022	$ 63,300
2023	43,200
2024	32,700
2025	18,000
2026	9,000
Total	$ 166,200

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

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

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

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

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

NOTE 11 – LEASE REVENUE (CONTINUED)

EPIC Physical Therapy, LLC - The Center entered into a lease with EPIC Physical Therapy, LLC for office space to be used to provide physical therapy and rehabilitation services. The lease inception date was originally March 1, 2021, for an initial term of 36 months, expiring on February 28, 2023. Due to COVID-19 issues, the office space was not utilized, and the lease not enacted until April 2021. The contract provided for rental fees of $100 per day, with a minimum monthly charge of $200. On July 1, 2021, the Center entered into a new lease with EPIC Physical Therapy, LLC, which included the office space from the original lease and additional office space; the new lease effectively terminated the original lease. The new lease was effective on July 1, 2021, for a term of 60 months and included the option for two five-year lease extensions. The lease contract provided for monthly fees of $1,500 during the initial term, $1,750 during the first five-year option and $2,150 during the second five-year option.

NOTE 12 – CONCENTRATIONS OF CREDIT RISK

Concentration of Credit Risk

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

Economic Dependency

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

NOTE 13 – PENSION PLAN

Plan Description

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

NOTE 13 – PENSION PLAN (CONTINUED)

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

For the year ended December 31, 2020, there were 290 contributing employers in Plan A and 50 in Plan B. Statewide retirement membership consisted of:

	Plan A	Plan B	Total
Inactive plan members or beneficiaries receiving benefits	7,873	985	8,858
Inactive plan members entitled to but not yet receiving benefits	9,200	1,999	11,199
Active members	13,750	2,387	16,137
Total Participating as of the Valuation Date	30,823	5,371	36,194

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

PERS issues a publicly available financial report that includes financial statements and required supplementary information for the system for the fiscal year ended December 31, 2020. Access to the report can be found on the Louisiana Legislative Auditor's website, www.lla.la.gov, or by contacting the Parochial Employees' Retirement System of Louisiana, 7905 Wrenwood Boulevard, Baton Rouge, Louisiana, 70809.

Eligibility Requirements

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

NOTE 13 – PENSION PLAN (CONTINUED)

Retirement Benefits

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

Survivor Benefits

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

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

Disability Benefits

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

NOTE 13 – PENSION PLAN (CONTINUED)

Deferred Retirement Option Plan (DROP)

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

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

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

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

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

Cost of Living Adjustments

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

NOTE 13 – PENSION PLAN (CONTINUED)

Contributions

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

According to State statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2020, the actuarially determined contribution rate was 11.11% of member's compensation for Plan A and 7.39% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2020 was 12.25% for Plan A and 7.50% for Plan B.

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

Administrative costs of PERS are financed through employer contributions.

The Center's employer and employee contributions to PERS for the measurement date fiscal year ended December 31, 2020 were as follows:

Source	Contribution Amount	Covered Payroll	Percent of Covered Payroll
Employee	$ 201,862	2,124,865	9.5%
Employer	260,296	2,124,865	12.25%
	$ 462,158		

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

At December 31, 2021, the Center reported an asset of $557,964 for its proportionate share of the PERS Net Pension Liability/Asset (NPL/A). The NPL/A for PERS was measured as of December 31, 2020, and the total pension liability(asset) used to calculate the NPL/A was determined based on an actuarial valuation as of that date. The Center's proportion of the NPL/A was based on a projection of the Center's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined. As of December 31, 2020, the most recent measurement date, the Center's proportion was 0.318216%, an increase 0.054397 % from the December 31, 2019 proportion.

NOTE 13 – PENSION PLAN (CONTINUED)

For the year ended December 31, 2021, the Center recognized a total pension expense of $89,235. This amount was made up of the following:

Components of Pension Expense	Amount
Center's pension expense per the PERS	$ 88,010
Center's amortization of actual contributions over its propottionate share of contribution	1,225
Total Pension Expense Recognized by the Center	$ 89,235

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 135,845	$ 66,596
Differences between projected and actual investment earnings	-	1,088,984
Change in assumptions	182,548	-
Change in proprotionate share of the Net Pension Liability	64,590	1,274
Differences between the District's contributions and its proportionate share of contributions	-	(1,428)
Center's contributions subsequent to the December 31, 2020 measurement date	242,415 -	-
	$ 625,398	$ 1,155,426

Deferred outflows of resources related to pensions resulting from the Center's contributions subsequent to the measurement date in the amount of $242,415 will be recognized as a reduction of the PERS NPL/A in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended December 31,	Amount of Amortization
2021	$ (212,752)
2022	$ (57,015)
2023	$ (324,732)
2024	$ (177,944)

NOTE 13 – PENSION PLAN (CONTINUED)

Actuarial Assumptions

The current year actuarial assumptions utilized for this report are based on the assumptions used in the December 31, 2020 actuarial valuation, which (with the exception of mortality) were based on results of an actuarial experience study for the period January 1, 2010 to December 31, 2014, unless otherwise specified.

A summary of the actuarial methods and assumptions used in determining the total pension liability/(asset) as of December 31, 2020, are as follows:

Description	Assumptions / Methods
Valuation Date	December 31, 2020
Acturial Cost Method	Plan A - Entry Age Normal Cost
Investment Rate of Return	Plan A - 6.40% (Net of investment expense), including inflatior
Inflation Rate	Plan A - 2.30%
Expected Remaining Service Lives	4 years
Projected Salary Increases	Plan A - 4.75%
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

The Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.30% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.0% for the year ended December 31, 2020.

NOTE 13 – PENSION PLAN (CONTINUED)

Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of December 31, 2020 are summarized in the following table:

Asset Class		Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income		33%	0.86%
Equity		51%	3.36%
Alternatives		14%	0.67%
Real assets		2%	0.11%
	Totals	100%	5.00%
Inflation			2.00%
Expected Arithmetic Nominal Return			7.00%

Discount Rate

The discount rate used to measure the total pension liability/(asset) was 6.40% for Plan A and 6.50% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the PERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 13 – PENSION PLAN (CONTINUED)

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

The following presents the Center's proportionate share of the NPL/A using the current discount rate of 6.40%, as well as what the Center's proportionate share of the NPL/A would be if it were calculated using a discount rate that is one percentage-point lower or one percentage higher than the current rate.

	Changes in Discount Rate 2020		
	1% Decrease 5.40%	Current Discount Rate 6.40%	1% Increase 7.40%
Center's Proportionate Share of the Net Pension Liability (Asset)	$ 1,169,888	$ (557,964)	$ (2,005,005)

Pension Plan Fiduciary Net Position

The components of the net position liability(asset) of PERS employers as of December 31, 2020, are as follows:

	Plan A	Plan B
Total Pension Liability	$ 4,385,659,960	$ 379,984,366
Plan Fiduciary Net Position	4,561,001,343	405,656,961
Net Pension Liability (Asset)	$ (175,341,383)	$ (25,672,595)

Detailed information about PERS's fiduciary net position is available in the separately issued December 31, 2020 financial report. This report can be found on the Louisiana Legislative Auditor's website (www.lla.la.gov) in the database of reports.

Payables to the Pension Plan

At December 31, 2021, the Center had $130,222 in payables to PERS for the fourth quarter 2021 employee ($56,879) and employer ($73,343) legally required contributions. The employer amount is accrued as a payable at year end and is also included in the deferred outflows figure since it is included as contributions made subsequent to the December 31, 2020 measurement date.

NOTE 14 –CONTINGENCIES

The Center's legal representatives have reviewed all litigation and claims in order to evaluate the likelihood of an unfavorable outcome to the Center and arrive at an estimate of the amount of potential loss to the Center. At December 31, 2021, as a result of this review, in the opinion of the Center's legal representatives, there are no claims with a probable unfavorable outcome that exceed limits of available coverage; therefore, no provisions have been made in the financial statements for loss contingencies.

NOTE 15 –POST EMPLOYMENT BENEFITS

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the Center provides health care benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the first day of the month for the actual month covered. This program is offered for duration of 18 months after the termination date. There is no associated cost to the Center under this program, and there are no participants in the program as of December 31, 2021.

NOTE 16 – AMOUNTS PAID TO GOVERNING BOARD MEMBERS

The Hospital Board of Commissioners earned the following compensation from the Center for services as Commissioners during the year ended December 31, 2021:

Dale Adams	$ 480
Brigette Belair	440
Erin Braud	400
Stanley Gaudet	440
Norma Lafrance	440
Mena Marinovich	480
Rechelle Ragas	160
Jane Tesvich	440
Bonnie Thomas	400
	$ 3,680

NOTE 17 – FINANCIAL DATA OF COMPONENT UNIT

The condensed financial statement data of Plaquemines Primary Care, Inc. for the year ended December 31, 2021, is shown below in the following statements: (1) condensed statement of net position; (2) condensed statement of revenues, expenses, and change in net position; (3) statement of cash flows.

PLAQUEMINES PRIMARY CARE, INC.
Condensed Statement of Net Position
For the Year Ended December 31, 2021

Assets		
Current assets	$	462,127
Capital assets-net		111,722
Total Assets	$	573,849
Liabilities		
Current liabilities	$	67,174
Due to Plaquemines Medical Center		647,275
Total Liabilities		714,449
Net Position		
Restricted (deficit)		(140,600)
Unrestricted		-
Total Net Position		(140,600)
Total Liabilities and Net Position	$	573,849

NOTE 17 – FINANCIAL DATA OF COMPONENT UNIT (CONTINUED)

PLAQUEMINES PRIMARY CARE, INC.
Statement of Revenues, Expenses, and Change in Net Position
For the Year Ended December 31, 2021

Operating Revenues	
Net patient services	$ 413,350
Drug discount program	68,600
Total Operating Revenues	481,950
Operating Expenses	
Salaries & employee benefits	1,137,749
Other operating expenses	516,956
Depreciation	21,493
Total Operating Expenses	1,676,198
Operating Loss	(1,194,248)
Non-Operating Revenues	
Grants and other assistance	1,202,239
Miscellaneous	10,014
Total Non-Operating Revenues	1,212,253
Change in Net Position	18,005
Net Position-Beginning	(158,605)
Net Position-Ending	$ (140,600)

NOTE 17 – FINANCIAL DATAOF COMPONENT UNIT (CONTINUED)

PLAQUEMINES PRIMARY CARE, INC.
Statement of Cash Flows
For the Year Ended December 31, 2021

Cash Flows from Operating Activities:	
Revenue collected	$ 533,247
Cash payments to employees and for employee-related costs	(1,128,456)
Cash payments for operating expenses	(507,052)
Net Cash Used in Operating Activities	(1,102,261)
Cash Flows from Non-Capital Financing Activities:	
Grants and other assistance	1,092,915
Other	298,554
Net Cash Provided by Non-Capital Financing Activities	1,391,469
Cash Flows from Capital and Related Financing Activities	
Purchase of capital assets (property, plant and equipment)	(73,635)
Net cash used in capital and related financing activities	(73,635)
Net Increase in Cash and Cash Equivalents	215,573
Cash and Cash Equivalents, Beginning of Year	87,976
Cash and Cash Equivalents, End of Year	$ 303,549
Reconciliation of Loss from Operations to Net Cash Used in Operating Activities:	
Operating loss	$ (1,194,248)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	21,493
Bad debt expense	3,052
Changes in operating assets and liabilities	
Accounts receivable	48,245
Prepaid expenses	(1,368)
Inventories	4,818
Accounts payable and accrued expenses	15,747
Net cash used in operating activities	$ (1,102,261)

REQUIRED SUPPLEMENTARY INFORMATION

PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE
d/b/a
PLAQUEMINES MEDICAL CENTER
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
For the Year Ended December 31, 2021

Year ended December31	Plan	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position As a Percentage of the Total Pension Liability
2015	PERS Plan A	0.155025%	$ 42,385	$ 844,000	5.0%	99.1%
2016	PERS Plan A	0.208163%	$ 547,945	$ 1,191,203	46.0%	92.2%
2017	PERS Plan A	0.245949%	$ 506,535	$ 1,458,617	34.7%	94.1%
2018	PERS Plan A	0.263154%	$ (195,325)	$ 1,615,619	-12.1%	102.0%
2019	PERS Plan A	0.265547%	$ 1,178,593	$ 1,632,481	72.2%	88.9%
2020	PERS Plan A	0.263819%	$ 12,419	$ 1,672,816	0.7%	99.9%
2021	PERS Plan A	0.318216%	$ (557,964)	$ 2,124,865	-26.3%	104.0%

*The amounts presented have a measurement date of December 31, 2020

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

PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE
d/b/a
PLAQUEMINES MEDICAL CENTER
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
For the Year Ended December 31, 2021

Year ended December31	Plan	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	PERS Plan A	$ 172,724	$ 172,724	$ -	$ 1,191,203	14.5%
2016	PERS Plan A	$ 189,179	$ 189,179	$ -	$ 1,458,617	13.0%
2017	PERS Plan A	$ 201,952	$ 201,952	$ -	$ 1,615,619	12.5%
2018	PERS Plan A	$ 187,662	$ 187,662	$ -	$ 1,631,843	11.5%
2019	PERS Plan A	$ 192,374	$ 192,374	$ -	$ 1,672,817	11.5%
2020	PERS Plan A	$ 260,296	$ 260,296	$ -	$ 2,124,865	12.3%
2021	PERS Plan A	$ 325,965	$ 325,965	$ -	$ 2,660,937	12.3%

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

OTHER SUPPLEMENTAL INFORMATION

PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE
d/b/a
PLAQUEMINES MEDICAL CENTER
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
For the Year Ended December 31, 2021

Agency Head: Leslie Prest

Purpose	Amount
Salary	$ 186,850
Benefits-Retirement	22,889
Benefits-Insurance	24,684
Travel and Mileage	1,621
Reimbursment	122
	$ 236,166

During the COVID-19 pandemic, the Board recognized the vital services provided by the Center and the increased challenges faced in maintaining operations of the healthcare facility. At the Jan 21, 2021 meeting, the Board authorized temporary implementation of emergency pay for the Center's employees. This resulted in increased salary and related benefits expense for 2021; the increase was partially funded through federal fundin

PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE
d/b/a
PLAQUEMINES MEDICAL CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2021

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Grant ID No.	Federal Expenditures($)
Department of Health and Human Services			
Health Center Program	93.224	H8FC-S41240--2021HRSA	$ 977
Health Center Program	93.224	HCCA-H8D813--2020HRSA	397,305
Health Center Program	93.224	HCP-H80639--2020HRSA	606,597
Health Center Program	93.224	HECS-H8E660--2020HRSA	46,095
Total Health Center Program			1,050,974
Provider Relief Fund	93.498	Stimulus PPC	103,253
Provider Relief Fund	93.498	HHS Cares Act PMC	15,772
Provider Relief Fund	93.498	Stimulus PPC Mobile Bus	103,253
Provider Relief Fund	93.498	HHS Cares Act PPC	558
Total Provider Relief Fund			222,836
Total Department of Health and Human Services			$ 1,273,810
Department of Homeland Security			
Disaster Grants - Presidentially Declared Disasters	97.036	Hurricane Ida	$ 29,349
Disaster Grants - Presidentially Declared Disasters	97.036	Hurricane Zeta	28,084
Total Disaster Grants - Presidentially Declared Disasters			57,433
Total Department of Homeland Security			$ 57,433
Total Expenditures of Federal Awards			**$ 1,331,243**

The accompanying notes are an integral part of this schedule

PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE
d/b/a
PLAQUEMINES MEDICAL CENTER
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2021

NOTE A - FISCAL PERIOD AUDITED

Single audit testing procedures were performed for program transactions occurring during the year ended December 31, 2021. Federal financial assistance expenditures during the year did meet the criteria set forth in the Single Audit Act and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principle, and Audit Requirements for Federal Awards* (Uniform Guidance). Grant terms are indicated in the Schedule of Expenditures of Federal Awards.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

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

2. Indirect Cost Rate

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

3. Expenditures of amounts incurred in prior years, Revenues received in 2021.

During the year 2021, the Center received FEMA reimbursements for Hurricanes Katrina (2005) and Hurricane Laura (2020). These federal awards under CFDA 97.036 relate to expenditures reported in a prior year(s) and not reflected on the Schedule of Expenditures of Federal Awards for the year ended December 31, 2021.

4. Provider Relief Funds CFDA 93.498

Due to delays in the launch of the Provider Relief Funds portal, the SEFA reporting guidance that appeared in the 2020 Compliance Supplement addendum is superseded by the following: For FYEs on or before June 29, 2021, no PRF expenditures or lost revenues should be reported by recipients on the SEFA until the specified timeframe described in the reporting requirements. The SEFA for the Center reports fund received in 2020 and spent in 2020 through June 30, 2021.

COMPLIANCE AND INTERNAL CONTROL SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business type activities of the Plaquemines Parish Hospital Service District Number One d/b/a Plaquemines Medical Center (the Center) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements, and have issued our report thereon dated July 28, 2022

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2021-1.

The Center's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Center's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Center'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 Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
July 28, 2022

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Plaquemines Parish Hospital Service District Number One d/b/a Plaquemines Medical Center's (the Center) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the year ended December 31, 2021. The Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion for 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 Center 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 legal determination of the Center's 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 Center's federal program.

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 Center'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 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 judgement made by a reasonable user of the report on compliance about the Center'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 Center'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 Center'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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Center'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 the type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

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

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
July 28, 2022

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

We have audited the financial statements of the Plaquemines Parish Hospital Service District Number One d/b/a Plaquemines Medical Center as of and for the year ended December 31, 2021, and have issued our report thereon dated July 28, 2022. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2021, resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

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

Internal Control
Material Weaknesses ☐ Yes ☒ No
Significant Deficiencies ☐ Yes ☒ No

Compliance
Compliance Material to Financial Statements ☒ Yes ☐ No

Was a management letter issued? ☐ Yes ☒ No

b. Federal Awards

Internal Control
Material Weaknesses ☐ Yes ☒ No
Significant Deficiencies ☐ Yes ☒ No

Type of Opinion on Compliance for Major Programs: Unqualified

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

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

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance? ☐ Yes ☒ No

Section I Summary of Auditor's Reports (Continued)

c. Identification of Major Program:

Health Center Program CFDA 93.224 $1,050,974

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

A. Internal Control

Significant Deficiencies
No findings are reported under this section

Material Weaknesses
No findings are reported under this section

B. Compliance

2021-1 Sexual Harassment Reporting and Training

Criteria: R.S. 42:341-344, or "Prevention of Sexual Harassment," became effective January 1, 2019. The provisions of this law impact all public officers and employees, departments, offices, divisions, agencies, commissions, boards, committees, and other organizational units of the State of Louisiana or political subdivisions.

Condition: Management was unable to provide documentation of reporting or training.

Cause: The Center's lack of written training monitoring procedure caused a failure in achieving sexual harassment reporting and training.

Effect: Not all of the Center's board members and employees received the requisite training. The Center did not post the requisite reporting.

Recommendation: Management should enhance the current sexual harassment policy regarding reporting and monitoring to comply with the legislation.

Management's Response: Management concurred with the finding and outlined a plan of corrective action. See page 49

PLAQUEMINES PARISH HOSPITAL SERVICE DISTRICT NUMBER ONE
d/b/a
PLAQUEMINES MEDICAL CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2021

Section III Findings reported in accordance with *Uniform Guidance*

A – Internal Control

Significant Deficiencies
No findings are reported under this section

Material Weaknesses
No findings are reported under this section

B. Compliance Section

No findings are reported under this section

Section IV – Management Letter

None was issued.

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

Section I. Internal Control and Compliance Material to the Financial Statements

A – Issues of Noncompliance

2020-1 Ethics Training – Resolved.

B – Significant Deficiencies

None

C – Material Weaknesses

None

D – Management Letter

None

Section II. Federal Awards

None

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

2021-1 Sexual Harassment Reporting and Training

Management a agrees with the finding and will ensure the Plaquemines Medical Center meets all legislative requirements of sexual harassment reporting and training going forward.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To: Board of Commissioners
Plaquemines Parish Hospital Service District Number One
d/b/a Plaquemines Medical Center
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 – December 31, 2021. Plaquemines Parish Hospital Service District Number One d/b/a Plaquemines Medical Center (the Center). The Center's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and observe whether they address each of the following categories and subcategories (or report that the entity does not have any written policies and procedures), if applicable to public funds and the entity's operations:

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

   b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

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

d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

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

i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

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

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

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

Results: Exceptions were noted for item (l) Sexual Harassment policy. The Center does not have a written policy that addresses annual employee training and reporting.

Board (or Finance Committee, if applicable)

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit 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.*

c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results: No exceptions were noted as a result of this procedure.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 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 each selected account, and observe that:

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

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

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

   Results: No exceptions were noted as a result of this procedure.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

   Results: No exceptions were noted as a result of this procedure.

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: **For each cash collection location selected**:

   a) Employees responsible for cash collections do not share cash drawers/registers.

   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.

   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.

   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/official verifies the reconciliation.

   Results: No exceptions were noted as a result of this procedure.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

   Results: No exceptions were noted as a result of this procedure.

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 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.

   b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

   c) Trace the deposit slip total to the actual deposit per the bank statement.

   d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer).

   e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were noted as a result of this procedure.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

   Results: No exceptions were noted as a result of this procedure.

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.

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

   c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

   d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

   [Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

   Results: No exceptions were noted as a result of this procedure.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

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

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

    Results: No exceptions were noted as a result of this procedure.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

    Results: No exceptions were noted as a result of this procedure.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

    a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

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

    Results: No exceptions were noted as a result of this procedure.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

    Results: No exceptions were noted as a result of this procedure.

Travel and Expense Reimbursement

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

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

c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Results: No exceptions were noted as a result of this procedure.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

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

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

c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

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 the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were noted as a result of this procedure.

Payroll and Personnel

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

Results: No exceptions were noted as a result of this procedure.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

    a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

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

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

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

    Results: No exceptions were noted as a result of this procedure.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

    Results: No exceptions were noted as a result of this procedure.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

    Results: No exceptions were noted as a result of this procedure.

Ethics (excluding nonprofits)

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above' obtain ethics documentation from management, and:

    a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results: No exceptions were noted as a result of this procedure.

Debt Service (excluding nonprofits)

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

    Results: This section not applicable.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

    Results: This section not applicable.

Fraud

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.

    Results: No exceptions were noted as a result of this procedure.

24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

    Results: No exceptions were noted as a result of this procedure.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

    a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

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.

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.

Results: We performed the procedure and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

    Results: Documentation did not demonstrate each employee/official completed at lease on hour of sexual harassment training during the calendar year..

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

    Results: We did not observe the Center has posted its sexual harassment policy and complain procedure on its website or at the Center's premises.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

    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.

Results: We did not observe the Center prepared its annual sexual harassment report with the required elements.

We were engaged by the Center 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 Center 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.

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
July 28, 2022

PLAQUEMINES
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July 28, 2022

Edward L. Camnetar, Jr.
Camnetar & Co. CPAs
2550 Belle Chasse Hwy, Suite 170
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Re: Management's Response to Agreed-Upon Procedures Engagement Finding

Dear Mr. Camnetar

The following outlines the action to be taken by the Plaquemines Medical Center (Hospital Service District No. 1 of Plaquemines Parish) regarding the agreed upon procedures finding addressed to the Center by you, our auditor, Camnetar & Co., CPAs (APAC), in your report dated July 28, 2022

Management agrees with the finding and will ensure the Plaquemines Medical Center meets all legislative requirements of sexual harassment reporting and training going forward.

Sincerely,

Dale Adams
Chairman