

HOSPITAL SERVICES DISTRICT NO. 1  
OF THE PARISH OF AVOUELLES  
d/b/a BUNKIE GENERAL HOSPITAL

FINANCIAL REPORT

JUNE 30, 2021 and 2020

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# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Brad E. Kolder, CPA, JD\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Stephen J. Anderson, CPA\*  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA  
Casey L. Ardoin, CPA, CFE

Victor R. Slaven, CPA\* - retired 2020

\* A Professional Accounting Corporation

183 S. Beadle Rd. 11929 Bricksome Ave.  
Lafayette, LA 70508 Baton Rouge, LA 70816  
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.  
Alexandria, LA 71301 New Iberia, LA 70560  
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.  
Abbeville, LA 70510 Morgan City, LA 70380  
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.  
Ville Platte, LA 70586 Oberlin, LA 70655  
Phone (337) 363-2792 Phone (337) 639-4737

WWW.KCSRCPAS.COM

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Hospital Services District No. 1  
of the Parish of Avoyelles  
d/b/a Bunkie General Hospital  
Bunkie, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Hospital Services District No. 1 of the Parish of Avoyelles d/b/a Bunkie General Hospital (Hospital), a component unit of the Avoyelles Parish Police Jury, as of June 30, 2021, and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements, as listed in the table of contents.

### *Management's Responsibility 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.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

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 Hospital, as of June 30, 2021, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Prior Period Financial Statements**

The financial statements of the Hospital Services District No. 1 of the Parish of Avoyelles d/b/a Bunkie General Hospital (Hospital), a component unit of the Avoyelles Parish Police Jury, as June 30, 2020, were audited by other auditors whose report dated December 21, 2020, expressed an unmodified opinion on those statements.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hospital's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, and is also not a required part of the basic financial statements. The supplementary information on pages 27 through 32 is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards and the supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the supplementary information 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 March 25, 2022, on our consideration of the Hospital's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hospital's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hospital's internal control over financial reporting and compliance.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
March 25, 2022

## **BASIC FINANCIAL STATEMENTS**

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a Bunkie General Hospital  
Bunkie, Louisiana

Statement of Net Position  
June 30, 2021 and 2020

	2021	2020
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 8,510,828	\$ 9,331,314
Accounts receivables, net of allowance for bad debt \$650,000 and \$679,954, for 2021 and 2020, respectively	2,340,933	1,620,616
Due from third party payors	2,475,248	890,253
Other receivables	740,172	524,864
Inventories	353,693	369,061
Prepaid expenses	92,146	75,170
Total current assets	14,513,020	12,811,278
<b>NONCURRENT ASSETS</b>		
Assets limited to use by bond indenture	-	450,899
Property, plant and equipment, at cost, less accumulated depreciation	2,880,435	2,623,984
Total noncurrent assets	2,880,435	3,074,883
Total assets	17,393,455	15,886,161
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charge on refunding debt	-	3,419
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	517,620	458,834
Accrued salaries and related withholdings	294,324	284,373
Accrued compensated absences	317,925	284,065
Current portion of long-term debt	95,400	2,225,858
Due to third party payors	118,832	837,211
Interest payable	2,911	4,001
Unearned revenues	1,804,163	3,885,942
Total current liabilities	3,151,175	7,980,284
<b>NONCURRENT LIABILITIES</b>		
Revenue refunding bonds - Series 2013	-	204,000
Capital lease payable	83,326	122,356
Paycheck Protection Program Loan	1,000,000	-
Total noncurrent liabilities	1,083,326	326,356
Total liabilities	4,234,501	8,306,640
<b>NET POSITION</b>		
Net investment in capital assets	2,698,798	2,113,005
Restricted net position (expendable)	-	450,899
Unrestricted	10,460,156	5,019,036
Total net position	\$ 13,158,954	\$ 7,582,940

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

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a Bunkie General Hospital  
Bunkie, Louisiana

Statement of Revenues, Expenses, and Changes in Net Position  
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Net patient service revenues (before provision for bad debts)	\$ 14,269,263	\$ 14,123,433
Less: provisions for bad debts	<u>(867,142)</u>	<u>(1,185,468)</u>
Net patient service revenue after provision for bad debts	13,402,121	12,937,965
Intergovernmental transfers - operating revenue	953,109	656,516
Other operating revenue	<u>533,696</u>	<u>437,446</u>
Total operating revenues	<u>14,888,926</u>	<u>14,031,927</u>
Operating expenses:		
Professional services	8,766,055	8,884,023
Payroll taxes and employee benefits	1,832,955	1,529,001
General and administrative	4,404,740	4,214,584
Depreciation and amortization	<u>500,124</u>	<u>559,653</u>
Total operating expenses	<u>15,503,874</u>	<u>15,187,261</u>
Operating loss	<u>(614,948)</u>	<u>(1,155,334)</u>
Non-operating revenues (expenses)		
Ad valorem Taxes	143,020	140,083
Grant revenue	6,055,093	1,210,833
Interest income	9,552	5,881
Interest expense	(16,703)	(20,213)
Loss on sale of asset	<u>-</u>	<u>(1,331)</u>
Total non-operating revenues (expenses)	<u>6,190,962</u>	<u>1,335,253</u>
Change in net position	5,576,014	179,919
Net position, beginning	<u>7,582,940</u>	<u>7,403,021</u>
Net position, ending	<u>\$ 13,158,954</u>	<u>\$ 7,582,940</u>

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



HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a Bunkie General Hospital

Statements of Cash Flows  
For the Years Ended June 30, 2021 and 2020

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from and on behalf of patients	\$ 10,378,430	\$ 12,913,943
Payments to suppliers and contractors	(6,135,536)	(6,675,849)
Payments to employees	(8,767,225)	(8,200,538)
Other receipts and payments, net	1,271,497	1,082,931
Net cash used in operating activities	(3,252,834)	(879,513)
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Grant revenue	1,534,011	1,067,843
Ad valorem taxes	143,020	140,083
Net cash provided in noncapital financing activities	1,677,031	1,207,926
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from the issuance of debt -		
Paycheck Protection Program	1,000,000	1,000,000
Accelerated medicare payment	675,891	1,041,235
Provider relief funds	-	3,885,942
Accelerated medicare payment recoupments	(211,886)	-
Payments for the purchase of property and equipment	(756,575)	(578,469)
Payments for capital related debt	(412,564)	(269,031)
Net cash provided in financing activities	294,866	5,079,677
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	9,552	5,881
 Net increase (decrease) in cash and cash equivalents	 (1,271,385)	 5,413,971
Cash and cash equivalents, beginning of year	9,782,213	4,368,242
Cash and cash equivalents, end of year	\$ 8,510,828	\$ 9,782,213

(Continued)

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a Bunkie General Hospital

Statements of Cash Flows (Continued)  
For the Years Ended June 30, 2021 and 2020

	2021	2020
RECONCILIATION OF OPERATING LOSS TO NET		
CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (614,948)	\$ (1,155,334)
Adjustments to reconcile operating loss to net cash flows provided (used) by operating activities:		
Depreciation and amortization	500,124	559,653
Provision for bad debts	867,142	1,185,468
(Increase) decrease in assets-		
Patient accounts receivable	(1,587,459)	(687,157)
Inventories	15,368	(28,522)
Prepaid expenses	(16,976)	12,402
Estimated third-party payor settlements	(1,584,995)	(174,648)
Other receivables	(215,308)	(28,354)
Increase (decrease) in liabilities-		
Accounts payable	58,786	(294,798)
Accrued expenses	43,811	-
Estimated third-party payor settlements	(718,379)	(268,223)
Net cash used in operating activities	\$ (3,252,834)	\$ (879,513)

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

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements

(1) Organization and Significant Accounting Policies

The Hospital Services District No. 1 of the Parish of Avoyelles, d/b/a Bunkie General Hospital (Hospital) was created by an ordinance of the Avoyelles Parish Police Jury on February 14, 1968. The Hospital is comprised of and embraces the territory contained within the Parish of Avoyelles, State of Louisiana, as constituted as of the date of the ordinance.

A. Reporting Entity

As the governing authority of the Parish, for reporting purposes, the Avoyelles Parish Police Jury is the financial reporting entity for the Hospital. Accordingly, the Hospital was determined to be a component unit of the Avoyelles Parish Police Jury. The accompanying financial statements present only the Hospital.

B. Basis of Accounting

The accompanying basic financial statements of the Hospital have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and reporting policies and practices used by the Hospital are described below.

The Hospital utilizes the proprietary fund method of accounting whereby all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenses, gains, and losses are measured and reported using the economic resources measurement focus and the accrual basis of accounting. The Hospital's accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:514 and to the guide set forth in the *Louisiana Governmental Audit Guide*, and the *AICPA Audits of Providers of Health Care Services* published by the American Institute of Certified Public Accountants.

In some instances, the GASB requires an entity to delay recognition of decreases in net position as expenditures until a future period. In other instances, entities are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The Hospital reports three components as follows:

- (1) Net investment in capital assets - This component consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements (Continued)

- (2) Restricted net position - This component is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Hospital Service District's bonds. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.
- (3) Unrestricted net position - This component of net position consists of net position that does not meet the definition of the above two components and is available for general use.

C. Use of Estimates

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

D. Cash and Cash Equivalents

Cash includes amounts in demand deposits and on hand. For purposes of the statement of cash flows, highly liquid investments with an original maturity of three months or less are considered to be cash equivalents.

E. Trade Receivables and Allowance for Uncollectible Accounts

Trade receivables are carried at the original billed amount less an estimate made for contractual adjustments and uncollectible accounts based on a historical experience. Management determines the allowance for uncollectible accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Trade receivables are written-off when deemed uncollectible. Recoveries of trade receivables previously written-off are recorded when received.

F. Inventories

Inventories are valued at the latest invoice price which approximates the lower of cost (first-in, first-out method) or market.

G. Assets Limited to Use

Assets whose use is limited include assets set aside by the Board of Commissioners for future capital improvements and future indenture agreements, over which the Board of Commissioners retain control and may at its discretion subsequently use for other purposes; assets set aside in accordance with agreements with third-party payors; and assets held by trustees under indenture agreements and self-insurance trust agreements.

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements (Continued)

H. Net Patient Service Revenues

The Hospital has agreements with third-party payors, which includes government programs which the Hospital is paid based upon established charges, the cost of providing services, predetermined diagnosis rates, fixed per diem rates or discounts from established charges. Revenues are recorded at established charges. Revenues are recorded at estimated amounts due from patients and third-party payors for the services provided.

Net patient service revenues are reported at the estimated amounts realizable from patients, the third-party payer, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. The Hospital provides care to patients even though they are covered by contractual payment arrangements that do not pay full charges or may lack adequate insurance. As a result, the Hospital is exposed to credit risks. The Hospital manages such risks by providing appropriate allowances. The allowances are evaluated on a regular basis and are based upon management's periodic review of the collectability of the accounts considering historical experience, the nature and volume of the accounts and the agreement with the prospective third-party payor.

I. Capital Assets

The Hospital records all capital asset acquisitions at historical cost, except for assets donated to the Hospital. Donated assets are recorded at fair market value at the date of donation. The Hospital maintains a threshold level of \$5,000 or more for capitalizing fixed assets.

Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation expense in the financial statements. Depreciation of property and equipment is computed using the straight-line method over the expected service lives of the assets as follows:

Building and improvements	5-50 years
Equipment	3-20 years

J. Compensated Absences

Employees of the Hospital are entitled to paid time off depending on their length of service and other factors. Accrued compensated absences was \$317,925 and \$284,065 for 2021 and 2020, respectively.

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements (Continued)

K. Grants and Donations

Revenues from grants and donations (including capital contributions of assets) are recognized when all eligibility requirements, including time requirements, are met. Grants and donations 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 other operating revenues. Amounts restricted to capital acquisitions are reported after non-operating revenues and expense.

L. Operating Revenues and Expenses

The Hospital's statements of revenues, expenses and changes in net position distinguish between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services, the Hospital's principal activity. Non-exchange revenues, including taxes, grants and contributions received for purposes other than capital asset acquisition, are reported as non-operating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

M. Unearned Revenue

Unearned revenue on the statement of net position represents funding received as a result of CARES Act subsidies and consist of \$298,923 from Provider Relief Funds and \$1,505,240 from Medicare Accelerated and Advance Payment Program.

N. Advertising

The Hospital expenses advertising cost as incurred. There were no advertising expenses for the years ended June 30, 2021 and 2020.

O. Risk Management

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

P. Restricted Resources

When the Hospital Service District has both restricted and unrestricted resources available to finance a particular program, it is the Hospital's policy to use restricted resources before unrestricted resources.

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements (Continued)

Q. Environmental Matters

The Hospital is subject to laws and regulations relating to the protection of the environment. The Hospital's policy is to accrue environmental and cleanup related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty, the potential financial impact of the Hospital's continuing compliance efforts, management believes any future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of the Hospital Service District. At June 30, 2021 and 2020, management is not aware of any liability resulting from environmental matters.

(2) Deposits and Investments

Under state law the Hospital Service District may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Hospital Service District may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2021 and 2020, the Hospital had demand deposits (book balances) totaling \$8,510,828 and \$9,782,213, respectively.

Custodial credit risk is the risk that in the event of a bank failure of a depository financial institution, the Hospital's deposits may not be recovered or the collateral securities that are in the possession of the outside party will not be recovered. These deposits are stated at cost, which approximates fair value. Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Hospital Service District or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at June 30, 2021 and 2020, are secured as follows:

	2021	2020
Bank balances	\$ 6,753,964	\$ 4,440,681
Federal deposit insurance	\$ 500,000	\$ 500,000
Pledged securities/letter of credit	6,253,964	3,940,681
Total federal deposit insurance and pledged securities	\$ 6,753,964	\$ 4,440,681

Deposits in the amount of \$6,253,964 and \$3,940,681 at June 30, 2021 and 2020, respectively, were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Hospital's name. The Hospital does not have a policy for custodial credit risk.

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements (Continued)

(3) Patient Accounts Receivable

Patient accounts receivable at June 30, 2021 and 2020 consisted of the following:

	2021	2020
Gross patient accounts receivable	\$ 5,103,933	\$ 3,659,036
Less: Contractual allowances/doubtful accounts	<u>(2,763,000)</u>	<u>(2,038,420)</u>
Patient accounts receivable, net	<u>\$ 2,340,933</u>	<u>\$ 1,620,616</u>

(4) Restricted Assets – Assets Limited as to Use

On May 15, 2004, the Hospital accepted an offer from the United States Department of Agriculture Rural Development to make a loan in order to acquire, construct and/or install improvements and replacements to the hospital facilities of the Hospital, including appurtenant equipment and accessories. On May 1, 2013, the Hospital issued Hospital Revenue Bonds, Series 2013 through which a current refunding of the 2004 Revenue Bonds was enacted. This refunding renewed cash restrictions required by the Series 2004 bonds as follows:

All income earned from operations of the Hospital is to be deposited in the hospital operating fund. Funds are to be expensed in the following order of priority and for the following purposes.

- (1) The payment of reasonable expenses of administration, operation and maintenance of the Hospital.
- (2) A cash transfer to the Hospital Sinking Fund by the 20th day of each month, sums equal to the total amount of principal and interest falling due on the next payment date for the Bonds.

It is the contention of management that the accounting requirements of the revenue bonds issues were met.

Assets limited as to use that are required for obligations classified as current liabilities are reported in current assets. The composition of assets limited as to use at June 30, 2021 and 2020 are as follows:

	2021	2020
Under indenture agreement	<u>\$ -</u>	<u>\$ 450,899</u>



HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements (Continued)

(5) Capital Assets

Capital asset activity for the years ended June 30, 2021 and 2020 were as follows:

	<u>7/1/2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>6/30/2021</u>
Capital assets not being depreciated:				
Land	\$ 121,857	\$ -	\$ -	\$ 121,857
Construction in progress	-	10,250	-	10,250
Other capital assets:				
Land improvements	297,254	53,180	-	350,434
Buildings and improvements	5,971,558	90,283	-	6,061,841
Equipment	3,486,217	602,863	-	4,089,080
Total	9,876,886	756,576	-	10,633,462
Less accumulated depreciation:	<u>7,252,902</u>	<u>500,125</u>	<u>-</u>	<u>7,753,027</u>
Capital assets, net	<u>\$ 2,623,984</u>	<u>\$ 256,451</u>	<u>\$ -</u>	<u>\$ 2,880,435</u>
	<u>7/1/2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>6/30/2020</u>
Capital assets not being depreciated:				
Land	\$ 121,857	\$ -	\$ -	\$ 121,857
Construction in progress	668,772	525,416	1,194,188	-
Other capital assets:				
Land improvements	297,254	-	-	297,254
Buildings	4,756,483	1,215,075	-	5,971,558
Equipment	4,337,438	32,168	883,389	3,486,217
Total	10,181,804	1,772,659	2,077,577	9,876,886
Less accumulated depreciation	<u>7,575,307</u>	<u>559,653</u>	<u>882,058</u>	<u>7,252,902</u>
Capital assets, net	<u>\$ 2,606,497</u>	<u>\$ 1,213,006</u>	<u>\$ 1,195,519</u>	<u>\$ 2,623,984</u>

Depreciation expense for the years ended June 30, 2021 and 2020 amounted to \$500,125 and \$559,653, respectively.

The cost of the total assets under capital lease was \$989,773 and \$1,240,953 for the years ended June 30, 2021 and 2020, respectively with total related amortization expense of \$133,345 and \$196,541 for the year ended June 30, 2021 and 2020, respectively.

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements (Continued)

(6) Changes in Noncurrent Liabilities

The following is a summary of noncurrent liabilities transactions for the year ended June 30:

June 30, 2021:

	<u>Balance 7/1/2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/2021</u>	<u>Due Within One Year</u>
Revenue refunding					
bonds - Series 2013	\$ 269,000	\$ -	\$ 269,000	\$ -	\$ -
Notes payable	1,000,000	1,000,000	1,000,000	1,000,000	-
Capital lease	<u>241,979</u>	<u>65,937</u>	<u>129,190</u>	<u>178,726</u>	<u>95,400</u>
Total	<u>\$ 1,510,979</u>	<u>\$ 1,065,937</u>	<u>\$ 1,398,190</u>	<u>\$ 1,178,726</u>	<u>\$ 95,400</u>

June 30, 2020:

	<u>Balance 7/1/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/2020</u>	<u>Due Within One Year</u>
Revenue refunding					
bonds - Series 2013	\$ 333,000	\$ -	\$ 64,000	\$ 269,000	\$ 65,000
Notes payable	-	1,000,000	-	1,000,000	-
Capital lease	<u>426,798</u>	<u>-</u>	<u>184,819</u>	<u>241,979</u>	<u>119,623</u>
Total	<u>\$ 759,798</u>	<u>\$ 1,000,000</u>	<u>\$ 248,819</u>	<u>\$ 1,510,979</u>	<u>\$ 184,623</u>

Revenue refunding bonds – Series 2013

	<u>2021</u>	<u>2020</u>
Revenue refunding bonds, dated May 1, 2013 bearing interest of increasing from .5% to 3.25%, maturing March 1, 2024, with interest payable semi-annually, collateralized by the Hospital's gross receipts.	\$ -	\$ 269,000

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
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Notes to Financial Statements (Continued)

Notes payable –

	2021	2020
Note payable in the amount of \$1,000,000 to a financial institution dated April 21, 2020, interest at 1.00%. Under the terms of the Small Business Administration Paycheck Protection Program the principal and accrued interest may be partially or completely forgiven.	-	1,000,000
Note payable in the amount of \$1,000,000 to a financial institution dated March 29, 2021, interest at 1.00%. Under the terms of the Small Business Administration Paycheck Protection Program the principal and accrued interest may be partially or completely forgiven.	1,000,000	-
Capital leases –		
Capital Lease Payable, dated January 1, 2016, bearing interest of 5.90%, maturing December 1, 2020, with principal due monthly collateralized by hematology equipment.	-	1,820
Capital Lease Payable, dated August 1, 2015, bearing interest of 4.70%, maturing August 1, 2020, with principal due monthly collateralized by R & F Room equipment.	-	19,096
Capital Lease Payable, dated February 23, 2016, bearing interest of 3.52%, maturing June 1, 2021, with principal due monthly collateralized by chemistry analyzer equipment.	-	17,073
Capital Lease Payable, dated September 1, 2017, bearing interest of 5.16%, maturing September 1, 2020, with principal due monthly collateralized by CT equipment.	-	1,217
Capital Lease Payable, dated December 21, 2017, bearing interest of 2.29%, maturing December 1, 2022, with principal due monthly collateralized by CT equipment.	122,355	202,773
Capital Lease Payable, dated August 11, 2020, bearing interest of 3.25%, maturing August 11, 2023, with principal due monthly collateralized by Ultrasound equipment.	56,371	-

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements (Continued)

Scheduled maturities of noncurrent liabilities are as follows:

June 30, 2021:

	Principal	Interest
2022	\$ 94,290	\$ 3,459
2023	253,017	23,507
2024	302,514	7,481
2025	305,873	4,122
2026	223,032	930
	\$ 1,178,726	\$ 39,499

June 30, 2020:

	Principal	Interest
2021	\$ 1,184,623	\$ 3,459
2022	148,278	23,507
2023	108,078	7,481
2024	70,000	4,122
	\$ 1,510,979	\$ 38,569

(7) Net Patient Service Revenues

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

The primary third-party programs include Medicare and Medicaid, which account for a significant amount of the Hospital's revenue. The laws and regulations under which Medicare and Medicaid programs operate are complex, and subject to interpretation and frequent changes. As part of operating under these programs, there is a possibility that government authorities may review the Hospital's compliance with these laws and regulations. Such review may result in adjustments to program reimbursement previously received and subject the Hospital to fines and penalties. Although no assurance can be given, management believes it has complied with the requirements of these programs.

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
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Notes to Financial Statements (Continued)

A summary of the payment arrangements with major third-party payors follows:

*Medicare* – The Hospital is paid for inpatient and outpatient services rendered to Medicare program beneficiaries under cost-based reimbursement methodology. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. The retrospectively determined classification of patients and the appropriateness of the patients' admissions are subject to validation reviews by a Medicare peer review organization, which is under contract with the Hospital to perform such reviews.

The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been settled by the Medicare fiscal intermediary through June 30, 2019. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as settlements are determined.

*Medicaid* – Inpatient care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per day. Certain outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid fiscal intermediary. The Hospital's Medicaid cost reports have been settled by the Medicaid fiscal intermediary through June 30, 2014. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as settlements are determined.

The Louisiana Legislature, through the Healthcare Reform Act of 2007 and Act 1 of 2010, tasked the Department of Health and Hospitals (the DHH) to create a new system of care. In response, the DHH reformed its reimbursement methodology for Medicaid patients from a fee-for-service system to the use of a Coordinated Care Network (CCN). During 2011, the DHH enabled certain third-party payor companies to contract with providers under the CCN methodology. The Hospital is currently contracted and enrolled with payors participating in the Coordinated Care Network. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the fiscal intermediary.

The Hospital has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment under these agreements includes prospectively determined rates-per-discharge, discounts from established charges and prospectively determined daily rates.

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

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements (Continued)

The following is a summary of the Hospital's net patient service revenue:

	2021	2020
Gross patient service revenue	\$ 24,978,165	\$ 27,817,143
Less: Contractual adjustments	(10,708,902)	(13,693,710)
Net patient service revenue before provision for uncollectible accounts	14,269,263	14,123,433
Less: provision for uncollectible accounts	(867,142)	(1,185,468)
Net patient service revenue	\$ 13,402,121	\$ 12,937,965

(8) Ad Valorem Taxes

The Hospital's property tax is levied by the parish on the taxable real property in the district at a rate enacted by the Board of Commissioners as recommended by the local tax assessor. The taxes are based on assessed values determined by the Tax Assessor and are collected by the Sheriff. The Hospital levied 4.90 mills for the fiscal years ended 2021 and 2020. For the years ended June 30, 2021 and 2020, property tax revenues, net of pension deductions, totaled \$143,020 and \$140,083, respectively.

(9) Concentration of Credit Risks

The Hospital grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at June 30, 2021 and 2020 was as follows:

	2021	2020
Medicare	36%	40%
Medicaid	27%	15%
Other third-party payors	19%	14%
Patients	18%	31%
	100%	100%

(10) Operating Leases

The Hospital leases various equipment under operating leases. Total rental expense for the years ended June 30, 2021 and 2020 for all operating leases was approximately \$103,494 and \$95,270, respectively.

The future minimum lease payments under leases that have a initial or remaining lease term in excess of one year amounts to \$56,515 and \$6,250 for the fiscal years ending June 30, 2022 and 2023, respectively.

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements (Continued)

(11) Deferred Compensation/Retirement Plan

The Hospital offers employees a deferred compensation plan (Plan), which all employees are eligible to participate. The Plan was adopted under the provisions of Internal Revenue Code Section 457, and is administered by Nationwide Retirement Solutions. The Hospital does not have managerial or financial responsibility for plan assets. Each pay period the Hospital contributes to a separate 401(A) plan for full-time employees who work 60 or more hours per pay period and have completed a ninety-day probationary period. The Hospital contributes 3% of the employee's salary. If an employee elects to participate, the employee will be required to contribute a minimum of 3% of their base pay toward the program. Employees will become 100% vested in the Hospital's contributions after three full years of employment. Pension cost amounted to \$121,121 and \$84,320 for the year ended June 30, 2021 and 2020, respectively. Forfeitures of \$8,349 and \$16,379 were applied to pension expense as a reduction of employer contributions for the years ended June 30, 2021 and 2020, respectively.

(12) Employee Hospitalization Plan

The Hospital maintains a medical benefits trust. Employees with more than 90 days of service can participate. The trust pays all claims from funds provided from the Hospital. The trust agreement provides that should it not have sufficient funds to cover its obligations, the Hospital is obligated to fund the shortfall. The Hospital purchases "excess" insurance coverage that provides for payment of individual claims in excess of \$40,000 or aggregate annual claims in excess of \$1,000,000.

Changes in the balances of claims liabilities (all due in one year) during the fiscal years ended June 30, 2021 and 2020 are as follows:

	2021	2020
Claims liability, beginning	\$ 47,000	\$ 36,000
Current year claims and changes in estimates	816,274	1,140,866
Claims paid	(835,231)	(1,127,866)
Claims liability, ending	\$ 28,043	\$ 49,000
Paid as of		
July 2021	\$ 25,560	
August 2021	2,483	
Total claims payable		\$ 28,043

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements (Continued)

(13) Professional and General Liability Risk

The Hospital participates in the Louisiana Patient's Compensation Fund established by the State of Louisiana to provide medical professional coverage to healthcare providers. The fund provides for \$400,000 in coverage per occurrence above the first \$100,000 for which the Hospital is at risk. The fund places no limitation on the number of occurrences covered. In connection with the establishment of the Patient's Compensation Fund, the State of Louisiana enacted legislation limiting the amount of healthcare provided settlement for professional liability to \$100,000 per occurrence and limiting the Patient's Compensation Fund's exposure to \$400,000 per occurrence.

The Hospital has acquired additional coverage for professional medical malpractice and general liability through the Louisiana Hospital Association Trust Fund by purchasing a claims-made policy. Losses on medical malpractice and general liability claims are estimated based on deductibles and claims in excess of per-claim or aggregate coverage and incurred but not reported during the claim year. These estimates reflect the Hospital's best estimates of the ultimate costs of reported and unreported claims, using the Hospital Service District's past experience, industry experience and identified asserted claims and reported incidents. No provision for losses on medical malpractice and general liability claims are recorded based on management's estimates that these matters will be resolved without material adverse effect on the Hospital's future financial position or results from operations. There have been no significant reductions in insurance coverage during the fiscal year, nor have settlements exceeded coverage in the past three years.

(14) Contingencies

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

The principle contingencies are described below:

Third-party Government Revenues (Note 7) – Cost reimbursements are subject to examination by agencies administering the programs. The Hospital is contingently liable for retroactive adjustments made by the Medicare and Medicaid programs as the result of their examinations as well as retroactive changes in interpretations applying statues, regulations and general instructions of those programs. The amount of such adjustments cannot be determined.



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Notes to Financial Statements (Continued)

The healthcare industry is subject numerous laws and regulations of Federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government program participating requirements, reimbursement for patient services and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statues and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Management believes that the Hospital is in compliance with fraud and abuse statues as well as other applicable governmental laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

The Patient Protection and Affordable Healthcare Act (PPACA) was signed into law on March 23, 2010. In addition, the Health Care and Education Affordability Reconciliation Act (Reconciliation Act), which contains a number of amendments to the PPACA, was signed into law on March 30, 2010. These healthcare bills (collectively, the "Reform Legislation") seek to increase the number of persons with access to health insurance coverage. The reform legislation makes a number of other changes to Medicare and Medicaid, such as reductions to the annual market basket update for federal fiscal years 2010 through 2019, a productivity offset to the market basket update beginning October 1, 2011, and a reduction to disproportionate share payments. The various provisions in the Reform Legislation that directly or indirectly affect reimbursement are scheduled to take effect over a number of years.

Also included in the Reform Legislation are provisions aimed at reducing fraud, waste and abuse in the healthcare industry. These provisions allocate significant additional resources to federal enforcement agencies and expand the use of private contractors to recover potentially inappropriate Medicare and Medicaid payments. The Reform Legislation amends several existing federal laws, including the Medicare Anti-Kickback Statute and the False Claims Act, making it easier for government agencies and private plaintiffs to prevail in lawsuits brought against healthcare providers. These amendments also make it easier for potentially severe fines and penalties to be imposed on healthcare providers accused of violating applicable laws and regulations.

Management cannot predict the impact that Reform Legislation may have on the Hospital's financial position, results of operations or changes in net position or cash flows.

(15) Grant Revenue

The Hospital entered into a cooperative endeavor agreement (CEA) with a regional public rural hospital (Grantor) whereby the Grantor awards as an intergovernmental transfer (IGT) to be used solely to provide adequate and essential medically necessary and available healthcare services to the Hospital's service population subject to the availability of such grant funds. The aggregate IGT grant income is \$953,109 and \$656,516 for the years ended June 30, 2021 and 2020, respectively.

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements (Continued)

(16) CARES Act Subsidies

In response to the economic fallout of the COVID-19 pandemic in the United States, the 116<sup>th</sup> U.S. Congress passed an economic stimulus bill that was signed into law by the President on March 27, 2020. The Coronavirus Aid, Relief, and Economic Security (CARES) Act authorized \$2.2 trillion to combat COVID-19 and its economic effects, including providing loan programs for small businesses, support for hospitals and other medical providers, and various types of economic relief for impacted businesses and industries. As a result of the CARES Act, the Hospital received funding from the following programs:

*Provider Relief Funds* – The Hospital received approximately \$3,885,942 in Provider Relief Funds during the fiscal year ending June 30, 2020. This payment was issued by the U.S. Department of Health & Human Services (HHS) in response to the Coronavirus pandemic to be utilized for healthcare related expenses and lost revenues attributable to coronavirus. The Hospital did not recognize any revenue related to these funds during the fiscal year ending June 30, 2020. As a result, the unrecognized amount of \$3,885,942 was reported as unearned revenue in the accompanying statement of net position at June 30, 2020. The Hospital received an additional \$200,00 for RHC Covid-19 testing and mitigation during the fiscal year ending June 30, 2021. During the fiscal year ending June 30, 2021, the Hospital submitted their final report to HHS, recognizing grant revenue in the amount of \$3,787,019 for eligible healthcare related expenses attributable to the coronavirus. The remaining \$298,923 is included in unearned revenue on the statement of net position.

*Medicare Accelerated and Advance Payment Program* – On March 28, 2020, the Centers for Medicare and Medicaid Services (CMS) expanded the existing Accelerated and Advance Payments Program (Program) to a broader group of Medicare Part A providers and Part B suppliers. An accelerated or advance payment is a payment intended to provide necessary funds when there is a disruption in claims submission and/or claims processing. Additionally, these payments can be offered in circumstances of national emergencies to accelerate cash flow to the impacted health care providers and suppliers. For the year ended June 30, 2020, the Hospital received accelerated Medicare payments in the amount of \$1,041,235, which was reported as unearned revenue in the accompanying statement of net position. In accordance with the terms of the Program, recoupment of the funds will begin in one year from the date the payment was issued. For the year ended June 30, 2021, the Hospital received an additional \$675,891 related to this program. At June 30, 2021, the Hospital reported unearned revenues of \$1,505,240, net of recoupments in the amount of \$211,886.

*Paycheck Protection Program* – On April 14, 2020, the Hospital entered into a promissory note in the amount of \$1,000,000 through the U.S. Small Business Administration's Paycheck Protection Program (Program). The purpose of the Program was to provide funding for employee salaries and certain limited nonpayroll expenses. In accordance with the Program, the loan can be partially or completely forgiven if certain criteria are met. Any amounts not forgiven will be repaid bearing an interest rate of 1 percent. The terms of the note are described in Note 6 to the financial statements. On November 24, 2020, the Hospital received notice that the loan was completely forgiven and the amount was recorded as grant income on the statement of activities.

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Financial Statements (Continued)

*Paycheck Protection Program* – On March 29, 2021, the Hospital entered into a promissory note in the amount of \$1,000,000 through the U.S. Small Business Administration’s Paycheck Protection Program (Program). The purpose of the Program was to provide funding for employee salaries and certain limited nonpayroll expenses. In accordance with the Program, the loan can be partially or completely forgiven if certain criteria are met. Any amounts not forgiven will be repaid bearing an interest rate of 1 percent. The terms of the note are described in Note 6 to the financial statements.

(17) Schedule of Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation and benefits paid to Linda Deville, Chief Executive Officer, for the year ended June 30, 2021 and 2020 follows:

<u>Purpose</u>	<u>2021</u>	<u>2020</u>
Salary	\$ 142,126	\$ 139,339
Benefits - insurance	1,124	994
Benefits - retirement	4,264	4,180
Benefits - life insurance	142	137
Travel	261	822

(18) Uncertainties Arising During and After Financial Statement Date

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may have and may continue to impact the Hospital’s ongoing operations. The extent and severity of the potential impact on future operations is unknown at this time.

**SUPPLEMENTARY INFORMATION**

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a Bunkie General Hospital  
Bunkie, Louisiana

Schedules of Net Patient Service Revenues  
For the Years Ended June 30, 2021 and 2020

	2021	2020
Inpatient service revenues:		
Daily patient services-		
Adult and pediatric	\$ 149,151	\$ 107,461
Dietary	8,750	6,550
Swing-bed	1,157,909	1,496,405
Total	1,315,810	1,610,416
Other nursing services-		
Emergency service	13,027	7,333
Professional Services-		
Blood	9,500	5,500
EKG	3,465	4,290
Inhalation Therapy	245,232	232,947
Intravenous Therapy	495	(652)
Laboratory	271,859	319,961
Pharmacy	435,326	587,034
Physical/Speech Therapy	1,577,775	2,043,109
Professional Fees	84,205	76,970
Radiology	85,434	125,134
Wound care	326	-
Total	2,713,617	3,394,293
Total inpatient service revenues	4,042,454	5,012,042

(continued)

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a Bunkie General Hospital  
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Schedules of Net Patient Service Revenues (Continued)  
For the Years Ended June 30, 2021 and 2020

	2021	2020
Outpatient service revenues:		
Nursing services-		
Adult and Pediatric	-	75
Dietary	100	200
Emergency Service	3,764,670	4,206,180
Hospitalist	5,526	11,690
Observation	1,297,068	1,964,514
Total	5,067,364	6,182,659
Professional services-		
Blood	22,390	30,630
Cardiac rehab	61,575	100,750
Clinic - Family Care Center	673,478	774,938
Clinic - Rural Health	629,522	829,674
EKG	253,935	262,845
Endoscopy	134,035	111,200
Inhalation therapy	324,962	377,679
Intensive psychiatric therapy	968,100	2,038,200
Intravenous therapy	2,853	4,921
Laboratory	5,377,308	5,493,697
Pharmacy	525,491	549,945
Physical therapy	499,147	25,150
Professional fees	293,783	296,422
Radiology	5,691,177	5,080,614
Wound care	410,591	645,777
Total	15,868,347	16,622,442
Total outpatient service revenues	20,935,711	22,805,101
Gross patient service revenue	24,978,165	27,817,143
Contractual adjustments	(10,708,902)	(13,693,710)
Net patient service revenue	\$ 14,269,263	\$ 14,123,433

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a Bunkie General Hospital  
Bunkie, Louisiana

Schedules of Other Operating Revenues  
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cafeteria and vendor sales	\$ 53,673	\$ 63,328
Joint venture	200,607	105,799
Pharmacy sales - employees	48,465	53,556
340B Outside pharmacy sales	100,291	101,254
Rental income	12,800	11,500
Other	<u>117,860</u>	<u>102,009</u>
Total other operating revenues	<u>\$ 533,696</u>	<u>\$ 437,446</u>

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a Bunkie General Hospital  
Bunkie, Louisiana

Schedules of Professional Services  
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Salaries:		
Cardiac rehab / fitness	\$ 97,009	\$ 109,130
Central supply	61,755	50,231
Clinic - Family Care Center	718,199	678,895
Clinic - Rural Health	631,762	685,342
Emergency room	723,166	705,430
Endoscopy	-	3,170
Inhalation therapy	360,136	382,144
Laboratory	397,047	384,083
Nursing	1,124,372	1,055,789
PT/OT/ST	416,736	360,929
Radiology	394,281	381,937
Other	<u>17,295</u>	<u>13,542</u>
Total salaries	<u>4,941,758</u>	<u>4,810,622</u>
Supplies and other expenses:		
Blood	15,595	20,225
Central supply	51,012	36,620
Clinic - Family Care Center	53,484	60,389
Clinic - Rural Health	68,608	97,860
Emergency room	1,218,715	1,206,057
Endoscopy	11,589	16,485
Hospitalist	-	200
Inhalation therapy	60,128	28,519
IOP	317,831	565,292
Laboratory	563,866	463,705
Nursing	233,565	227,328
Pharmacy	864,730	919,469
PT/OT/ST	36,999	11,201
Radiology	184,062	196,154
Wound care	123,922	207,489
Other	<u>20,191</u>	<u>16,408</u>
Total supplies and other expenses	<u>3,824,297</u>	<u>4,073,401</u>
 Total professional services	 <u>\$ 8,766,055</u>	 <u>\$ 8,884,023</u>



HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a Bunkie General Hospital  
Bunkie, Louisiana

Schedules of General and Administrative Services  
For the Years Ended June 30, 2021 and 2020

	2021	2020
Salaries:		
Administrative	\$ 1,445,090	\$ 1,388,799
Dietary	163,241	158,389
Housekeeping	122,869	113,381
Maintenance	161,634	153,567
Medical records	143,490	167,814
Total Salaries	2,036,324	1,981,950
Supplies and other expenses:		
Administrative	1,651,483	1,563,873
Dietary	109,017	118,634
Housekeeping	58,747	58,796
Maintenance	515,885	455,525
Medical records	33,284	35,806
Total supplies and other expenses	2,368,416	2,232,634
Total general and administrative services	\$ 4,404,740	\$ 4,214,584

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a Bunkie General Hospital  
Bunkie, Louisiana

Schedules of Board Fees  
For the Years Ended June 30, 2021 and 2020

GOVERNING BOARD COMPENSATION

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The Board of Commissioners received no compensation for the years ended June 30, 2021 and 2020.

**INTERNAL CONTROL,  
COMPLIANCE  
AND OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Brad E. Kolder, CPA, JD\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
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Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA  
Casey L. Ardoin, CPA, CFE

Victor R. Slaven, CPA\* - retired 2020

\* A Professional Accounting Corporation

183 S. Beadle Rd. 11929 Bricksome Ave.  
Lafayette, LA 70508 Baton Rouge, LA 70816  
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.  
Alexandria, LA 71301 New Iberia, LA 70560  
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.  
Abbeville, LA 70510 Morgan City, LA 70380  
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.  
Ville Platte, LA 70586 Oberlin, LA 70655  
Phone (337) 363-2792 Phone (337) 639-4737

WWW.KCSRCPAS.COM

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

Board of Commissioners  
Hospital Services District No. 1  
of the Parish of Avoyelles  
d/b/a Bunkie General Hospital  
Bunkie, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Hospital Services District No. 1 of the Parish of Avoyelles d/b/a Bunkie General Hospital (Hospital), a component unit of the Avoyelles Parish Police Jury, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements, and have issued our report thereon dated March 25, 2022.

### Internal Control Over Financial Reporting

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
March 25, 2022

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Brad E. Kolder, CPA, JD\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
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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

Victor R. Slaven, CPA\* - retired 2020

\* A Professional Accounting Corporation

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Board of Commissioners  
Hospital Services District No. 1  
of the Parish of Avoyelles  
d/b/a Bunkie General Hospital  
Bunkie, Louisiana

## Report on Compliance for Each Major Federal Program

We have audited the Hospital Services District No. 1 of the Parish of Avoyelles d/b/a Bunkie General Hospital (Hospital), a component unit of the Avoyelles Parish Police Jury, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Hospital's major federal program for the year ended June 30, 2021. The Hospital's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### *Management's Responsibility*

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

### *Auditor's Responsibility*

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

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

### ***Opinion on Each Major Federal Program***

In our opinion, the Hospital complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

Management of the Hospital is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Hospital's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Hospital's internal control over compliance.

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

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

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
March 25, 2022

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a Bunkie General Hospital  
Bunkie, Louisiana

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Federal Assistance I.D. Number	Federal Expenditures
Direct Programs:			
U. S. Department of Health and Human Services - COVID 19 - Provider Relief Fund	93.498	N/A	<u>\$ 3,787,019</u>



HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021

(1) General

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of the Hospital Services District No. 1 of the Parish of Avoyelles d/b/a Bunkie General Hospital (Hospital), a component unit of the Avoyelles Parish Police Jury. The Hospital's reporting entity is defined in Note 1 to the financial statements for the year ended June 30, 2021. All federal financial assistance received directly from federal agencies is included in the schedule as well as federal financial assistance passed through other government agencies.

(2) Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting, which is described in Note 1 to the Hospital's financial statements for the year ended June 30, 2021.

(3) Indirect Cost Rate

The Hospital has elected not to use the 10% de minimis indirect cost rate.

(4) Provider Relief Fund (Assistance Listing 93.498)

The schedule of expenditures of federal awards reporting amounts for this program are based upon the Provider Relief Fund report that is required to be submitted to the Health Resources and Services Administration reporting portal. In accordance with the program guidance, the schedule of expenditures of federal awards reports expenditures incurred from January 1, 2020 through June 30, 2021, which includes expenditures of \$2,026,454 that were incurred in the prior fiscal year.

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the Hospital were prepared in accordance with GAAP.
2. There were no significant deficiencies in internal control over financial reporting that were disclosed during the audit of the financial statements. There were no material weaknesses reported.
3. No instances of noncompliance material to the financial statements of the Hospital, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. There were no significant deficiencies in internal control over the major federal award program disclosed during the audit. No material weaknesses are reported.
5. The auditor's report on compliance for the major federal award program for the Hospital expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) in this schedule.
7. The program tested as a major program was: COVID 19 - Provider Relief Fund (93.498).
8. The threshold used to distinguish between Type A and Type B programs was \$750,000.
9. The Hospital did not qualify as a low-risk auditee.

Part II. Findings – Financial Statements Audit:

Internal Control Findings –

There were no findings reported under this section.

Compliance Findings –

There were no findings reported under this section.

HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Bunkie, Louisiana

Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2021

Part III. Findings – Findings and questioned costs – Major Federal Programs Audit:

A. Internal Control Findings -

There are no findings to report under this section.

B. Compliance Findings -

There are no findings to report under this section.



Linda F. Deville, CEO

**BUNKIE GENERAL HOSPITAL**

427 Evergreen Street  
P.O. Box 380  
Bunkie, LA 71322  
Telephone (318) 346-6681  
Fax (318) 346-6780

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Harry Normand, Vice Chairman  
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HOSPITAL SERVICES DISTRICT NO. 1 OF THE PARISH OF AVOYELLES  
d/b/a BUNKIE GENERAL HOSPITAL  
Schedule of Prior Year Audit Findings  
Year Ended June 30, 2021

**FINDINGS – FINANCIAL STATEMENT AUDIT:**

**Internal Control Findings -**

**2020-001 Proposed Audit Adjustments**

Fiscal year finding initially occurred: 2019

**CONDITION:** The proposed audit adjustments for the fiscal year ended June 30, 2020 and 2019 had material effects on the financial statements. Material audit adjustments were made in the area of cost report settlements.

**RECOMMENDATION:** Management should perform a comprehensive review of financial statements, estimates and journal entries before closing the fiscal year.

**CURRENT STATUS:** Resolved

Sincerely,

Linda Deville  
Chief Executive Officer

*Bunkie General Hospital is an equal opportunity employer and provider that provides equal employment opportunities to all employees and applicants for employment and services. Further, BGH prohibits discrimination and harassment of any type without regard to race, color, religion, age, sex, national origin, disability status, genetic information, marital/parental/family status, military or veteran status, sexual orientation, gender identity or expression, political beliefs, reprisal or retaliation for prior civil rights activities, equal pay, inability to pay or income from public assistance program(s) or, any other characteristics protected by federal, state or local laws.*