

NATCHITOCHEs REGIONAL MEDICAL CENTER

CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

FOR THE YEARS ENDED
JUNE 30, 2020, 2019 AND 2018



LESTER, MILLER & WELLS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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Natchitoches Parish Hospital Service District
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis

Our discussion and analysis of Natchitoches Parish Hospital Service District's (Hospital's) financial performance provides an overview of the Hospital's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the Hospital's financial statements, which begin on page 4.

Financial Highlights

- The Hospital's total assets increased by approximately \$10,424,000 or roughly 11.8%. The Hospital's total liabilities increased by approximately \$9,033,000, or roughly 43.2%. The increases are mostly due to additional funding made available to the Hospital in response to the COVID-19 pandemic in the form of HHS Provider Relief Funds and Medicare Advanced Payments.
- During the year, the Hospital's net patient service revenue rose 2.3% due to the expansion of services, such as private physician offices. Expenses increased by approximately \$5,477,000, or 6.0%. The Hospital had a net loss from operations of \$4,817,000 but an overall income of \$2,146,000, which is approximately 3.0% of total operating revenue.
- The voters renewed a 10-year Ambulance property tax in 2013, and the hospital received \$1,826,000 in taxes for this year. These taxes have been able to provide funds for modernization of Ambulance equipment and expansion of service to rural areas of the Parish that do not have the optimum of services.

Using This Annual Report

The Hospital's financial statements consist of three statements – a statement of net position; a statement of revenues, expenses and changes in net position; and a statement of cash flows. These financial statements and related notes provide information about the activities of the Hospital, including resources held by the Hospital but restricted for specific purposes by contributors, grantors, or enabling legislation.

The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position

Our analysis of the Hospital finances begins on page iv. One of the most important questions asked about the Hospital's finances is, "Is the Hospital as a whole better or worse off as a result of the year's activities?" The statement of net position and the statement of revenues, expenses and changes in net position report information about the Hospital's resources and its activities in a way that helps answer this question. These statements include all restricted and unrestricted assets and all liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received and paid.

These two statements report the Hospital's net position and changes in them. You can think of the Hospital's net position – the difference between assets and liabilities – as one way to measure the Hospital's financial health, or financial position. Over time, increases or decreases in the Hospital's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Hospital's patient base and measure of the quality of service it provides to the community, as well as local economic factors to assess the overall health of the Hospital.

Natchitoches Parish Hospital Service District
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis (continued)

The Statement of Cash Flows

The final required statement is the statement of cash flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. It provides answers to such questions as "Where did cash come from?" "What was cash used for?" and "What was the change in cash balance during the reporting period?"

The Hospital's Net Position

The Hospital's net position is the difference between its assets and liabilities reported in the statement of net position on page 4. The Hospital's net position increased in each of the past four years, by \$1,390,975 (2.1 percent) in 2020, \$213,473 (0.3 percent) in 2019, \$1,692,213 (2.6 percent) in 2018 and \$2,848,741 (4.6 percent) in 2017, as you can see from Table 1.

Table 1: Assets, Liabilities and Net Position

	June 30			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Current Assets	\$ 30,646,968	\$ 23,358,319	\$ 23,857,267	\$ 25,318,666
Land & Depreciable Assets – Net	49,144,125	40,117,436	40,108,285	37,039,752
Other Assets, Including Board - Designated Investments	<u>18,862,055</u>	<u>24,753,861</u>	<u>17,074,034</u>	<u>17,175,092</u>
Total Assets	<u>\$ 98,653,148</u>	<u>\$ 88,229,616</u>	<u>\$ 81,039,586</u>	<u>\$ 79,533,510</u>
Current Liabilities	\$ 19,554,581	\$ 8,702,024	\$ 8,985,467	\$ 7,866,604
Long-term Debt/Liabilities	<u>10,370,000</u>	<u>12,190,000</u>	<u>4,930,000</u>	<u>6,235,000</u>
Total Liabilities	<u>29,924,581</u>	<u>20,892,024</u>	<u>13,915,467</u>	<u>14,101,604</u>
Net Position				
Net Investment in Capital Assets	36,954,125	26,187,436	33,873,285	29,569,752
Restricted	2,828,532	8,055,202	1,376,558	1,005,527
Unrestricted	<u>27,174,458</u>	<u>31,503,869</u>	<u>30,345,829</u>	<u>33,115,529</u>
Total Controlling Net Position	<u>66,957,115</u>	<u>65,746,507</u>	<u>65,595,672</u>	<u>63,690,808</u>
Noncontrolling Interest in Subsidiary	<u>1,771,452</u>	<u>1,591,085</u>	<u>1,528,447</u>	<u>1,741,098</u>
Total Net Position	<u>68,728,567</u>	<u>67,337,592</u>	<u>67,124,119</u>	<u>65,431,906</u>
Total Liabilities and Net Position	<u>\$ 98,653,148</u>	<u>\$ 88,229,616</u>	<u>\$ 81,039,586</u>	<u>\$ 79,533,510</u>

Natchitoches Parish Hospital Service District
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis (continued)

Operating Results and Changes in the Hospital's Net Position

The following table presents a summary of the Hospital's historical revenues and expenses for the fiscal years ended June 30, 2020, 2019, 2018 and 2017.

Table 2: Operating Results and Changes in Net Position

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenue:				
Net Patient Service Revenue	\$ 63,392,477	\$ 61,984,951	\$ 55,857,626	\$ 54,367,788
Other Revenue	7,259,263	6,962,118	10,978,731	9,454,843
Net Revenue	<u>70,651,740</u>	<u>68,947,069</u>	<u>66,836,357</u>	<u>63,822,631</u>
Expenses:				
Salaries & Benefits	38,592,481	36,421,768	33,024,661	29,366,513
Medical Supplies	7,793,566	7,346,630	6,773,250	6,301,571
Purchased Services	4,787,488	3,701,368	3,995,158	4,400,362
Other Operating Expense	20,234,612	18,618,351	18,050,319	18,325,697
Depreciation & Amortization	4,060,249	3,903,494	3,854,734	3,827,909
Total Operating Expense	<u>75,468,396</u>	<u>69,991,611</u>	<u>65,698,122</u>	<u>62,222,052</u>
Net Operating Income	<u>(4,816,656)</u>	<u>(1,044,542)</u>	<u>1,138,235</u>	<u>1,600,579</u>
Investment Income	343,102	392,407	278,769	203,037
Interest Expense	(126,792)	(150,895)	(211,258)	(269,896)
Other Nonoperating Revenue	<u>6,746,653</u>	<u>1,792,917</u>	<u>1,730,881</u>	<u>1,733,459</u>
Excess of Revenues over Expense	2,146,307	989,887	2,936,627	3,267,179
Unrealized Holding Gains (Losses)	242,777	283,599	(188,032)	(145,126)
Consolidated Net Income - Non Controlling Interest	<u>(1,178,476)</u>	<u>(1,122,651)</u>	<u>(843,731)</u>	<u>(526,680)</u>
Changes in Net Position	1,210,608	150,835	1,904,864	2,595,373
Net Position – Beginning of Year	<u>65,746,507</u>	<u>65,595,672</u>	<u>63,690,808</u>	<u>61,095,435</u>
Net Position – End of Year	<u>\$ 66,957,115</u>	<u>\$ 65,746,507</u>	<u>\$ 65,595,672</u>	<u>\$ 63,690,808</u>

Natchitoches Parish Hospital Service District
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis (continued)

Operating Income

The first component of the overall change in the Hospital's net position is its operating income (loss) – generally, the difference between net patient service revenue and other revenue, and the expenses incurred to perform those services. In 2020 and 2019, the Hospital has reported a net operating loss while in 2018 and 2017 the Hospital reported a net operating profit. In 2020 there was a decrease of \$3,772,114 (361%) in operating income. In 2019 there was a decrease of \$2,182,777 (192%) in operating income. In 2018, there was a decrease of \$462,344 (29%) in operating income. In 2017, there was an increase of \$2,564,254 (266%) in operating income.

Total salary and benefits expenses increased in 2020 by \$2,170,713 or 6.0%, 2019 by \$3,397,107 or 10.3%, 2018 by \$3,658,148 or 12.5%, and 2017 by \$1,075,854 or 3.8%. As a percentage of net patient service revenue, salary and benefit expenses were approximately 60.9, 58.8%, 59.1%, and 54.0% for the fiscal years ended June 2020, 2019, 2018 and 2017, respectively.

Medical supplies increased by approximately \$447,000 and professional fees increased by approximately \$1,086,000 in 2020. Other expenses increased by approximately \$1,616,000. The increase in other expenses were related mainly service fees related to operation of the Hospital's new cafeteria.

The rate of health care inflation has a direct effect on the cost of services provided by the Hospital. A component of the Hospital's costs is expenses for medical and professional services. In 2020, medical and professional services cost totaled \$4.8 million (6.3% of total expenses) and an increase of 29.3% over 2019 costs of \$3.7 million (5.3% of total expenses).

Sources of Revenue

During fiscal year 2020, the Hospital derived the majority of its total revenue from patient service revenue. Patient service revenue includes revenue from the Medicare and Medicaid programs and patients, or their third-party payors, who receive care in the Hospital's facilities. Reimbursement for the Medicare and Medicaid programs and the third-party payors is based upon established contracts. The difference between the covered charges and the established contract is recognized as a contractual allowance. Other revenue includes ambulance property tax, cafeteria sales, contract meals, rental income and other miscellaneous services.

Natchitoches Parish Hospital Service District
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis (continued)

Sources of Revenue (continued)

Table 3 presents the relative percentages of gross charges billed for patient services by payor for the fiscal years ended June 30, 2020, 2019, 2018 and 2017.

Table 3: Payor Mix by Percentage

	Year-end June 30			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Medicare	30.7%	32.9%	33.6%	33.7%
Medicaid	31.2%	30.5%	30.4%	29.5%
Commercial Insurance	14.5%	13.9%	18.9%	16.4%
Blue Cross	21.0%	20.1%	14.3%	15.7%
Self-Pay and Other	<u>2.6%</u>	<u>2.6%</u>	<u>2.8%</u>	<u>4.7%</u>
Total Patient Revenues	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Other Revenue

Other revenue includes cafeteria sales, rental income, and other miscellaneous services. Other revenue increased by \$297,145 or 4.3% for 2020.

Table 4: Other Revenue

	Year-end June 30			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Other Revenue:				
Rental Income	\$ 1,547,772	\$ 1,565,673	\$ 1,444,333	\$ 1,474,383
Medical Records Revenue	89	398	117	64
Dietary Sales	280,814	262,457	313,998	346,048
Drugs Sold to Employees	686,797	632,094	532,121	343,675
Vending Revenue	27,046	37,296	35,829	35,124
Grants	3,634,749	3,359,675	6,573,508	6,451,420
340B Pharmaceutical Program	727,968	655,195	1,246,642	641,443
Other	<u>354,028</u>	<u>449,330</u>	<u>832,183</u>	<u>162,686</u>
Total Other Revenue	<u>\$ 7,259,263</u>	<u>\$ 6,962,118</u>	<u>\$ 10,978,731</u>	<u>\$ 9,454,843</u>

Natchitoches Parish Hospital Service District
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis (continued)

Nonoperating Revenues and Expenses

Nonoperating revenues and expenses consist of interest income, interest expense, and other nonoperating revenue. Other nonoperating revenue increased by \$4,953,736 or 276.3% due to provider relief funds received by the hospital to prepare for and respond to the Coronavirus pandemic.

	Year-end June 30			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Other Nonoperating Revenue				
Ambulance Tax and Subsidy	\$ 1,825,686	\$ 1,792,917	\$ 1,730,881	\$ 1,733,459
Provider Relief Funds	<u>4,920,967</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
 Total Other Nonoperating Revenue	 <u>\$ 6,746,653</u>	 <u>\$ 1,792,917</u>	 <u>\$ 1,730,881</u>	 <u>\$ 1,733,459</u>

Operating and Financial Performance

The following summarizes the Hospital's statements of revenues, expenses, and changes in net position between 2020, 2019, 2018 and 2017.

Overall, activity at the Hospital, as measured by admissions of adults, pediatrics, and geriatric psych patients, has decreased over the past few years. Inpatient admissions decreased by 9.2% in 2020 to 2,095 from 2,307 from in 2019. Inpatient admissions were 2,420 in 2018 and 2,674 in 2017. Patient days decreased 3.0% in 2020 to 9,737 from 10,042 in 2019. Previous years had patient days of 10,566 in 2018 and 11,443 in 2017. The average length of stay for acute care patients (excluding newborns) increased to 3.63 days in 2020 from 3.52 in 2019. The average length of stay was 3.46 and 3.47 in 2018 and 2017, respectively.

Outpatient registrations decreased by 0.7% in 2020 to 73,099 from 73,641 in 2019. Previous years had outpatient registrations of 70,505 in 2018 and 67,506 in 2017.

Our Long-Term Care Unit's activity decreased by 0.1% in 2020 to 36,814 from 36,852 in 2019 (an average of 101 patients per day), 35,202 in 2018, and 37,543 days in 2017, which represents 90% occupancy on the unit.

The Hospital operates the district ambulance service that traditionally has had operating losses. The ambulance operation was supported by a 5.53 mill property tax approved by the residents of Natchitoches Parish. The amount of tax revenue received during 2020 was \$1,825,686 and an increase from \$1,792,917 in 2019. That property tax was renewed in 2013 at 5.31 mill for 10 years.

Natchitoches Parish Hospital Service District
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis (continued)

Operating and Financial Performance (continued)

Table 5: Patient and Hospital Statistical Data

	Year-end June 30			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Admissions:				
Adult and Pediatric	1,881	2,084	2,195	2,454
Newborn	493	495	510	596
Long-Term Care Unit	255	255	289	306
Geriatric Psych Unit	214	223	225	220
Patient Days:				
Adult and Pediatric	6,826	7,344	7,596	8,527
Medicare (Included in Adult & Pediatric)	2,693	2,858	3,186	3,611
Medicaid (Included in Adult & Pediatric)	2,582	2,722	2,643	2,877
Newborn	956	991	1,037	1,227
Long-Term Care Unit	36,814	36,852	35,202	37,543
Geriatric Psych Unit	2,911	2,698	2,970	2,916
Operating Room Patients	2,011	2,178	1,908	1,783
Outpatient Registrations	73,099	73,641	70,505	67,506
Emergency Room Visits	18,761	20,845	22,079	21,545
Ambulance Runs	4,396	4,400	4,457	4,418
Average Daily Census (Excluding Newborn):				
Adult and Pediatric	18.70	20.12	20.81	23.36
Long-Term Care Unit	100.86	100.96	96.44	102.86
Geriatric Psych Unit	7.98	7.39	8.14	7.99
Average Length of Stay (Excluding Newborn):				
All Acute Care Patients	3.63	3.52	3.46	3.47
Medicare Patients	4.09	3.88	3.75	3.99
Medicaid Patients	2.67	2.75	2.66	2.64
Long-Term Care Unit Patients	144.37	144.52	121.81	122.69
Geriatric Psych Unit Patients	13.60	12.10	13.20	13.25
Percentage of Acute-Care Patient Days:				
Medicare	39.45%	38.92%	41.94%	42.35%
Medicaid	37.83%	37.06%	34.79%	33.74%
Full-Time Equivalent (FTE's)	570	568	528	517

Natchitoches Parish Hospital Service District
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis (continued)

Operating and Financial Performance (continued)

Allowances increased over prior year as described in the table below:

Table 6: Allowance Summary

	Year-end June 30			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Allowances:				
Medicare Contractual Allowances	\$ 49,194,798	\$ 52,205,899	\$ 47,910,404	\$ 42,530,272
Medicaid Contractual Allowances	46,283,152	43,650,363	38,237,686	32,729,869
Blue Cross, Louisiana State Employees, and other Contractual Allowances	45,318,483	44,018,321	37,207,686	35,689,057
Provision for Bad Debt	7,032,303	5,705,368	6,664,348	7,579,888
Other Adjustments	452,008	536,780	330,941	128,167
Physician Fee Revenue	<u>(2,981,004)</u>	<u>(2,245,686)</u>	<u>(2,031,326)</u>	<u>(1,390,265)</u>
Total Allowances	<u>\$ 145,299,740</u>	<u>\$ 143,871,045</u>	<u>\$ 128,319,739</u>	<u>\$ 117,266,988</u>

Accounts receivable decreased from 62.9 days in 2017 to 61.5 days in 2018, and then increased to 62.9 days in 2019 and decreased to 54.8 days in 2020. Excluded from net patient service revenue are charges forgone for patient services falling under the Hospital's charity care policy. Based on established rates, gross charges of \$410,911 were foregone in 2020, compared to \$456,783 in 2019, \$285,389 in 2018, \$65,013 in 2017. The Hospital has instituted an automated charity care system to assure consistent application of Board policies. Hospital assumes compliance with our charity policy results in only patients meeting specific criteria being classified as a charity care.

Natchitoches Parish Hospital Service District
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis (continued)

Land & Depreciable Assets

At the end of 2020, the Hospital had \$49.1 million invested in land and depreciable assets, net of accumulated depreciation, as detailed in note 5 to the financial statements. In 2020, the Hospital spent \$13,154,928 in depreciable assets and construction cost compared to \$3,814,957 in 2019. Of this, \$10,406,495 (79.1%) was the acquisition of new equipment and construction as can be seen in Table 8 below. Depreciation expense for 2020 was \$3,968,239.

Table 7: Land & Depreciable Assets

	Year-end June 30			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Land	\$ 1,227,125	\$ 1,118,948	\$ 1,118,948	\$ 1,118,948
Construction in Progress	<u>10,505,585</u>	<u>3,958,062</u>	<u>312,946</u>	<u>6,612,554</u>
Nondepreciable Capital Assets	<u>\$ 11,732,710</u>	<u>\$ 5,077,010</u>	<u>\$ 1,431,894</u>	<u>\$ 7,731,502</u>
Building & Equipment	114,370,249	104,216,064	101,029,027	93,154,264
Less Accumulated Depr.	<u>76,958,834</u>	<u>69,184,789</u>	<u>65,421,169</u>	<u>62,895,129</u>
Depreciable Capital Assets, Net	<u>\$ 37,411,415</u>	<u>\$ 35,031,275</u>	<u>\$ 35,607,858</u>	<u>\$ 30,259,135</u>

Table 8: Major Additions over \$100,000

<u>Capital Investment</u>	<u>Department</u>	<u>2020 Cost</u>
Ultra Sound Machine	UltraSound	\$ 126,984
IV Pumps	Adults & Pediatrics	\$ 569,972
Mammogram Machine	Mammography	\$ 377,918
CT Scanner	CT Scan	\$ 313,650
New Ambulance	Ambulance	\$ 159,004
Fire Alarm System	Building	\$ 199,349
Chiller replacement	Building	\$ 1,859,619
Construction projects	Multi-specialty	\$ 3,993,607
Construction projects	Nursing	\$ 113,483
Construction projects	Wound Care	\$ 2,692,909
Construction projects	Women's Clinic	\$ 783,416

Natchitoches Parish Hospital Service District
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis (continued)

Debt Administration

At year-end, the Hospital had \$12,190,000 in short-term and long-term debt. Long-term debt decreased by \$1,820 in fiscal year 2020. More detailed information about the Hospital's long-term liabilities is presented in Note 8 to the basic financial statements. Total debt outstanding represents approximately 12.4% of the Hospital's total assets at June 30, 2020 versus prior years of 15.8%, 7.7% and 9.4% for 2019, 2018 and 2017, respectively.

Contacting the Hospital's Financial Management

This financial report is designed to provide our patients, suppliers, taxpayers, and creditors with a general overview of the Hospital's finances and to show the Hospital's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Hospital administration.



LESTER, MILLER & WELLS

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Independent Auditors' Report

To the Board of Commissioners
Natchitoches Parish Hospital Service District No. 1
Natchitoches, Louisiana

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Natchitoches Parish Hospital Service District No. 1 and its affiliates (the "Hospital"), a component unit of the Natchitoches Parish Government, Natchitoches, Louisiana, as of and for the years ended June 30, 2020, 2019 and 2018, 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.

Auditors' Responsibility

Our responsibility is to express an opinion 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 audits to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Hospital, as of June 30, 2020, 2019 and 2018, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the financial information of Natchitoches Parish Hospital Service District No. 1 and its affiliates and do not purport to, and do not, present fairly the financial position of the Natchitoches Parish Government as of June 30, 2020, 2019 and 2018, the changes in its financial position, or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages "i" through "x" be presented to supplement the basic financial statements. Such 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. 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 response 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.

Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.



Certified Public Accountants
Alexandria, Louisiana

January 15, 2021



NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED STATEMENTS OF NET POSITION
JUNE 30,

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Current			
Cash and cash equivalents	\$ 11,596,608	\$ 6,746,060	\$ 7,368,595
Limited use assets (Note 4)	2,094,580	637,555	946,261
Patient accounts receivable, net (Note 3)	9,526,363	10,712,124	9,413,521
Estimated third-party payor settlements	1,277,199	420,125	838,314
Other receivables	2,153,535	1,746,711	2,577,399
Inventory	2,687,905	1,927,414	1,931,665
Prepaid expenses	1,218,478	1,081,132	761,820
Notes receivable - current (Note 15)	92,300	87,198	19,692
Total Current Assets	<u>30,646,968</u>	<u>23,358,319</u>	<u>23,857,267</u>
Other			
Limited use assets (Note 4)	16,410,366	22,563,663	15,016,733
Nondepreciable capital assets (Note 5)	11,732,710	3,089,189	5,077,010
Depreciable capital assets, net (Note 5)	37,411,415	37,028,247	35,031,275
Bond issue cost, net (Note 6)	17,160	23,450	29,739
Capitalized construction interest, net (Note 6)	1,944,575	1,684,655	1,617,556
Notes receivable (Note 15)	139,831	109,028	6,042
Other	350,123	373,065	403,964
Total Assets	<u>\$ 98,653,148</u>	<u>\$ 88,229,616</u>	<u>\$ 81,039,586</u>
<u>LIABILITIES AND NET POSITION</u>			
Current			
Accounts payable	\$ 5,955,706	\$ 3,884,367	\$ 3,381,216
Accrued expenses	1,653,742	1,420,232	1,916,469
Estimated third-party payor settlements	1,540,679	1,609,825	2,335,182
Unearned revenue (Note 16)	8,584,454	47,600	47,600
Current portion of long-term debt (Note 8)	1,820,000	1,740,000	1,305,000
Total Current Liabilities	<u>19,554,581</u>	<u>8,702,024</u>	<u>8,985,467</u>
Long-term Liabilities			
Long-term debt (Note 8)	10,370,000	12,190,000	4,930,000
Total Liabilities	<u>29,924,581</u>	<u>20,892,024</u>	<u>13,915,467</u>
Net Position			
Invested in capital assets, net of related debt	36,954,125	26,187,436	33,873,285
Restricted	2,828,532	8,055,202	1,376,558
Unrestricted	27,174,458	31,503,869	30,345,829
Total Controlling Net Position	<u>66,957,115</u>	<u>65,746,507</u>	<u>65,595,672</u>
Noncontrolling interest in subsidiary	1,771,452	1,591,085	1,528,447
Total Net Position	<u>68,728,567</u>	<u>67,337,592</u>	<u>67,124,119</u>
Total Liabilities and Net Position	<u>\$ 98,653,148</u>	<u>\$ 88,229,616</u>	<u>\$ 81,039,586</u>

See accompanying notes to financial statements.

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating Revenues			
Net patient service revenue	\$ 63,392,477	\$ 61,984,951	\$ 55,857,626
Other revenue	<u>7,259,263</u>	<u>6,962,118</u>	<u>10,978,731</u>
Total Operating Revenues	<u>70,651,740</u>	<u>68,947,069</u>	<u>66,836,357</u>
Operating Expenses			
Salaries and benefits	38,592,481	36,421,768	33,024,661
Medical supplies and drugs	7,793,566	7,346,630	6,773,250
Medical, professional and consulting	4,787,488	3,701,368	3,995,158
Other expenses	18,755,775	17,355,104	16,831,987
Insurance	1,478,837	1,263,247	1,218,332
Depreciation and amortization	<u>4,060,249</u>	<u>3,903,494</u>	<u>3,854,734</u>
Total Operating Expenses	<u>75,468,396</u>	<u>69,991,611</u>	<u>65,698,122</u>
Operating Income (Loss)	<u>(4,816,656)</u>	<u>(1,044,542)</u>	<u>1,138,235</u>
Nonoperating Revenues (Expenses)			
Property taxes	1,825,686	1,792,917	1,730,881
Provider relief funds	4,920,967	-0-	-0-
Interest income	343,102	392,407	278,769
Interest expense	<u>(126,792)</u>	<u>(150,895)</u>	<u>(211,258)</u>
Total Nonoperating Revenues (Expenses)	<u>6,962,963</u>	<u>2,034,429</u>	<u>1,798,392</u>
Excess of Revenue Over Expenses	2,146,307	989,887	2,936,627
Less: Consolidated net income attributable to noncontrolling interest	(1,178,476)	(1,122,651)	(843,731)
Other Comprehensive Income			
Unrealized holding gains (losses)	<u>242,777</u>	<u>283,599</u>	<u>(188,032)</u>
Changes in net position	1,210,608	150,835	1,904,864
Beginning net position	<u>65,746,507</u>	<u>65,595,672</u>	<u>63,690,808</u>
Ending net position	\$ <u>66,957,115</u>	\$ <u>65,746,507</u>	\$ <u>65,595,672</u>

See accompanying notes to financial statements.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:			
Cash received from patients and third-party payors	\$ 70,837,456	\$ 60,379,180	\$ 56,076,255
Other receipts from operations	6,804,839	7,792,806	10,162,927
Cash payments to employees and for employee-related cost	(38,358,971)	(36,918,005)	(33,258,319)
Cash payments for other operating expenses	<u>(31,474,913)</u>	<u>(29,421,776)</u>	<u>(27,582,030)</u>
Net cash provided (used) by operating activities	<u>7,808,411</u>	<u>1,832,205</u>	<u>5,398,833</u>
Cash flows from investing activities:			
Cash invested in assets limited as to use - investment	4,939,049	(6,954,625)	(573,289)
Loans to physicians	(203,156)	(230,000)	-0-
Collection on physician loans	-0-	3,025	33,516
Dividends paid to joint venture owners	(998,109)	(1,060,013)	(1,056,382)
Investment earnings	<u>343,102</u>	<u>392,407</u>	<u>278,769</u>
Net cash provided (used) by investing activities	<u>4,080,886</u>	<u>(7,849,206)</u>	<u>(1,317,386)</u>
Cash flows from non-capital financing activities:			
Proceeds from property taxes	1,825,686	1,792,917	1,730,881
Proceeds from provider relief funds	<u>6,319,983</u>	<u>-0-</u>	<u>-0-</u>
Net cash provided (used) by non-capital financing activities	<u>8,145,669</u>	<u>1,792,917</u>	<u>1,730,881</u>
Cash flows from capital and related financing activities:			
Interest expense	(126,792)	(150,895)	(211,258)
Capitalized construction interest	(317,363)	(124,542)	-0-
Principal payments on long-term debt	(1,740,000)	(1,305,000)	(1,235,000)
Cash received from long-term borrowings	-0-	9,000,000	-0-
Acquisition of capital assets	<u>(13,000,263)</u>	<u>(3,818,014)</u>	<u>(6,832,153)</u>
Net cash provided (used) by capital and related financing activities	\$ <u>(15,184,418)</u>	\$ <u>3,601,549</u>	\$ <u>(8,278,411)</u>

See accompanying notes to financial statements.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
YEARS ENDED JUNE 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net increase (decrease) in cash and cash equivalents	\$ 4,850,548	\$ (622,535)	\$ (2,466,083)
Beginning cash and cash equivalents	<u>6,746,060</u>	<u>7,368,595</u>	<u>9,834,678</u>
Ending cash and cash equivalents	\$ <u>11,596,608</u>	\$ <u>6,746,060</u>	\$ <u>7,368,595</u>
Supplemental disclosures of cash flow information:			
Cash paid during the period for interest	\$ <u>446,615</u>	\$ <u>217,140</u>	\$ <u>218,378</u>
Reconciliation of income from operations to net cash provided by operating activities:			
Operating income (loss)	\$ (4,816,656)	\$ (1,044,542)	\$ 1,138,235
Adjustments to reconcile revenue in excess of expenses to net cash provided by operating activities:			
Depreciation and amortization	4,060,249	3,903,494	3,854,738
Physician loan amortization	167,251	56,483	-0-
Changes in current assets (increase) decrease:			
Patient accounts receivable, net	1,185,761	(1,298,603)	(42,941)
Estimated third-party payor settlements	(857,074)	418,189	(166,569)
Other receivables	(406,824)	830,688	(581,175)
Inventory	(760,491)	4,251	111,056
Prepaid expenses	(137,346)	(319,312)	36,626
Changes in current liabilities (increase) decrease:			
Accounts payable	2,071,339	503,151	298,592
Accrued expenses	233,510	(496,237)	286,761
Unearned revenue	7,137,838	-0-	22,592
Estimated third-party payor settlements	<u>(69,146)</u>	<u>(725,357)</u>	<u>440,918</u>
Net cash provided by operating activities	\$ <u>7,808,411</u>	\$ <u>1,832,205</u>	\$ <u>5,398,833</u>

See accompanying notes to financial statements.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020, 2019 AND 2018

NOTE 1 - THE ORGANIZATION AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Legal Organizations

The Natchitoches Parish Hospital Service District (referred to as "the District" or "the Hospital") was created by an ordinance of the Natchitoches Parish Government (the "Parish Government"), formerly the Natchitoches Parish Police Jury on October 19, 1955. The governing board of the District consists of seven members appointed by the Parish Government. Because the Parish Government appoints all commissioners of the Natchitoches Parish Hospital Service District, the District is a component unit of the Natchitoches Parish Government, which is the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Parish Government or the other governmental units that comprise the financial reporting entity.

An affiliate, Natchitoches Outpatient Services, LLC (referred to as "NOP, LLC"), was organized January 22, 2004, as a Louisiana limited liability company. NOP, LLC is a perpetual limited liability company. The District has 50.9% ownership in NOP, LLC.

An affiliate, Natchitoches Assisted Living, LLC (referred to as "NAL, LLC"), was organized July 16, 2007, as a Louisiana limited liability company. NAL, LLC is a perpetual limited liability company. The District has 100% ownership in NAL, LLC.

An affiliate, Regional Cardiology Clinic, LLC (referred to as "RCC, LLC"), was organized March 2, 2009, as a Louisiana limited liability company. RCC, LLC is a perpetual limited liability company. The District has 50.1% ownership in RCC, LLC.

An affiliate, Natchitoches Regional Medical Center Foundation (referred to as "NRMC Foundation"), was incorporated November 3, 2005, as a Louisiana nonprofit corporation. NRMC Foundation has one class of members, consisting of two members, the District and Christus Health Central Louisiana. The District appoints six of the ten-member Board for NRMC Foundation, however two-thirds (2/3) vote is needed for certain major decisions. Therefore, the financials of NRMC Foundation are not consolidated in the District's financials.

An affiliate, NRMC Comprehensive Wound Care, LLC (referred to as "Wound Care, LLC"), was organized November 11, 2013, as a Louisiana limited liability company. Wound Care, LLC is a perpetual limited liability company. The District has 56.0% ownership in Wound Care, LLC.

An affiliate, NRMC Walk-In Clinic Ventures, LLC (referred to as "Walk-In Clinic, LLC"), was organized March 19, 2015, as a Louisiana limited liability company. Walk-In Clinic, LLC is a perpetual limited liability company. The District has 63.04% ownership in Walk-In Clinic, LLC.

An affiliate, NRMC Pain Institute Ventures, LLC (referred to as "Pain Institute, LLC"), was organized February 12, 2016, as a Louisiana limited liability company. Pain Institute, LLC is a perpetual limited liability company. The District has 55.0% ownership in Pain Institute, LLC.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020, 2019 AND 2018

NOTE 1 - THE ORGANIZATION AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Nature of Business

The District provides outpatient, ambulance, emergency and inpatient acute services through its hospital unit. The District also provides inpatient intermediate and skilled nursing services through its long-term care unit and hospital "swing-beds". In June 1995, the District opened a unit to provide geriatric psychiatric services which was recognized as a "distinct part" unit effective July 1, 1995.

NOP, LLC provides outpatient therapy and MRI services.

NAL, LLC provides housing and limited care for elderly residents as an assisted living center.

RCC, LLC provides outpatient cardiology diagnostic and testing services.

Wound Care, LLC provides wound care and hyperbaric services.

Walk-In Clinic, LLC provides urgent care services.

Pain Institute, LLC provides pain management services.

Enterprise Fund

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Basis of Accounting

The District and its affiliates use enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic measurement focus.

Cash and Cash Equivalents

Cash represents coin, currency, bank demand deposits and other negotiable instruments that are readily acceptable in lieu of currency. Cash equivalents are time deposits, certificates of deposit, treasury bills and mortgage backed securities purchased with a maturity of three months or less. The caption "cash and cash equivalents" does not include amounts whose use is limited or temporary cash investments.

Inventory

Inventories are stated at the lower of cost determined by the first-in, first-out method, or market basis.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020, 2019 AND 2018

NOTE 1 - THE ORGANIZATION AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Investments

The Hospital classifies their investments as available-for-sale in response to changes in interest rates, liquidity needs and for other purposes. Available-for-sale securities are reported at fair value. Unrealized holding gains and losses are reported as other comprehensive income.

Capital Assets

Purchased fixed assets are recorded at cost and donated fixed assets, if received, at fair market value on the date of any donation. Depreciation is calculated over estimated useful lives, using the straight-line method. Land was initially donated for hospital use, and it is recorded at the fair market value at the time of donation. Additional land was purchased, and it is recorded at cost.

Net Position

The District classifies net position into three components: invested in capital assets, net of related debt; restricted and unrestricted. Invested in capital assets, net of related debt consists of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Restricted 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 are remaining net assets that do not meet the definition of invested capital assets, net of related debt or restricted.

Revenue and Expenses

The District's statements of revenues, expenses, and changes in net position distinguish between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services – the District's principal activity. Operating revenue also includes ad valorem taxes passed to provide the District with revenue to operate and maintain the District. Non-exchange revenues are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

Income Taxes

The District is a political subdivision of the State of Louisiana and exempt from taxation.

NOP, LLC; NAL, LLC; RCC, LLC; Wound Care, LLC; Walk-In Clinic, LLC; and Pain Institute, LLC do not pay federal corporate income taxes on their taxable income or are not allowed a net operating loss carryover or carryback as a deduction. Instead, the members are liable for individual federal income taxes on their respective shares of these companies' taxable income or include their respective shares of these companies' net operating loss in their individual income tax returns.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020, 2019 AND 2018

NOTE 1 - THE ORGANIZATION AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Credit Risk

The Hospital provides medical care primarily to Natchitoches Parish residents and grants credit to patients, substantially all of whom are local residents. The Hospital's estimate of collectibility is based on evaluation of historical collections compared to gross charges and an analysis of aged accounts receivable to establish an allowance for uncollectible accounts.

Grants and Contributions

From time to time, the District receives grants and contributions from the State of Louisiana, individuals or private and public 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.

Significant Concentration of Economic Dependence

The District has an economic dependence on Medicare and Medicaid as sources of payments as shown in the table in Note 9. Changes in federal or state legislation or interpretations of rules have a significant impact on the Hospital.

Net Patient Service Revenue

The District has entered into agreements with third-party payors, including government programs, health insurance companies, and managed care health plans, under which the Hospital is paid based upon established charges, the cost of providing services, predetermined rates per diagnosis, fixed per diem rates, or discounts from established charges.

Revenues are recorded at estimated amounts due from patients and third-party payors for the hospital services provided. Settlements under reimbursement agreements with third-party payors are estimated and recorded in the period the related services are rendered and are adjusted in future periods as final settlements are determined.

Patient Accounts Receivable

Patient accounts receivable are carried at a net amount determined by the original charge for the services provided, less an estimate for contractual adjustments or discounts provided to the third-party payors, less any payments received and less an estimated allowance for doubtful accounts. Management determines the allowance for doubtful accounts by utilizing a historical experience applied to an aging of accounts. Patient account receivables are written off as bad debt expense when deemed uncollectible. Recoveries of receivables previously written off as bad debt expenses are recorded as a reduction of bad debt expense when received.

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020, 2019 AND 2018

NOTE 1 - THE ORGANIZATION AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Restricted Revenues

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Advertising

The Hospital expenses advertising cost as incurred. Advertising expense for the years ended June 30, 2020, 2019, and 2018 totaled \$446,485, \$466,963, and \$438,954, respectively.

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. At June 30, 2020, 2019, and 2018, management is not aware of any liability resulting from environmental matters.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year classifications. In the previous years, income from property taxes was reported as operating income. The financial statements have been restated to show this as non-operating income.

Charity Care

The District provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the District does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

Risk Management

The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020, 2019 AND 2018

NOTE 1 - THE ORGANIZATION AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

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 and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Principles of Consolidation

The consolidated financial statements include the accounts of the District and its affiliates, after elimination of all significant intercompany balances and transactions. The District has recorded a minority interest for the portion of equity and income attributable to other investors in NOP, LLC; RCC, LLC; Wound Care, LLC; Walk-In Clinic, LLC; and Pain Institute, LLC.

Recently Issued Accounting Principles

In June 2017, the GASB issued Statement No. 87 (GASB 87). The objective of GASB Statement No. 87, Leases, is to better meet the information needs of the financial statement users by improving accounting and financial reporting for leases by governments. This Statement increased the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Management is still evaluating the potential impact of adoption on the Hospital's financial statements. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2021.

NOTE 2 - DEPOSITS AND INVESTMENTS

Louisiana state statutes authorize the District to invest in direct obligations of the U.S. Treasury and other federal agencies, time deposits with state banks and national banks having their principal office in the State of Louisiana, guaranteed investment contracts issued by highly rated financial institutions, and certain investments with qualifying mutual or trust fund institutions. Louisiana statutes also require that all of the deposits of the District be protected by insurance or collateral. The market value of collateral pledged must equal or exceed 100% of the deposits not covered by insurance.

Custodial Credit Risks - Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned to it. Louisiana state statutes require that all of the deposits of the District be protected by insurance or collateral. The fair value of the collateral pledged must equal 100% of the deposits not covered by insurance. The District had deposits of \$6,737,350 which were unsecured as of June 30, 2019. The District's deposits were entirely insured or entirely collateralized by securities held by the pledging bank's trust department in the District's name at June 30, 2020 and 2018.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2020, 2019 AND 2018

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risks - The District has 7.4% in Federal Farm Credit Banks, 19.9% in Federal Home Loan Bank, 21.2% in Municipal Bonds, 31.2% in Federal National Mortgage Association, and 16.1% in Money Market accounts.

Interest Rate Risks - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates.

The District's investments are reported at fair value. At June 30, 2020, 2019 and 2018, the District had the following investments and maturities, all of which were held in the District's name by a custodial bank that is an agent of the District. The table below is with the assumption that the bonds are held until maturity.

<u>June 30, 2020</u>	<u>Investment Maturities (In Years)</u>				
	<u>Carrying Amount</u>	<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>
Money Markets	\$ 2,516,121	\$ 2,516,121	\$ -0-	\$ -0-	\$ -0-
Fed National Mortgage Assoc.	4,890,747	2,063,238	2,456,770	370,739	-0-
Federal Home Loan Bank	3,121,890	557,342	2,564,548	-0-	-0-
Federal Home Loan Mortgage	286,015	286,015	-0-	-0-	-0-
Federal Farm Credit Banks	1,157,172	-0-	1,157,172	-0-	-0-
US Treasury Notes	130,066	130,066	-0-	-0-	-0-
Municipal Bonds	3,323,816	-0-	1,547,855	1,775,961	-0-
Certificates of Deposit	<u>250,587</u>	<u>-0-</u>	<u>250,587</u>	<u>-0-</u>	<u>-0-</u>
Total	\$ <u>15,676,414</u>	\$ <u>5,552,782</u>	\$ <u>7,976,932</u>	\$ <u>2,146,700</u>	\$ <u>-0-</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020, 2019 AND 2018

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

<u>June 30, 2019</u>		<u>Investment Maturities (In Years)</u>			
<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>
Money Markets	\$ 238,552	\$ 238,552	\$ -0-	\$ -0-	\$ -0-
Fed National Mortgage Assoc.	6,341,053	498,740	4,721,491	1,120,822	-0-
Federal Home Loan Bank	2,294,838	1,493,975	800,863	-0-	-0-
Federal Home Loan Mortgage	2,794,782	1,144,116	1,650,666	-0-	-0-
Federal Farm Credit Banks	2,325,026	498,610	1,826,416	-0-	-0-
US Treasury Notes	901,947	901,947	-0-	-0-	-0-
Municipal Bonds	<u>255,040</u>	<u>-0-</u>	<u>255,040</u>	<u>-0-</u>	<u>-0-</u>
Total	\$ <u>15,151,238</u>	\$ <u>4,775,940</u>	\$ <u>9,254,476</u>	\$ <u>1,120,822</u>	\$ <u>-0-</u>

<u>June 30, 2018</u>		<u>Investment Maturities (In Years)</u>			
<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>
Money Markets	\$ 842,375	\$ 842,375	\$ -0-	\$ -0-	\$ -0-
Fed National Mortgage Assoc.	5,795,380	1,105,768	4,689,612	-0-	-0-
Federal Home Loan Bank	1,196,450	119,375	1,077,075	-0-	-0-
Federal Home Loan Mortgage	4,296,641	1,547,015	2,749,626	-0-	-0-
Federal Farm Credit Banks	1,456,350	-0-	973,540	482,810	-0-
US Treasury Notes	<u>999,240</u>	<u>999,240</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total	\$ <u>14,586,436</u>	\$ <u>4,613,773</u>	\$ <u>9,489,853</u>	\$ <u>482,810</u>	\$ <u>-0-</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020, 2019 AND 2018

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Credit Risks - Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

As of June 30, 2020, the District's investments were rated as follows:

<u>Investment Type</u>	<u>Moody's Investor's Service</u>	<u>Standard & Poor's</u>	<u>Fair Value</u>
Federal National Mortgage Association	AAA	AA+	\$ 4,890,747
Federal Home Loan Bank	AAA	AA+	3,121,890
Federal Home Loan Mortgage Association	AAA	AA+	286,015
Federal Farm Credit Banks	AAA	AA+	1,157,172
US Treasury Notes	AAA	AA+	130,066
Municipal Bonds	AA1	AA+	514,642
Municipal Bonds	AA1	Not Rated	535,446
Municipal Bonds	AA2	AA-	111,072
Municipal Bonds	AA2	Not Rated	261,273
Municipal Bonds	A	Not Rated	258,207
Municipal Bonds	A1	Not Rated	144,430
Municipal Bonds	A2	AA	300,097
Municipal Bonds	A2	A	255,105
Municipal Bonds	A3	Not Rated	218,100
Municipal Bonds	Not Rated	AA	517,781
Municipal Bonds	Not Rated	AA-	207,663
Money Markets	Not Rated	Not Rated	2,516,121
Certificates of Deposit	Not Rated	Not Rated	<u>250,587</u>
Total			\$ <u>15,676,414</u>

The District's Investments are recorded at fair value as of June 30, 2020, 2019 and 2018 in accordance with GASB Statement No. 72 which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement establishes a three-level hierarchy of inputs to valuation techniques used to measure fair value. Level 1 inputs are accessible quoted prices in active markets for identical assets at the measurement date; Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset, either directly or indirectly; Level 3 inputs are unobservable inputs. The Districts investments for the years ended June 30, 2020, 2019 and 2018 were measured using Level 2 inputs.

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020, 2019 AND 2018

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Account balances according to banks' records at June 30, 2020, for the District are as follows:

	City Bank & Trust	Hancock Whitney Bank
Cash in banks	\$ <u>101,045</u>	\$ <u>8,537,133</u>
Insured by FDIC	\$ <u>45,520</u>	\$ <u>250,000</u>
Collateralization by fair market value	\$ <u>-0-</u>	\$ <u>8,287,133</u>
Uncollateralized	\$ <u>55,525</u>	\$ <u>-0-</u>

The carrying amounts of deposits and investments are included in the District's balance sheet as follows:

	2020	2019	2018
Carrying amount			
Deposits	\$ 13,691,188	\$ 7,383,615	\$ 8,314,856
Investments	<u>15,676,414</u>	<u>15,151,238</u>	<u>14,586,436</u>
	<u>\$ 29,367,602</u>	<u>\$ 22,534,853</u>	<u>\$ 22,901,292</u>
Included in the following balance sheet captions			
Cash and cash equivalents	\$ 11,596,608	\$ 6,746,060	\$ 7,368,595
Current limited use assets	2,094,580	637,555	946,261
Other limited use assets	<u>15,676,414</u>	<u>15,151,238</u>	<u>14,586,436</u>
	<u>\$ 29,367,602</u>	<u>\$ 22,534,853</u>	<u>\$ 22,901,292</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2020, 2019 AND 2018

NOTE 3 - ACCOUNTS RECEIVABLE

A summary of accounts receivable is presented below:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Patient accounts receivable	\$ 14,878,152	\$ 17,493,087	\$ 15,447,732
Less provision for uncollectibles	<u>(5,351,789)</u>	<u>(6,780,963)</u>	<u>(6,034,211)</u>
Net accounts receivable	\$ <u>9,526,363</u>	\$ <u>10,712,124</u>	\$ <u>9,413,521</u>

The following is a summary of the mix of receivables from patient and third-party payors at June 30:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Medicare	17%	20%	29%
Medicaid and Medicaid managed care plans	21%	24%	18%
Blue Cross Blue Shield	15%	11%	14%
Commercial and other third-party payors	28%	20%	22%
Patients	<u>19%</u>	<u>25%</u>	<u>17%</u>
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

The Medicare, Medicaid and third-party payors are shown net of contractual allowances.

NOTE 4 - LIMITED USE ASSETS

A summary of limited use assets is presented below:

<u>By Third Parties</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Cash with paying agent - interest and principal, due 10/01 (Series 2000 Bonds)	\$ 622,689	\$ 597,739	\$ 574,719
Series 2018 proceeds to be disbursed	-	6,987,350	-
Patient trust funds	72,928	39,816	33,705
Health insurance claims	-	-	337,837
Bond sinking fund	303,655	-	-
LHA trust deposits	430,297	430,297	430,297
Provider Relief Funds	1,398,963	-	-

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020, 2019 AND 2018

NOTE 4 - LIMITED USE ASSETS (Continued)

<u>By Board</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Repair and replacement - investments	\$ 15,676,414	\$ 15,146,016	\$ 14,586,436
Less limited use assets required for current liabilities	<u>(2,094,580)</u>	<u>(637,555)</u>	<u>(946,261)</u>
Non-current limited use assets	\$ <u>16,410,366</u>	\$ <u>22,563,663</u>	\$ <u>15,016,733</u>

NOTE 5 - DEPRECIABLE CAPITAL ASSETS, NET

The following is a summary of capital assets and related accumulated depreciation for the year ended:

	<u>2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>2020</u>
Nondepreciable capital assets					
Land	\$ 1,118,948	\$ 108,177	\$ -0-	\$ -0-	\$ 1,227,125
Construction in progress	<u>1,970,241</u>	<u>9,553,842</u>	<u>-0-</u>	<u>(1,018,498)</u>	<u>10,505,585</u>
Total nondepreciable capital assets	\$ <u>3,089,189</u>	\$ <u>9,662,019</u>	\$ <u>-0-</u>	\$ <u>(1,018,498)</u>	\$ <u>11,732,710</u>
Depreciable capital assets					
Land improvements	\$ 766,886	\$ -0-	\$ -0-	\$ -0-	\$ 766,886
Buildings	68,676,223	142,785	-0-	-0-	68,819,008
Fixed equipment	<u>40,575,733</u>	<u>3,350,124</u>	<u>160,000</u>	<u>1,018,498</u>	<u>44,784,355</u>
Total depreciable capital assets	110,018,842	3,492,909	160,000	1,018,498	114,370,249
Accumulated depreciation and amortization	<u>72,990,595</u>	<u>3,968,239</u>	<u>-0-</u>	<u>-0-</u>	<u>76,958,834</u>
Total depreciable capital assets, net	\$ <u>37,028,247</u>	\$ <u>(475,330)</u>	\$ <u>160,000</u>	\$ <u>1,018,498</u>	\$ <u>37,411,415</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020, 2019 AND 2018

NOTE 5 - DEPRECIABLE CAPITAL ASSETS, NET (Continued)

	<u>2018</u>		<u>Additions</u>		<u>Disposals</u>		<u>Transfers</u>		<u>2019</u>
Nondepreciable capital assets									
Land	\$ 1,118,948	\$	-0-	\$	-0-	\$	-0-	\$	1,118,948
Construction in progress	<u>3,958,062</u>		<u>2,434,789</u>		<u>-0-</u>		<u>(4,422,610)</u>		<u>1,970,241</u>
Total nondepreciable capital assets	\$ <u>5,077,010</u>	\$	<u>2,434,789</u>	\$	<u>-0-</u>	\$	<u>(4,422,610)</u>	\$	<u>3,089,189</u>
Depreciable capital assets									
Land improvements	\$ 766,886	\$	-0-	\$	-0-	\$	-0-	\$	766,886
Buildings	64,350,917		-0-		-0-		4,325,306		68,676,223
Fixed equipment	<u>39,098,261</u>		<u>1,380,168</u>		<u>-0-</u>		<u>97,304</u>		<u>40,575,733</u>
Total depreciable capital assets	104,216,064		1,380,168		-0-		4,422,610		110,018,842
Accumulated depreciation and amortization	<u>69,184,789</u>		<u>3,805,806</u>		<u>-0-</u>		<u>-0-</u>		<u>72,990,595</u>
Total depreciable capital assets, net	\$ <u>35,031,275</u>	\$	<u>(2,425,638)</u>	\$	<u>-0-</u>	\$	<u>4,422,610</u>	\$	<u>37,028,247</u>
	<u>2017</u>		<u>Additions</u>		<u>Disposals</u>		<u>Transfers</u>		<u>2018</u>
Nondepreciable capital assets									
Land	\$ 1,118,948	\$	-0-	\$	-0-	\$	-0-	\$	1,118,948
Construction in progress	<u>312,946</u>		<u>3,715,927</u>		<u>-0-</u>		<u>(70,811)</u>		<u>3,958,062</u>
Total nondepreciable capital assets	\$ <u>1,431,894</u>	\$	<u>3,715,927</u>	\$	<u>-0-</u>	\$	<u>(70,811)</u>	\$	<u>5,077,010</u>
Depreciable capital assets									
Land improvements	\$ 766,886	\$	-0-	\$	-0-	\$	-0-	\$	766,886
Buildings	62,706,481		1,573,625		-0-		70,811		64,350,917
Fixed equipment	<u>37,555,660</u>		<u>1,542,601</u>		<u>-0-</u>		<u>-0-</u>		<u>39,098,261</u>
Total depreciable capital assets	101,029,027		3,116,226		-0-		70,811		104,216,064
Accumulated depreciation and amortization	<u>65,421,169</u>		<u>3,763,620</u>		<u>-0-</u>		<u>-0-</u>		<u>69,184,789</u>
Total depreciable capital assets, net	\$ <u>35,607,858</u>	\$	<u>(647,394)</u>	\$	<u>-0-</u>	\$	<u>70,811</u>	\$	<u>35,031,275</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020, 2019 AND 2018

NOTE 5 - DEPRECIABLE CAPITAL ASSETS, NET (Continued)

Depreciation was calculated using the straight-line method. Useful lives for the purpose of calculating depreciation by class are:

Buildings	10 - 40 years
Furniture, fixtures and equipment	3 - 15 years

NOTE 6 - OTHER ASSETS

Bond issue costs of \$46,609 were incurred for the 2000 Revenue Bonds and is being amortized using the straight-line method over the remaining life of the bonds (20 years) beginning in the fiscal year 2006.

Capitalized interest of \$1,814,579 was accumulated as of June 30, 2006 for the 2000 Revenue Bonds and is being amortized using the straight-line method over the life of the building beginning in the fiscal year 2006.

Bond issue costs of \$47,730 were incurred for the 2008 Revenue Bonds and is being amortized over the remaining life of the bonds (20 years) beginning in 2010.

Capitalized interest of \$428,142 was accumulated as of June 30, 2010 for the 2008 Revenue Bonds and is being amortized using the straight-line method over the life of the building beginning in the fiscal year 2010.

Capitalized interest of \$441,907 was accumulated as of June 30, 2020 for the 2018 Revenue Bonds and will be amortized using the straight-line method over the life of the underlying capital assets as construction projects are completed.

NOTE 7 - PAID TIME OFF

Employees of the District are entitled to paid days off depending on length of service. The District accrued \$624,461, \$535,092, and \$626,205 of paid time off at June 30, 2020, 2019, and 2018.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020, 2019 AND 2018

NOTE 8 - LONG-TERM DEBT

A summary of long-term debt, including capital lease obligations follows:

	June 30, <u>2019</u>	<u>Additions</u>	<u>Payments</u>	June 30, <u>2020</u>	<u>Due Within One Year</u>
Series 2000 Bonds Payable	\$ 1,585,000	\$ -0-	\$ 770,000	\$ 815,000	\$ 815,000
Series 2008 Bonds Payable	3,345,000	-0-	605,000	2,740,000	635,000
Series 2018 Bonds Payable	<u>9,000,000</u>	<u>-0-</u>	<u>365,000</u>	<u>8,635,000</u>	<u>370,000</u>
Total	\$ <u>13,930,000</u>	\$ <u>-0-</u>	\$ <u>1,740,000</u>	\$ <u>12,190,000</u>	\$ <u>1,820,000</u>

	June 30, <u>2018</u>	<u>Additions</u>	<u>Payments</u>	June 30, <u>2019</u>	<u>Due Within One Year</u>
Series 2000 Bonds Payable	\$ 2,315,000	\$ -0-	\$ 730,000	\$ 1,585,000	\$ 770,000
Series 2008 Bonds Payable	3,920,000	-0-	575,000	3,345,000	605,000
Series 2018 Bonds Payable	<u>-0-</u>	<u>9,000,000</u>	<u>-0-</u>	<u>9,000,000</u>	<u>365,000</u>
Total	\$ <u>6,235,000</u>	\$ <u>9,000,000</u>	\$ <u>1,305,000</u>	\$ <u>13,930,000</u>	\$ <u>1,740,000</u>

	June 30, <u>2017</u>	<u>Additions</u>	<u>Payments</u>	June 30, <u>2018</u>	<u>Due Within One Year</u>
Series 2000 Bonds Payable	\$ 3,000,000	\$ -0-	\$ 685,000	\$ 2,315,000	\$ 730,000
Series 2008 Bonds Payable	<u>4,470,000</u>	<u>-0-</u>	<u>550,000</u>	<u>3,920,000</u>	<u>575,000</u>
Total	\$ <u>7,470,000</u>	\$ <u>-0-</u>	\$ <u>1,235,000</u>	\$ <u>6,235,000</u>	\$ <u>1,305,000</u>

The following are the terms and due dates of the Hospital's long-term debt at June 30:

- Series 2000 Hospital Revenue Bonds at 6% collateralized by a pledge and dedication of hospital revenue, with principal payable annually and interest semi-annually, starting October 1, 2000 through October 1, 2020. Effective April 27, 2010, the rate has been changed to 4.35%.
- Series 2008 Hospital Revenue Bonds at 4.26% collateralized by a pledge and dedication of hospital revenue, with principal payable annually and interest semi-annually, starting October 1, 2008 through October 1, 2023. Effective October 1, 2016, the rate has been changed to 2.45%.
- Series 2018 Hospital Revenue Bonds at a fluctuating interest rate increasing from 2.75% to 4.20% over the life of the bonds, collateralized by a pledge and dedication of hospital revenue, with principal payable annually and interest semi-annually, starting April 1, 2019 through October 1, 2033.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2020, 2019 AND 2018

NOTE 8 - LONG-TERM DEBT (Continued)

The Hospital has covenanted to set rates so that revenues are sufficient to pay all reasonable and necessary expenses of operating and maintaining the Hospital, certain multiples of the largest amount of principal and interest maturing on the Bonds in any future fiscal year and on any pari passu additional bonds hereafter issued. Those multiples range from 120% to 200%.

Other requirements under the terms of indebtedness are as follows:

- * Sale or disposition of Hospital property, plant and equipment is limited. Future debt agreements may not take priority over this series of debt.
- * Make monthly deposits equal to the pro-rata portion of the next principal and/or interest payment, which are to be maintained in fully backed or government securities investments, with market values greater than invested dollars.
- * Collect payment on all services rendered, except for an undisclosed, reasonable amount of charity care.
- * Maintain all assets in good working order.
- * Carry full insurance coverage with a responsible licensed Louisiana company.
- * Maintain complete and accurate records and have an annual audit.
- * Maintain cash on hand of not less than 60 days of operating expenses net of depreciation and amortization.
- * Provide quarterly statements to the purchaser.
- * Protect tax exempt status and refrain from activities that would require payment of arbitrage to the IRS.

Scheduled principal and interest repayments on the long-term debt follows:

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2021	\$ 1,820,000	\$ 386,660	\$ 2,206,660
2022	1,145,000	340,622	1,485,622
2023	1,195,000	309,237	1,504,237
2024	1,255,000	275,790	1,530,790
2025	545,000	249,391	794,391
2026 - 2030	3,135,000	932,996	4,067,996
2031 - 2035	<u>3,095,000</u>	<u>263,880</u>	<u>3,358,880</u>
Totals	\$ <u>12,190,000</u>	\$ <u>2,758,576</u>	\$ <u>14,948,576</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020, 2019 AND 2018

NOTE 9 - NET PATIENT SERVICE REVENUE

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

Medicare - Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. The Hospital qualified for a Medicare low volume add-on for inpatient payments. These payments are effective for discharges occurring October 1, 2010 until September 30, 2022, if not extended by Congress. The additional payment received under the Medicare low volume add-on was \$633,281, \$648,178 and \$761,492 for the years ended June 30, 2020, 2019 and 2018, respectively. Outpatient services related to Medicare beneficiaries are paid based on a set fee per diagnosis. Swing bed and skilled nursing facility routine services are reimbursed based on a prospectively determined rate per patient day. Geriatric psychiatry services are reimbursed based on a prospective method based on length of stay, diagnosis, and other factors. The District is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicare fiscal intermediary. The District's Medicare cost reports have been examined by the Medicare fiscal intermediary through June 30, 2016.

Medicaid - Inpatient services are reimbursed based on a prospectively determined per diem rate. Some outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology, while others are paid prospectively based on a fee schedule. Geriatric psychiatry services are reimbursed on a prospectively determined per diem rate. In fiscal years 2020, 2019 and 2018, Medicaid supplemental physician payments of \$2,981,004, \$2,245,686 and \$2,031,326 were received, respectively. The District is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicaid fiscal intermediary. The District's Medicaid cost reports have been examined by the Medicaid fiscal intermediary through June 30, 2014.

Commercial - The Hospital also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. Payment methods under these agreements include prospectively determined rates per discharge, discounts from established charges and prospectively determined per diem rates. Blue Cross Blue Shield "BCBS" is the largest commercial provider. BCBS charges were 14%, 14% and 14% of the total gross charges for the years ended June 30, 2020, 2019 and 2018, respectively.

The Hospital experienced differences between the amounts initially recorded on its cost settlements with Medicare and Medicaid and the finalized amounts. The adjustments resulted in a decrease of \$86,996 in FY 2019 and \$18,964 in FY 2018.

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020, 2019 AND 2018

NOTE 9 - NET PATIENT SERVICE REVENUE (Continued)

The following is a summary of the Hospital's net patient service revenue for the years ended June 30:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Gross charges	\$ 208,692,217	\$ 205,855,996	\$ 184,177,365
Less charges associated with charity care	<u>410,911</u>	<u>456,783</u>	<u>285,389</u>
Gross patient service revenues	208,281,306	205,399,213	183,891,976
Less deductions from revenue:			
Medicare and Medicaid contractual adjustments	95,477,950	95,856,262	86,148,090
Commercial insurance contractual adjustments	45,318,483	44,018,321	37,207,686
Policy and other discounts	41,097	79,997	45,552
Physician supplemental revenue	<u>(2,981,004)</u>	<u>(2,245,686)</u>	<u>(2,031,326)</u>
Patient service revenue (net of contractual adjustments and discounts)	70,424,780	67,690,319	62,521,974
Less provision for bad debts	<u>7,032,303</u>	<u>5,705,368</u>	<u>6,664,348</u>
 Net patient service revenue	 \$ <u>63,392,477</u>	 \$ <u>61,984,951</u>	 \$ <u>55,857,626</u>

The Hospital receives a substantial portion of its revenues from the Medicare and Medicaid programs at discounted rates. The following is a summary of Medicare and Medicaid patient revenues for the years ended June 30:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Medicare and Medicaid gross patient charges	\$ 129,010,743	\$ 130,535,149	\$ 117,703,752
Contractual adjustments	<u>(95,477,950)</u>	<u>(95,856,262)</u>	<u>(86,148,090)</u>
 Program patient service revenue	 \$ <u>33,532,793</u>	 \$ <u>34,678,887</u>	 \$ <u>31,555,662</u>
 Percent of gross patient charges	 62%	 63%	 64%
Percent of total net patient revenue	53%	56%	56%

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2020, 2019 AND 2018

NOTE 10 - RETIREMENT PROGRAM

Employees may participate in a qualified defined contribution retirement plan, which is exempt under Section 401(a) of the Internal Revenue Code. The plan is administered by VALIC who holds all plan assets. Each employee is eligible to join the plan upon completion of 90 days of employment. Employees become vested in the employer's contribution 25% per year until 100% vested at 4 years of employment. The District must make contributions equal to 25% of the employee's required contribution and can elect to contribute up to 100% of the employee's required contribution.

Total payroll	\$	33,018,799
Total covered payroll		17,006,806
Employee contributions		680,272
Employer contributions	\$	173,283
Less forfeitures		<u>-0-</u>
Net employer contributions	\$	<u>173,283</u>

NOTE 11 - PROFESSIONAL LIABILITY RISK

The District participates in the Louisiana Patient's Compensation Fund established by the State of Louisiana to provide medical professional liability coverage to health care providers. The fund provides for \$400,000 in coverage per occurrence above the first \$100,000 per occurrence for which the District 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 settlement for professional liability to \$500,000 per occurrence. Legal action in an attempt to overturn this legislation on constitutional grounds is in process.

The District's membership in the Louisiana Hospital Association Trust Fund provides additional coverage for professional medical malpractice liability. The trust fund bills members in advance, based upon an estimate of their exposure. At policy year end, premiums are redetermined utilizing actual losses of the District. The trust fund presumes to be a "Grantor Trust" and, accordingly, income and expenses are prorated to member hospitals. The District has included these allocations and equity amounts assigned to the District by the Trust Fund in its financial statements.

NOTE 12 - WORKMEN'S COMPENSATION RISK

The District participates in the Louisiana Hospital Association Self Insurance Workmen's Compensation Trust Fund. Should the fund's assets not be adequate to cover claims made against it, the District may be assessed its pro rata share of the resulting deficit. It is not possible to estimate the amount of additional assessments, if any. The trust fund presumes to be a "Grantor Trust" and, accordingly, income and expenses are prorated to member hospitals. The District has included these allocations and equity amounts assigned to the District by the Trust Fund in its financial statements.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2020, 2019 AND 2018

NOTE 13 - CHARITY CARE

The Hospital provides charity care to patients who are financially unable to pay for part or all of the healthcare services they receive. The patient will either qualify for 100% of the charity care or owe a reduced "sliding scale" amount based on the patient's level of income in comparison to the Federal Poverty Guidelines based on a 150% scale. Accordingly, the Hospital does not report the amount it expects not to collect in net operating revenues or in the allowance for doubtful accounts. The Hospital determines the costs associated with providing charity care by aggregating the applicable direct and indirect costs, including wages and related benefits, supplies and other operating expenses. Amounts identified as charity care charges are \$410,911, \$456,783 and \$285,389 for the years ended June 30, 2020, 2019 and 2018, respectively. The related cost of care was approximately \$156,000, \$163,000 and \$107,000, for the fiscal years ended in 2020, 2019 and 2018, respectively. Funds received through grants, which pay part of the cost of charity and uninsured care, were approximately \$130,000, \$87,000 and \$21,000 for the years ended June 30, 2020, 2019 and 2018, respectively.

NOTE 14 - EMPLOYEE MEDICAL BENEFIT PLAN

The District is self-insured to provide group medical/dental coverage for its employees. A third-party, IMA of Louisiana, administers the group medical coverage for the District. The District funds its losses based on actual claims. A stop-loss insurance contract was executed with an insurance carrier that provides for payment of 100% of claims in excess of \$130,000 per year up to specific individual maximums of \$1,000,000. A liability is accrued for self-insured employee health claims, including both claims reported and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims' experience, recently settled claims, and frequency of claims. It is reasonably possible that the Hospital's estimate will change by a material amount in the near term. The following is a summary of changes in the Hospital's claims liability for the year ended June 30:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Beginning of the year	\$ 210,134	\$ 91,885	\$ 72,076
Plus: Claims incurred and changes in estimate	2,803,487	2,891,744	2,035,944
Less: Claims paid	<u>2,494,274</u>	<u>2,773,495</u>	<u>2,016,135</u>
End of the year	\$ <u>519,347</u>	\$ <u>210,134</u>	\$ <u>91,885</u>

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020, 2019 AND 2018

NOTE 15 - NOTES RECEIVABLE AND PHYSICIAN CONTRACT GUARANTEES

The following is a summary of notes receivable and physician contract guarantees at June 30. Management asserts no allowances for uncollectible accounts are needed.

	<u>2020</u>		<u>2019</u>		<u>2018</u>
Physician notes	\$ 157,367	\$	121,528	\$	-0-
Physician contract guarantees	<u>74,764</u>		<u>74,698</u>		<u>25,734</u>
	232,131		196,226		25,734
Less current maturities	<u>(92,300)</u>		<u>(87,198)</u>		<u>(19,692)</u>
Long-term notes receivable	\$ <u>139,831</u>	\$	<u>109,028</u>	\$	<u>6,042</u>

NOTE 16 - UNEARNED REVENUE

The Hospital applied for and received \$7,185,491 in Medicare Advance Payments during April 2020. The advance payments are to assist the Hospital due to the reduction in volume experienced by the restrictions placed by the Louisiana Department of Health in response to the coronavirus pandemic. These restrictions included postponement of elective procedures. The advance payments will be collected through future Medicare claims.

NOTE 17 - CONTINGENCIES

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

The principal contingencies are described below:

Third-Party Government-Based Revenues (Note 1) - Cost reimbursements are subject to examination by agencies administering the programs. Effective October 1, 1983, the Medicare program discontinued its cost-based reimbursement system for inpatient services. Under the program, the District receives a fixed fee for each patient, which is determined by the government. The District 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 statutes, regulations, and general instructions of those programs. The amount of such adjustments cannot be determined.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020, 2019 AND 2018

NOTE 17 - CONTINGENCIES (Continued)

The healthcare industry is subject to numerous laws and regulations of Federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as privacy, licensure, accreditation, government healthcare 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 statutes 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 applicable government 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.

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a global pandemic. As a result, uncertainties have arisen that may have a significant impact on the operating activities and results of the Hospital. The occurrence and extent of such an impact will depend on future developments, including the duration and spread of the virus, government quarantine measures, voluntary and precautionary restriction on travel or meetings, the effects on the financial markets, and the effects on the economy overall, all of which are uncertain. The Hospital received \$6,327,476 in Provider Relief Funds to prevent, prepare for and respond to the coronavirus and as reimbursement to the Hospital for eligible expenses and lost revenues. Additionally, the Hospital applied for and received \$7,185,491 in Medicare advance payments as described in Note 16 to aide in the reduction of cash flow due to restrictions placed on elective procedures.

Professional Liability Risk (Note 11) - The District is contingently liable for losses from professional liability not underwritten by the Louisiana Patient's Compensation Fund or the Louisiana Hospital Association Trust Fund as well as for assessments by the Louisiana Hospital Association Trust Fund.

Workmen's Compensation Risk (Note 12) - The District is contingently liable for assessments by the Louisiana Hospital Association Trust Fund.

Hill-Burton Uncompensated Service and Community Service Obligations - As a result of the District receiving a Federal Hill-Burton program grant, the District is required to provide a reasonable volume of uncompensated services to patients who are unable to pay for their medical care. The District's obligation for uncompensated services was fulfilled on July 17, 1998. Additionally, the District is obligated to provide community service.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020, 2019 AND 2018

NOTE 18 - AD VALOREM TAXES

The District levies a property tax on all property subject to taxation in the service district. A 5.53 mill tax was approved for a period of ten years, beginning with the year 2003 and ending with the year 2012, to be dedicated and used for operating, maintaining, renovating, and improving emergency medical services. Beginning in year 2013, a 5.31 mill tax was approved for a period of ten years for the same purposes. Property taxes are collected through the local sheriff's office and remitted, net of collection fees, to the District. Property tax notices are mailed by November 15 each year, are due by December 31, and become delinquent on January 31.

NOTE 19 - COMMITMENTS

The District entered into various construction contracts, which totaled \$11,447,231, including change orders as of June 30, 2020. The Hospital paid \$6,873,831 towards these commitments as of June 30, 2020.

NOTE 20 - GRANTS

In 2020, 2019 and 2018, the Hospital (Grantee) entered into a cooperative endeavor agreement (CEA) with a regional public rural hospital (Grantor) whereby the Grantor awards an intergovernmental transfer grant (IGT) to be used solely to provide adequate and essential medically necessary and available healthcare services to Grantee's service population subject to the availability of such grant funds. The aggregate IGT grant income is \$2,542,000, \$2,341,324 and \$5,365,335 for fiscal year 2020, 2019 and 2018, respectively.

Effective March 2016, the Hospital entered into a Participation Agreement in order to receive Medicaid supplemental payments for qualifying nursing facilities owned or operated by non-state governmental organizations that have entered into an agreement with the Louisiana Department of Health and Hospitals (LDH). The Hospital made payments to LDH in conjunction with the agreement totaling \$385,511, \$417,163 and \$495,721 which were reported as other expenses in 2020, 2019 and 2018, respectively. The Hospital received \$936,480, \$963,952 and \$1,103,768 which were reported as other revenue in 2020, 2019 and 2018, respectively.

Various other grants were received during the year for other uses.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2020, 2019 AND 2018

NOTE 21 - PROVIDER RELIEF FUNDS

The Hospital received approximately \$6.3 million in Provider Relief Funds (the funds) via the Coronavirus Aid, Relief, and Economic Security (CARES) Act during the fiscal year ending June 30, 2020. The funds were 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 recognized approximately \$4.9 million as nonoperating revenue in the fiscal year ending June 30, 2020, based on the information available as of June 30, 2020. The unrecognized amount is reported as deferred revenue in the accompanying statement of net position. The Hospital will submit an initial report of healthcare related expenses and lost revenues attributable to coronavirus from inception through December 31, 2020 by February 15, 2021, and a final report from January 1, 2021 through June 30, 2021 by July 31, 2021. Funds received in excess of the reported expenses and lost revenues, if any, will be owed to HHS. As a result, the amount recorded in the financial statements compared to the Hospital's Provider Relief Fund reporting could differ. This difference could be materially different from the current estimates.

NOTE 22 - OPERATING LEASES

The Hospital is committed under various noncancelable operating leases, all of which are for equipment or buildings. These expire in various years through 2023. Future minimum operating lease payments are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2021	\$ 477,515
2022	316,585
2023	236,778
2024	191,623
2025	<u>15,969</u>
Total minimum lease payments	\$ <u>1,238,470</u>

Total lease expense under noncancelable operating leases for the years ended June 30, 2020 was \$563,155.

NOTE 23 - SUBSEQUENT EVENTS

Events have been evaluated through January 15, 2021, for subsequent event disclosure. This date is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATING STATEMENT OF NET POSITION
JUNE 30, 2020

ASSETS	Natchitoches		Natchitoches		NRM C		NRM C		NRM C		Eliminating	Consolidated
	Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	NRM C Comprehensive Wound Care, LLC	NRM C Walk-In Clinic Ventures, LLC	NRM C Pain Institute Ventures, LLC			Entries		
Current												
Cash and cash equivalents	\$ 8,687,063	\$ 612,782	\$ 151,730	\$ 385,458	\$ 1,394,622	\$ 47,583	\$ 317,370	\$	\$	-0-	\$	11,596,608
Limited use assets	2,094,580	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,094,580
Patient accounts receivable, net	9,273,918	88,393	(125)	-0-	-0-	164,177	-0-	-0-	-0-	-0-	-0-	9,526,363
Estimated third-party payor settlements	1,277,199	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,277,199
Other receivables	2,624,134	(7,589)	210	262,060	386,495	50,000	69,446			(1,231,221)		2,153,535
Inventory	2,687,905	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,687,905
Prepaid expenses	1,181,954	143	-0-	32,318	-0-	4,063	-0-	-0-	-0-	-0-	-0-	1,218,478
Notes receivable - current	92,300	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	92,300
Total Current Assets	27,919,053	693,729	151,815	679,836	1,781,117	265,823	386,816			(1,231,221)		30,646,968
Other												
Limited use assets	16,410,366	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	16,410,366
Nondepreciable capital assets	11,686,811	-0-	45,899	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	11,732,710
Depreciable capital assets, net	35,747,054	6,686	1,331,609	-0-	275,025	3,549	47,492			-0-		37,411,415
Bond issue cost, net	17,160	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	17,160
Capitalized construction interest	1,944,575	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,944,575
Notes receivable	139,831	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	139,831
Other	3,634,828	233,200	-0-	-0-	-0-	40,483	-0-			(3,558,388)		350,123
Total Assets	\$ 97,499,678	\$ 933,615	\$ 1,529,323	\$ 679,836	\$ 2,056,142	\$ 309,855	\$ 434,308			\$ (4,789,609)		\$ 98,653,148

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATING STATEMENT OF NET POSITION (Continued)
JUNE 30, 2020

<u>LIABILITIES AND NET POSITION</u>	Natchitoches Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	NRMC Comprehensive Wound Care, LLC	NRMC Walk-In Clinic Ventures, LLC	NRMC Pain Institute Ventures, LLC	Eliminating Entries	<u>Consolidated</u>
Current									
Accounts payable	\$ 6,583,900	\$ 14,375	\$ 66,667	\$ 72,803	\$ 160,717	\$ 269,014	\$ 19,451	\$ (1,231,221)	\$ 5,955,706
Accrued expenses	1,653,742	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,653,742
Unearned revenue	8,560,910	-0-	-0-	-0-	-0-	23,544	-0-	-0-	8,584,454
Estimated third-party payor settlements	1,540,679	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,540,679
Current portion of long-term debt	1,820,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,820,000
Total Current Liabilities	<u>20,159,231</u>	<u>14,375</u>	<u>66,667</u>	<u>72,803</u>	<u>160,717</u>	<u>292,558</u>	<u>19,451</u>	<u>(1,231,221)</u>	<u>19,554,581</u>
Long-term Liabilities									
Long-term debt	10,370,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	10,370,000
Total Liabilities	<u>30,529,231</u>	<u>14,375</u>	<u>66,667</u>	<u>72,803</u>	<u>160,717</u>	<u>292,558</u>	<u>19,451</u>	<u>(1,231,221)</u>	<u>29,924,581</u>
Net Position									
Invested in capital assets, net of related debt	35,243,865	-0-	-0-	-0-	-0-	-0-	-0-	1,710,260	36,954,125
Restricted	2,828,532	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,828,532
Unrestricted	28,898,050	-0-	-0-	-0-	-0-	-0-	-0-	(1,723,592)	27,174,458
Total Controlling Net Position	66,970,447	-0-	-0-	-0-	-0-	-0-	-0-	(13,332)	66,957,115
Noncontrolling interest in subsidiary	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,771,452	1,771,452
Total Net Position	<u>66,970,447</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,758,120</u>	<u>68,728,567</u>
Members' Equity	-0-	919,240	1,462,656	607,033	1,895,425	17,297	414,857	(5,316,508)	-0-
Total Liabilities and Net Position	<u>\$ 97,499,678</u>	<u>\$ 933,615</u>	<u>\$ 1,529,323</u>	<u>\$ 679,836</u>	<u>\$ 2,056,142</u>	<u>\$ 309,855</u>	<u>\$ 434,308</u>	<u>\$ (4,789,609)</u>	<u>\$ 98,653,148</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2020

	Natchitoches Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	NRMC Comprehensive Wound Care, LLC	NRMC Walk-In Clinic Ventures, LLC	NRMC Pain Institute Ventures, LLC	Eliminating Entries	Consolidated
Revenues									
Net patient service revenue	\$ 60,604,948	\$ 286,276	\$ -0-	\$ -0-	\$ -0-	\$ 2,501,253	\$ -0-	\$ -0-	\$ 63,392,477
Other revenue	8,266,016	-0-	549,264	1,641,986	2,584,248	-0-	842,264	(6,624,515)	7,259,263
Total Revenues	68,870,964	286,276	549,264	1,641,986	2,584,248	2,501,253	842,264	(6,624,515)	70,651,740
Expenses									
Salaries and benefits	34,954,561	-0-	317,010	582,752	724,709	1,725,487	287,962	-0-	38,592,481
Medical supplies and drugs	7,393,382	8,867	-0-	115,714	146,943	103,000	25,660	-0-	7,793,566
Medical, professional and consulting	3,610,489	147,357	-0-	-0-	707,251	271,486	50,905	-0-	4,787,488
Other expenses	23,077,943	127,158	154,716	246,446	150,294	176,108	40,114	(5,217,004)	18,755,775
Insurance	1,410,352	-0-	15,596	9,465	25,138	14,494	3,792	-0-	1,478,837
Depreciation and amortization	3,870,019	891	95,130	17,306	28,950	34,095	13,858	-0-	4,060,249
Total Expenses	74,316,746	284,273	582,452	971,683	1,783,285	2,324,670	422,291	(5,217,004)	75,468,396
Operating Income (Loss)	(5,445,782)	2,003	(33,188)	670,303	800,963	176,583	419,973	(1,407,511)	(4,816,656)
Nonoperating Revenues (Expenses)									
Property taxes	1,825,686	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,825,686
Provider relief funds	4,371,722	-0-	-0-	118,443	186,414	183,632	60,756	-0-	4,920,967
Interest income	342,997	-0-	105	-0-	-0-	-0-	-0-	-0-	343,102
Gain on sale of equipment	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Interest expense	(126,792)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(126,792)
Total Nonoperating Rev (Exp)	6,413,613	-0-	105	118,443	186,414	183,632	60,756	-0-	6,962,963
Excess of Revenue over Expenses	\$ 967,831	\$ 2,003	\$ (33,083)	\$ 788,746	\$ 987,377	\$ 360,215	\$ 480,729	\$ (1,407,511)	\$ 2,146,307

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (Continued)
YEAR ENDED JUNE 30, 2020

	Natchitoches Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	NRMC Comprehensive Wound Care, LLC	NRMC Walk-In Clinic Ventures, LLC	NRMC Pain Institute Ventures, LLC	Eliminating Entries	Consolidated
Less: Consolidated net income attributable to noncontrolling interest	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	(1,178,476)	\$ (1,178,476)
Other comprehensive income									
Unrealized holding gains (losses)	<u>242,777</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>242,777</u>
Changes in net position	1,210,608	2,003	(33,083)	788,746	987,377	360,215	480,729	(2,585,987)	1,210,608
Beginning net position	65,759,839	950,625	1,495,739	758,287	1,319,664	(342,918)	633,128	(4,827,857)	65,746,507
Capital contribution	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Distribution paid	<u>-0-</u>	<u>(33,388)</u>	<u>-0-</u>	<u>(940,000)</u>	<u>(411,616)</u>	<u>-0-</u>	<u>(699,000)</u>	<u>2,084,004</u>	<u>-0-</u>
Ending net position	\$ <u>66,970,447</u>	\$ <u>919,240</u>	\$ <u>1,462,656</u>	\$ <u>607,033</u>	\$ <u>1,895,425</u>	\$ <u>17,297</u>	\$ <u>414,857</u>	\$ <u>(5,329,840)</u>	\$ <u>66,957,115</u>

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATING STATEMENT OF NET POSITION
JUNE 30, 2019

ASSETS	Natchitoches Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	NRMC Comprehensive Wound Care, LLC	NRMC Walk-In Clinic Ventures, LLC	NRMC Pain Institute Ventures, LLC	Eliminating Entries	Consolidated
Current									
Cash and cash equivalents	\$ 3,807,505	\$ 597,328	\$ 108,560	\$ 614,805	\$ 929,009	\$ 171,310	\$ 517,543	\$ -0-	\$ 6,746,060
Limited use assets	637,555	-0-	-0-	-0-	-0-	-0-	-0-	-0-	637,555
Patient accounts receivable, net	10,225,817	112,937	200	-0-	-0-	373,170	-0-	-0-	10,712,124
Estimated third-party payor settlements	420,125	-0-	-0-	-0-	-0-	-0-	-0-	-0-	420,125
Other receivables	2,878,299	(6,741)	210	146,620	246,813	-0-	92,303	(1,610,793)	1,746,711
Inventory	1,927,414	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,927,414
Prepaid expenses	1,067,283	3,243	-0-	10,606	-0-	-0-	-0-	-0-	1,081,132
Notes receivable - current	87,198	-0-	-0-	-0-	-0-	-0-	-0-	-0-	87,198
Total Current Assets	21,051,196	706,767	108,970	772,031	1,175,822	544,480	609,846	(1,610,793)	23,358,319
Other									
Limited use assets	22,563,663	-0-	-0-	-0-	-0-	-0-	-0-	-0-	22,563,663
Nondepreciable capital assets	3,043,290	-0-	45,899	-0-	-0-	-0-	-0-	-0-	3,089,189
Depreciable capital assets, net	35,196,598	7,578	1,426,739	1,394	303,975	30,614	61,349	-0-	37,028,247
Bond issue cost, net	23,450	-0-	-0-	-0-	-0-	-0-	-0-	-0-	23,450
Capitalized construction interest	1,684,655	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,684,655
Notes receivable	109,028	-0-	-0-	-0-	-0-	-0-	-0-	-0-	109,028
Other	3,313,212	233,200	-0-	15,912	-0-	47,513	-0-	(3,236,772)	373,065
Total Assets	\$ 86,985,092	\$ 947,545	\$ 1,581,608	\$ 789,337	\$ 1,479,797	\$ 622,607	\$ 671,195	\$ (4,847,565)	\$ 88,229,616

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATING STATEMENT OF NET POSITION (Continued)
JUNE 30, 2019

<u>LIABILITIES AND NET POSITION</u>	Natchitoches		Natchitoches		NRMC		NRMC		NRMC		Eliminating	Consolidated
	Regional	Natchitoches	Natchitoches	Regional	NRMC	NRMC	NRMC		Eliminating			
	Medical	Outpatient	Assisted	Cardiology	Comprehensive	Walk-In Clinic	Pain Institute		Entries			
	Center	Services, LLC	Living, LLC	Clinic, LLC	Wound	Ventures, LLC	Ventures, LLC					
					Care, LLC							
Current												
Accounts payable	\$ 4,270,851	\$ (3,080)	\$ 36,079	\$ 27,585	\$ 160,133	\$ 965,525	\$ 38,067	\$	(1,610,793)	\$	3,884,367	
Accrued expenses	1,414,577	-0-	2,190	3,465	-0-	-0-	-0-		-0-		1,420,232	
Unearned revenue	-0-	-0-	47,600	-0-	-0-	-0-	-0-		-0-		47,600	
Estimated third-party payor settlements	1,609,825	-0-	-0-	-0-	-0-	-0-	-0-		-0-		1,609,825	
Current portion of long-term debt	1,740,000	-0-	-0-	-0-	-0-	-0-	-0-		-0-		1,740,000	
Total Current Liabilities	<u>9,035,253</u>	<u>(3,080)</u>	<u>85,869</u>	<u>31,050</u>	<u>160,133</u>	<u>965,525</u>	<u>38,067</u>		<u>(1,610,793)</u>		<u>8,702,024</u>	
Long-term Liabilities												
Long-term debt	12,190,000	-0-	-0-	-0-	-0-	-0-	-0-		-0-		12,190,000	
Total Liabilities	<u>21,225,253</u>	<u>(3,080)</u>	<u>85,869</u>	<u>31,050</u>	<u>160,133</u>	<u>965,525</u>	<u>38,067</u>		<u>(1,610,793)</u>		<u>20,892,024</u>	
Net Position												
Invested in capital assets, net of related debt	24,309,888	-0-	-0-	-0-	-0-	-0-	-0-		1,877,548		26,187,436	
Restricted	8,055,202	-0-	-0-	-0-	-0-	-0-	-0-		-0-		8,055,202	
Unrestricted	33,394,749	-0-	-0-	-0-	-0-	-0-	-0-		(1,890,880)		31,503,869	
Total Controlling Net Position	65,759,839	-0-	-0-	-0-	-0-	-0-	-0-		(13,332)		65,746,507	
Noncontrolling interest in subsidiary	-0-	-0-	-0-	-0-	-0-	-0-	-0-		1,591,085		1,591,085	
Total Net Position	<u>65,759,839</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>		<u>1,577,753</u>		<u>67,337,592</u>	
Members' Equity	-0-	950,625	1,495,739	758,287	1,319,664	(342,918)	633,128		(4,814,525)		-0-	
Total Liabilities and Net Position	<u>\$ 86,985,092</u>	<u>\$ 947,545</u>	<u>\$ 1,581,608</u>	<u>\$ 789,337</u>	<u>\$ 1,479,797</u>	<u>\$ 622,607</u>	<u>\$ 671,195</u>		<u>\$ (4,847,565)</u>		<u>\$ 88,229,616</u>	

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2019

	Natchitoches Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	NRMC Comprehensive Wound Care, LLC	NRMC Walk-In Clinic Ventures, LLC	NRMC Pain Institute Ventures, LLC	Eliminating Entries	Consolidated
Revenues									
Net patient service revenue	\$ 59,745,624	\$ 408,393	\$ -0-	\$ -0-	\$ -0-	\$ 1,830,934	\$ -0-	\$ -0-	\$ 61,984,951
Other revenue	<u>7,834,253</u>	<u>628</u>	<u>524,186</u>	<u>1,655,813</u>	<u>2,579,358</u>	<u>-0-</u>	<u>1,178,860</u>	<u>(6,810,980)</u>	<u>6,962,118</u>
Total Revenues	<u>67,579,877</u>	<u>409,021</u>	<u>524,186</u>	<u>1,655,813</u>	<u>2,579,358</u>	<u>1,830,934</u>	<u>1,178,860</u>	<u>(6,810,980)</u>	<u>68,947,069</u>
Expenses									
Salaries and benefits	33,211,574	(955)	277,382	528,412	694,334	1,407,892	303,129	-0-	36,421,768
Medical supplies and drugs	6,924,249	5,428	-0-	132,970	164,185	88,601	31,197	-0-	7,346,630
Medical, professional and consulting	2,790,856	89,249	-0-	-0-	689,785	56,678	74,800	-0-	3,701,368
Other expenses	21,904,144	141,550	151,156	227,490	132,564	322,781	25,490	(5,550,071)	17,355,104
Insurance	1,192,233	2,185	21,798	7,576	18,497	14,862	6,096	-0-	1,263,247
Depreciation and amortization	<u>3,721,856</u>	<u>892</u>	<u>97,432</u>	<u>26,033</u>	<u>28,950</u>	<u>14,473</u>	<u>13,858</u>	<u>-0-</u>	<u>3,903,494</u>
Total Expenses	<u>69,744,912</u>	<u>238,349</u>	<u>547,768</u>	<u>922,481</u>	<u>1,728,315</u>	<u>1,905,287</u>	<u>454,570</u>	<u>(5,550,071)</u>	<u>69,991,611</u>
Operating Income (Loss)	<u>(2,165,035)</u>	<u>170,672</u>	<u>(23,582)</u>	<u>733,332</u>	<u>851,043</u>	<u>(74,353)</u>	<u>724,290</u>	<u>(1,260,909)</u>	<u>(1,044,542)</u>
Nonoperating Revenues (Expenses)									
Property taxes	1,792,917	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,792,917
Interest income	390,249	20	2,138	-0-	-0-	-0-	-0-	-0-	392,407
Gain on sale of equipment	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Interest expense	<u>(150,895)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(150,895)</u>
Total Nonoperating Rev (Exp)	<u>2,032,271</u>	<u>20</u>	<u>2,138</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,034,429</u>
Excess of Revenue over Expenses	\$ (132,764)	\$ 170,692	\$ (21,444)	\$ 733,332	\$ 851,043	\$ (74,353)	\$ 724,290	\$ (1,260,909)	\$ 989,887

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (Continued)
YEAR ENDED JUNE 30, 2019

	Natchitoches Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	NRMC Comprehensive Wound Care, LLC	NRMC Walk-In Clinic Ventures, LLC	NRMC Pain Institute Ventures, LLC	Eliminating Entries	Consolidated
Less: Consolidated net income attributable to noncontrolling interest	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ (1,122,651)	\$ (1,122,651)
Other comprehensive income									
Unrealized holding gains (losses)	<u>283,599</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>283,599</u>
Changes in net position	150,835	170,692	(21,444)	733,332	851,043	(74,353)	724,290	(2,383,560)	150,835
Beginning net position	65,609,004	879,933	1,517,183	836,184	1,192,621	(268,565)	547,838	(4,718,526)	65,595,672
Capital contribution	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Distribution paid	<u>-0-</u>	<u>(100,000)</u>	<u>-0-</u>	<u>(811,229)</u>	<u>(724,000)</u>	<u>-0-</u>	<u>(639,000)</u>	<u>2,274,229</u>	<u>-0-</u>
Ending net position	\$ <u>65,759,839</u>	\$ <u>950,625</u>	\$ <u>1,495,739</u>	\$ <u>758,287</u>	\$ <u>1,319,664</u>	\$ <u>(342,918)</u>	\$ <u>633,128</u>	\$ <u>(4,827,857)</u>	\$ <u>65,746,507</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATING STATEMENT OF NET POSITION
JUNE 30, 2018

	Natchitoches			NRMC			NRMC		Eliminating	Consolidated
<u>ASSETS</u>	Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	Comprehensive Wound Care, LLC	NRMC Walk-In Clinic Ventures, LLC	NRMC Pain Institute Ventures, LLC	Entries		
Current										
Cash and cash equivalents	\$ 4,786,292	\$ 549,176	\$ 163,634	\$ 689,195	\$ 678,557	\$ 79,126	\$ 422,615	\$ -0-	\$ 7,368,595	
Limited use assets	946,261	-0-	-0-	-0-	-0-	-0-	-0-	-0-	946,261	
Patient accounts receivable, net	9,218,988	106,018	200	-0-	-0-	88,315	-0-	-0-	9,413,521	
Estimated third-party payor settlements	838,314	-0-	-0-	-0-	-0-	-0-	-0-	-0-	838,314	
Other receivables	3,325,532	(6,572)	210	106,475	453,629	17,820	86,524	(1,406,219)	2,577,399	
Inventory	1,931,665	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,931,665	
Prepaid expenses	729,480	4,939	-0-	23,338	-0-	4,063	-0-	-0-	761,820	
Notes receivable - current	19,692	-0-	-0-	-0-	-0-	-0-	-0-	-0-	19,692	
Total Current Assets	21,796,224	653,561	164,044	819,008	1,132,186	189,324	509,139	(1,406,219)	23,857,267	
Other										
Limited use assets	15,016,733	-0-	-0-	-0-	-0-	-0-	-0-	-0-	15,016,733	
Nondepreciable capital assets	5,031,111	-0-	45,899	-0-	-0-	-0-	-0-	-0-	5,077,010	
Depreciable capital assets, net	33,143,543	8,469	1,453,260	3,558	332,925	14,313	75,207	-0-	35,031,275	
Bond issue cost, net	29,739	-0-	-0-	-0-	-0-	-0-	-0-	-0-	29,739	
Capitalized construction interest	1,617,556	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,617,556	
Notes receivable	6,042	-0-	-0-	-0-	-0-	-0-	-0-	-0-	6,042	
Other	3,266,519	233,200	-0-	39,781	-0-	54,543	-0-	(3,190,079)	403,964	
Total Assets	\$ 79,907,467	\$ 895,230	\$ 1,663,203	\$ 862,347	\$ 1,465,111	\$ 258,180	\$ 584,346	\$ (4,596,298)	\$ 81,039,586	

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATING STATEMENT OF NET POSITION (Continued)
JUNE 30, 2018

<u>LIABILITIES AND NET POSITION</u>	Natchitoches Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	NRMC Comprehensive Wound Care, LLC	NRMC Walk-In Clinic Ventures, LLC	NRMC Pain Institute Ventures, LLC	Eliminating Entries	<u>Consolidated</u>
Current									
Accounts payable	\$ 3,818,303	\$ 15,297	\$ 96,389	\$ 21,703	\$ 272,490	\$ 526,745	\$ 36,508	\$ (1,406,219)	\$ 3,381,216
Accrued expenses	1,909,978	-0-	2,031	4,460	-0-	-0-	-0-	-0-	1,916,469
Unearned revenue	-0-	-0-	47,600	-0-	-0-	-0-	-0-	-0-	47,600
Estimated third-party payor settlements	2,335,182	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,335,182
Current portion of long-term debt	1,305,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,305,000
Total Current Liabilities	<u>9,368,463</u>	<u>15,297</u>	<u>146,020</u>	<u>26,163</u>	<u>272,490</u>	<u>526,745</u>	<u>36,508</u>	<u>(1,406,219)</u>	<u>8,985,467</u>
Long-term Liabilities									
Long-term debt	4,930,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,930,000
Total Liabilities	<u>14,298,463</u>	<u>15,297</u>	<u>146,020</u>	<u>26,163</u>	<u>272,490</u>	<u>526,745</u>	<u>36,508</u>	<u>(1,406,219)</u>	<u>13,915,467</u>
Net Position									
Invested in capital assets, net of related debt	31,939,654	-0-	-0-	-0-	-0-	-0-	-0-	1,933,631	33,873,285
Restricted	1,376,558	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,376,558
Unrestricted	32,292,792	-0-	-0-	-0-	-0-	-0-	-0-	(1,946,963)	30,345,829
Total Controlling Net Position	65,609,004	-0-	-0-	-0-	-0-	-0-	-0-	(13,332)	65,595,672
Noncontrolling interest in subsidiary	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,528,447	1,528,447
Total Net Position	<u>65,609,004</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,515,115</u>	<u>67,124,119</u>
Members' Equity	-0-	879,933	1,517,183	836,184	1,192,621	(268,565)	547,838	(4,705,194)	-0-
Total Liabilities and Net Position	<u>\$ 79,907,467</u>	<u>\$ 895,230</u>	<u>\$ 1,663,203</u>	<u>\$ 862,347</u>	<u>\$ 1,465,111</u>	<u>\$ 258,180</u>	<u>\$ 584,346</u>	<u>\$ (4,596,298)</u>	<u>\$ 81,039,586</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2018

	Natchitoches			NRMC			NRMC		Eliminating	Consolidated
	Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	Comprehensive Wound Care, LLC	NRMC Walk-In Clinic Ventures, LLC	NRMC Pain Institute Ventures, LLC		Entries	
Revenues										
Net patient service revenue	\$ 54,010,764	\$ 307,233	\$ -0-	\$ -0-	\$ -0-	\$ 1,539,629	\$ -0-	\$ -0-	\$ -0-	\$ 55,857,626
Other revenue	11,551,462	715	423,019	1,547,308	2,248,236	-0-	907,306	(5,699,315)		10,978,731
Total Revenues	65,562,226	307,948	423,019	1,547,308	2,248,236	1,539,629	907,306	(5,699,315)		66,836,357
Expenses										
Salaries and benefits	30,213,442	1,962	270,256	515,337	658,037	1,116,977	248,650	-0-		33,024,661
Medical supplies and drugs	6,445,245	12,854	-0-	101,389	95,836	84,024	33,902	-0-		6,773,250
Medical, professional and consulting	3,095,191	93,012	-0-	-0-	691,260	37,147	78,548	-0-		3,995,158
Other expenses	20,689,471	133,165	146,437	230,507	162,020	271,308	45,842	(4,846,763)		16,831,987
Insurance	1,139,404	-0-	20,781	8,228	19,734	28,056	2,129	-0-		1,218,332
Depreciation and amortization	3,682,739	1,644	88,453	26,033	28,950	13,057	13,858	-0-		3,854,734
Total Expenses	65,265,492	242,637	525,927	881,494	1,655,837	1,550,569	422,929	(4,846,763)		65,698,122
Operating Income (Loss)	296,734	65,311	(102,908)	665,814	592,399	(10,940)	484,377	(852,552)		1,138,235
Nonoperating Revenues (Expenses)										
Property taxes	1,730,881	-0-	-0-	-0-	-0-	-0-	-0-	-0-		1,730,881
Interest income	276,539	2	2,228	-0-	-0-	-0-	-0-	-0-		278,769
Gain on sale of equipment	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-		-0-
Interest expense	(211,258)	-0-	-0-	-0-	-0-	-0-	-0-	-0-		(211,258)
Total Nonoperating Rev (Exp)	1,796,162	2	2,228	-0-	-0-	-0-	-0-	-0-		1,798,392
Excess of Revenue over Expenses	\$ 2,092,896	\$ 65,313	\$ (100,680)	\$ 665,814	\$ 592,399	\$ (10,940)	\$ 484,377	\$ (852,552)		\$ 2,936,627

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (Continued)
YEAR ENDED JUNE 30, 2018

	Natchitoches Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	NRMC Comprehensive Wound Care, LLC	NRMC Walk-In Clinic Ventures, LLC	NRMC Pain Institute Ventures, LLC	Eliminating Entries	Consolidated
Less: Consolidated net income attributable to noncontrolling interest	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	(843,731)	\$ (843,731)
Other comprehensive income									
Unrealized holding gains (losses)	<u>(174,716)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(5,479)</u>	<u>-0-</u>	<u>(7,837)</u>	<u>(188,032)</u>
Changes in net position	1,918,180	65,313	(100,680)	665,814	592,399	(16,419)	484,377	(1,704,120)	1,904,864
Beginning net position	63,690,824	926,620	1,617,863	890,370	1,240,222	(252,146)	847,161	(5,270,106)	63,690,808
Capital contribution	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Distribution paid	<u>-0-</u>	<u>(112,000)</u>	<u>-0-</u>	<u>(720,000)</u>	<u>(640,000)</u>	<u>-0-</u>	<u>(783,700)</u>	<u>2,255,700</u>	<u>-0-</u>
Ending net position	\$ <u>65,609,004</u>	\$ <u>879,933</u>	\$ <u>1,517,183</u>	\$ <u>836,184</u>	\$ <u>1,192,621</u>	\$ <u>(268,565)</u>	\$ <u>547,838</u>	\$ <u>(4,718,526)</u>	\$ <u>65,595,672</u>

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED SCHEDULES OF NET PATIENT SERVICE REVENUE
YEARS ENDED JUNE 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Daily patient services:			
Routine services	\$ 4,958,076	\$ 5,277,907	\$ 5,232,803
Intensive care	2,930,778	3,122,296	2,988,002
Nursery	598,310	612,154	536,450
Long-term care	7,369,667	6,526,221	6,234,804
Swing bed	81,687	79,076	67,900
Geriatric psych	<u>5,828,000</u>	<u>4,820,560</u>	<u>3,248,300</u>
Total daily patient services	<u>21,766,518</u>	<u>20,438,214</u>	<u>18,308,259</u>
Other professional services:			
Operating and recovery room			
Inpatient	5,190,351	5,541,159	6,188,796
Outpatient	<u>16,572,668</u>	<u>16,059,178</u>	<u>12,616,972</u>
Total	<u>21,763,019</u>	<u>21,600,337</u>	<u>18,805,768</u>
Labor and delivery			
Inpatient	847,437	837,765	907,794
Outpatient	<u>173,678</u>	<u>174,611</u>	<u>181,374</u>
Total	<u>1,021,115</u>	<u>1,012,376</u>	<u>1,089,168</u>
Anesthesia			
Inpatient	979,354	1,081,965	1,006,855
Outpatient	<u>1,929,769</u>	<u>2,039,971</u>	<u>1,495,798</u>
Total	<u>2,909,123</u>	<u>3,121,936</u>	<u>2,502,653</u>
Radiology, ultrasound, MRI & CT scan			
Inpatient	3,081,756	3,236,926	3,548,065
Outpatient	<u>28,160,419</u>	<u>27,153,852</u>	<u>26,046,812</u>
Total	<u>31,242,175</u>	<u>30,390,778</u>	<u>29,594,877</u>
Laboratory			
Inpatient	5,317,374	5,723,091	5,760,929
Outpatient	<u>19,874,749</u>	<u>18,788,413</u>	<u>15,531,532</u>
Total	<u>\$ 25,192,123</u>	<u>\$ 24,511,504</u>	<u>\$ 21,292,461</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED SCHEDULES OF NET PATIENT SERVICE REVENUE (Continued)
YEARS ENDED JUNE 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Blood			
Inpatient	\$ 946,962	\$ 1,323,491	\$ 1,360,423
Outpatient	<u>904,175</u>	<u>1,206,179</u>	<u>1,010,085</u>
Total	<u>1,851,137</u>	<u>2,529,670</u>	<u>2,370,508</u>
Inhalation therapy			
Inpatient	4,294,509	5,537,894	5,876,694
Outpatient	<u>3,417,957</u>	<u>3,362,253</u>	<u>3,129,204</u>
Total	<u>7,712,466</u>	<u>8,900,147</u>	<u>9,005,898</u>
Physical therapy			
Inpatient	361,594	369,509	440,112
Outpatient	<u>113,114</u>	<u>93,556</u>	<u>75,489</u>
Total	<u>474,708</u>	<u>463,065</u>	<u>515,601</u>
Occupational therapy			
Inpatient	234,663	236,902	259,801
Outpatient	<u>67,185</u>	<u>42,657</u>	<u>46,697</u>
Total	<u>301,848</u>	<u>279,559</u>	<u>306,498</u>
Speech therapy			
Inpatient	93,337	67,566	50,055
Outpatient	<u>188,826</u>	<u>265,919</u>	<u>281,316</u>
Total	<u>282,163</u>	<u>333,485</u>	<u>331,371</u>
Electrocardiology			
Inpatient	500,870	546,952	442,308
Outpatient	<u>3,711,238</u>	<u>3,467,396</u>	<u>2,112,255</u>
Total	<u>4,212,108</u>	<u>4,014,348</u>	<u>2,554,563</u>
Central services			
Inpatient	343,557	439,594	576,208
Outpatient	<u>293,535</u>	<u>373,510</u>	<u>429,552</u>
Total	<u>\$ 637,092</u>	<u>\$ 813,104</u>	<u>\$ 1,005,760</u>

NATCHITOCHES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED SCHEDULES OF NET PATIENT SERVICE REVENUE (Continued)
YEARS ENDED JUNE 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Pharmacy			
Inpatient	\$ 10,076,900	\$ 10,482,519	\$ 9,844,893
Outpatient	<u>9,450,309</u>	<u>8,634,490</u>	<u>7,606,989</u>
Total	<u>19,527,209</u>	<u>19,117,009</u>	<u>17,451,882</u>
Emergency room			
Inpatient	1,604,741	1,788,859	1,763,102
Outpatient	<u>13,959,509</u>	<u>14,128,153</u>	<u>12,907,938</u>
Total	<u>15,564,250</u>	<u>15,917,012</u>	<u>14,671,040</u>
Observation			
Outpatient	<u>12,718,724</u>	<u>11,643,520</u>	<u>9,518,383</u>
Ambulance			
Outpatient	<u>8,450,504</u>	<u>6,830,326</u>	<u>6,105,816</u>
Physician clinic			
Outpatient	<u>6,075,354</u>	<u>5,652,580</u>	<u>4,812,354</u>
Campti clinic			
Outpatient	<u>462,408</u>	<u>657,177</u>	<u>788,972</u>
Intensive outpatient psychiatric services			
Outpatient	<u>2,024,162</u>	<u>2,268,931</u>	<u>1,856,637</u>
Hospitalist program			
Inpatient	970,491	1,113,364	1,695,862
Outpatient	<u>-0-</u>	<u>208</u>	<u>99</u>
Total	<u>970,491</u>	<u>1,113,572</u>	<u>1,695,961</u>
Women's health clinic			
Outpatient	<u>5,736</u>	<u>253,310</u>	<u>272,045</u>
Walk-in clinic			
Outpatient	<u>4,042,071</u>	<u>4,699,000</u>	<u>4,937,748</u>
Wound care			
Outpatient	\$ <u>5,485,769</u>	\$ <u>5,630,054</u>	\$ <u>4,966,462</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED SCHEDULES OF NET PATIENT SERVICE REVENUE (Continued)
YEARS ENDED JUNE 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Hyperbarics Outpatient	\$ <u>3,157,702</u>	\$ <u>3,152,004</u>	\$ <u>2,888,277</u>
Pain management Outpatient	<u>2,812,457</u>	<u>4,372,474</u>	<u>3,375,651</u>
Surgical clinic Outpatient	<u>2,273,329</u>	<u>2,396,372</u>	<u>2,445,611</u>
Pulmonary clinic Outpatient	<u>2,142,649</u>	<u>1,478,623</u>	<u>-0-</u>
Orthopedic clinic Outpatient	<u>625,045</u>	<u>820,487</u>	<u>-0-</u>
ENT clinic Outpatient	<u>1,086,315</u>	<u>1,445,022</u>	<u>707,141</u>
OB/GYN clinic Outpatient	<u>775,187</u>	<u>-0-</u>	<u>-0-</u>
Urology clinic Outpatient	<u>1,127,260</u>	<u>-0-</u>	<u>-0-</u>
Total other professional services	<u>186,925,699</u>	<u>185,417,782</u>	<u>165,869,106</u>
Gross charges	<u>208,692,217</u>	<u>205,855,996</u>	<u>184,177,365</u>
Less charges associated with charity patients	<u>410,911</u>	<u>456,783</u>	<u>285,389</u>
Gross patient service revenue	208,281,306	205,399,213	183,891,976
Less deductions from revenue:			
Medicare and Medicaid contractual adjustments	95,477,950	95,856,262	86,148,090
Commercial contractual adjustments	45,318,483	44,018,321	37,207,686
Other deductions	41,097	79,997	45,552
Physician supplemental revenue	<u>(2,981,004)</u>	<u>(2,245,686)</u>	<u>(2,031,326)</u>
Patient service revenue (net of contractual adjustments and discounts)	70,424,780	67,690,319	62,521,974
Less provision for bad debts	<u>7,032,303</u>	<u>5,705,368</u>	<u>6,664,348</u>
Net patient service revenue	\$ <u>63,392,477</u>	\$ <u>61,984,951</u>	\$ <u>55,857,626</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED SCHEDULES OF OTHER REVENUE
YEARS ENDED JUNE 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Other revenue:			
Rental income	\$ 998,508	\$ 1,041,487	\$ 1,021,314
Assisted living housing & care income	549,264	524,186	423,019
Medical records	89	398	117
Dietary sales	280,814	262,457	313,998
Drugs sold to employees	686,797	632,094	532,121
Vending revenue	27,046	37,296	35,829
Grants	156,269	54,399	104,405
Intergovernmental transfer grant	3,478,480	3,305,276	6,469,103
340B pharmaceutical program	727,968	655,195	1,246,642
Other	<u>354,028</u>	<u>449,330</u>	<u>832,183</u>
 Total other operating revenue	 \$ <u>7,259,263</u>	 \$ <u>6,962,118</u>	 \$ <u>10,978,731</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED SCHEDULES OF EXPENSES – SALARIES AND BENEFITS
YEARS ENDED JUNE 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Salaries:			
Human resources	\$ 450,030	\$ 382,134	\$ 207,478
Administration	1,529,910	1,148,351	1,069,758
Information systems	563,816	579,128	659,958
Accounting	254,560	250,695	245,854
Admitting	574,863	636,402	553,570
Business office	365,435	367,386	356,074
Housekeeping	562,672	563,016	496,429
Dietary and cafeteria	289	519,734	673,223
Laundry	40,439	42,457	57,678
Plant operations and maintenance	468,720	454,502	441,055
Security	201,294	187,215	186,815
Nursing administration	1,051,016	1,082,284	1,131,338
Medical records	386,067	414,240	457,846
Nursing services	1,991,853	2,102,828	2,247,796
ICU	1,017,530	1,058,198	995,947
Geriatric psych	830,519	797,625	776,019
Nursery	212,218	184,773	272,636
Long-term care	3,143,641	3,171,543	3,135,587
Operating room	1,402,215	1,347,446	1,252,225
Labor and delivery	427,198	481,039	377,017
Radiology	1,209,371	1,173,351	1,047,347
Laboratory	939,929	877,998	935,519
Respiratory therapy	739,200	683,321	644,307
Physical therapy	273,542	267,248	280,127
Occupational therapy	210,260	208,905	205,876
Speech therapy	95,385	97,514	122,896
Purchasing	178,416	191,097	182,186
Pharmacy	662,505	614,371	519,457
Intensive outpatient psychiatric services	419,860	428,483	382,200
Emergency room	1,549,843	1,586,410	1,679,455
Ambulance	1,488,745	1,472,947	1,352,567
Physician clinic	589,770	540,646	541,533
Campti clinic	290,492	265,076	266,568
Assisted living	286,543	253,493	246,833
Hospitalist program	971,138	539,257	532,573
Women's health clinic	14,200	240,929	235,113
Walk-in clinic	1,519,732	1,281,149	1,007,637
Wound care	614,483	614,018	592,683

NATCHITOCHEES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED SCHEDULES OF EXPENSES – SALARIES AND BENEFITS (Continued)
YEARS ENDED JUNE 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Pain management	\$ 248,220	\$ 274,679	\$ 227,385
Sleep center	331,234	292,239	243,523
Sports medicine	160,201	213,514	215,367
Surgery clinic	1,370,693	1,425,585	1,246,772
ENT clinic	536,415	548,732	281,065
Pulmonary clinic	724,383	446,738	1,028
Orthopedic clinic	635,765	617,673	-0-
OB/GYN clinic	659,499	30,026	-0-
Urology clinic	714,117	-0-	-0-
Discovery house	<u>110,573</u>	<u>95,283</u>	<u>96,487</u>
 Total salaries	 <u>33,018,799</u>	 <u>31,051,678</u>	 <u>28,680,807</u>
 Benefits:			
FICA and Medicare tax	2,288,888	2,188,617	2,054,910
Hospital insurance	2,995,697	2,983,230	2,115,297
Retirement	173,283	159,008	145,448
Other	<u>115,814</u>	<u>39,235</u>	<u>28,199</u>
 Total benefits (excluding retirement)	 <u>5,573,682</u>	 <u>5,370,090</u>	 <u>4,343,854</u>
 Total salaries and benefits	 \$ <u>38,592,481</u>	 \$ <u>36,421,768</u>	 \$ <u>33,024,661</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED SCHEDULES OF EXPENSES – MEDICAL SUPPLIES AND DRUGS
YEARS ENDED JUNE 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Nursing service	\$ 243,975	\$ 257,875	\$ 152,165
ICU	126,865	89,687	33,026
Geriatric psych	13,799	12,640	7,948
Nursery	21,640	26,019	5,558
Long-term care	216,176	243,287	229,019
Operating room	2,313,846	2,656,187	1,997,919
Labor and delivery	35,379	24,659	43,745
Anesthesiology	101,807	53,631	128,576
Radiology, nuclear medicine, CT scan	149,014	194,763	241,553
Laboratory and blood	894,287	627,296	578,056
Respiratory therapy	164,032	133,900	115,989
Physical therapy	718	305	144
EKG	23,677	24,961	12,434
Central supply	62,090	32,586	346,682
Pharmacy	2,600,396	2,249,932	2,254,881
Emergency room	179,923	188,127	205,438
Ambulance	48,741	44,861	55,567
Physician clinic	115,714	132,970	101,389
Campti clinic	17,625	2,818	2,342
Women's health clinic	500	3,620	17,290
Walk-in clinic	103,000	88,601	84,024
Wound care	146,943	164,185	95,836
Pain clinic	25,660	31,197	33,902
Surgery clinic	9,679	2,444	3,941
ENT clinic	14,795	34,000	25,344
Pulmonary clinic	345	180	-0-
Orthopedic clinic	27,575	25,566	-0-
OB/GYN clinic	43,582	44	-0-
Urology clinic	91,390	-0-	-0-
Intensive outpatient psychiatric services	<u>393</u>	<u>289</u>	<u>482</u>
 Total medical supplies and drugs	 \$ <u>7,793,566</u>	 \$ <u>7,346,630</u>	 \$ <u>6,773,250</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED SCHEDULES OF EXPENSES – MEDICAL, PROFESSIONAL AND
CONSULTING SERVICES
YEARS ENDED JUNE 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Routine nursing	\$ 490,737	\$ 54,060	\$ 161,739
ICU	3,073	6,397	25,473
Geriatric psych	206,970	206,394	219,389
Nursery	-0-	1,050	-0-
LTCU	134,687	105,624	100,202
Operating room	129,406	25,695	20,229
Labor and delivery	825	750	900
Anesthesiology	233,463	-0-	-0-
Radiology, ultrasound, CT scan	237,492	155,113	145,658
Laboratory	425,061	346,691	310,556
Respiratory therapy	39,328	40,174	52,475
Physical therapy	9,477	8,629	6,718
Pharmacy	238,457	246,469	311,687
Emergency room	1,110,218	812,445	989,142
Other	45,465	44,650	11,117
Sleep study	38,333	105,828	70,259
Intensive outpatient psychiatric services	97,930	96,772	157,501
Hospitalist program	66,394	467,808	553,083
Campti clinic	17,865	-0-	-0-
Women's health clinic	2,848	5,017	1,946
Walk-in clinic	271,486	56,678	37,147
Pain management	54,377	77,592	113,579
Wound care	707,251	689,785	691,260
ENT clinic	47,826	52,500	-0-
Pulmonary clinic	28,797	15,777	338
Orthopedic clinic	65,601	68,422	-0-
Surgery clinic	32,846	11,048	14,760
OB/GYN clinic	23,205	-0-	-0-
Urology clinic	<u>28,070</u>	<u>-0-</u>	<u>-0-</u>
 Total medical, professional and consulting	 \$ <u>4,787,488</u>	 \$ <u>3,701,368</u>	 \$ <u>3,995,158</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED SCHEDULES OF EXPENSES – OTHER
YEARS ENDED JUNE 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service fees	\$ 6,521,668	\$ 4,311,956	\$ 4,360,814
Legal and accounting	365,665	368,089	316,453
Non-medical supplies	3,377,958	3,391,766	3,503,488
Repairs and maintenance	455,086	788,300	771,783
Utilities	1,638,496	1,636,252	1,628,139
Telephone	140,115	117,189	118,613
Travel and fuel - ambulance	83,249	84,694	82,134
Travel and fuel - other	152,926	200,963	126,344
Rental expense	1,130,439	1,136,446	967,192
Education expense	32,905	61,740	34,734
Licenses, dues and subscriptions	1,559,669	1,650,181	1,659,489
Patient days tax	450,449	452,305	434,258
Advertising	446,485	466,963	438,954
Recruitment	347,555	343,865	149,574
Inter-governmental transfer expense	1,838,158	2,172,568	2,151,904
Other	<u>214,952</u>	<u>171,827</u>	<u>88,114</u>
 Total other expenses	 \$ <u>18,755,775</u>	 \$ <u>17,355,104</u>	 \$ <u>16,831,987</u>

NATCHITOCHEES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES

HISTORY

The Natchitoches Parish Hospital was built by the people of the Parish of Natchitoches, Louisiana, in cooperation with the United States Government, and is operated by the Natchitoches Parish Hospital Service District as created by the Police Jury of Natchitoches Parish, Louisiana.

In consideration of an agreement between the Police Jury of Natchitoches Parish, Louisiana, and the Natchitoches Parish Hospital Service District whereby the Police Jury agreed to construct, complete and equip a hospital in Natchitoches Parish, the Hospital Service District agrees to do and perform the following:

1. To operate the District for the duration of this twenty-year agreement as a non-profit institution in accordance with an agreement entered into by and between the Parish and the United States.
2. To maintain and operate the District and assume and pay the expenses of operations and maintenance to the extent of the income and revenues derived therefrom.
3. To have full and complete charge of the management and operation of the District and conduct and operate said District at all times in accordance with acceptable standards of hospital practice.

The Parish covenants to do and perform, as consideration for this agreement, the following:

1. To equip the hospital building for hospital purposes with modern equipment sufficient to meet the needs of present day hospital practice. If, however, the District desires to replace said equipment with new equipment, it may do so, and said new equipment shall be and remains the property of the Parish if paid for out of the income resulting from the operation of the District. It is understood and agreed, however, that the Parish shall not be responsible for the securing of additional equipment other than that already purchased or installed when the District takes possession of the premises.
2. To levy the special tax of one mill on the dollar of all property subject to state taxation in the Parish for a period of three years beginning with the year 1956, as authorized by the special election held in the Parish on November 15, 1955, and the Parish shall pay to the District the net proceeds of said tax, as when collected. Said net proceeds shall be used by the District solely to defray the costs of operating and maintaining the District described herein, and proceeds at such intervals as the Parish may require.

During the year ended September 30, 1965, the Natchitoches Parish Hospital was enlarged by the addition of a nursing home, an autopsy room, new patient rooms and additional administrative and storage space. The new construction was financed by: (1) a grant from the United States Government under the Hill-Burton Act in the amount of \$307,000; (2) proceeds of a \$400,000 bond issue; and, (3) revenues of the Natchitoches Parish Hospital. The \$400,000 of Natchitoches Parish, Louisiana, Hospital Improvement Revenue Bonds, 3 1/2%, Series 1963, were purchased by the United States of America, Housing and Home Finance Agency. These bonds were retired in 1979.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES

HISTORY (Continued)

On June 14, 1977, a seven million dollar (\$7,000,000) bond issue was passed by the people of Natchitoches Parish. The seven million dollars (\$7,000,000) consisted of four million five hundred thousand dollars (\$4,500,000) of Public Improvement Bonds to be paid by ad valorem taxes. Two million five hundred thousand dollars (\$2,500,000) were to be Revenue Bonds and were to be paid off out of the general operating revenue of the District. Pursuant to a public hearing held on March 6, 1979, the District was authorized to issue \$4,500,000 of Hospital Revenue Bonds in lieu of the \$2,500,000 of Hospital Revenue Bonds.

On May 22, 1978, the Public Improvement Bonds were sold. The Public Improvement Hospital Bonds are dated April 1, 1978, and are in denominations of five thousand dollars (\$5,000) each, and bear interest at a rate or rates not exceeding six and one-half percent (6 1/2%) per annum on any bond in any interest payment period. Said interest to be payable April 1, 1979, and semi-annually thereafter on April 1st and October 1st of each year. Bonds numbered 204 to 900, inclusive, are callable for redemption by the District in the inverse order of their maturities, and if less than a full maturity, then by lot within such maturity, on any interest payment date on or after April 1, 1988, at the principal amount thereof and accrued interest to the date fixed for redemption, provided that official notice be given of such call of any of the bonds for redemption date by means of publication of an appropriate notice one time in a financial newspaper or journal published in the City of New York, or in the City of New Orleans, Louisiana, and sent by registered mail to the place of payment of the bonds. Bonds of this issue numbered 1 to 203, inclusive, are not callable for redemption prior to their stated dates of maturity. The bonds are secured by a special tax to be imposed and collected annually in excess of all other taxes on all the property subject to taxation within the territorial limits of the District. On October 1, 1985, funds were deposited in an irrevocable trust and zero coupon United States of America Trust securities were purchased. The securities began maturing in February 1995, and will be used to pay payments on the bonds until payment in full. No collections of taxes were required after that time.

In May 1979, the Hospital Revenue Bonds were sold. These bonds are dated April 1, 1979, and are in denominations of five thousand dollars (\$5,000) each, and bear interest at a rate or rates not exceeding seven and seven-eighths percent (7 7/8%) per annum on any bond in any interest period. Said interest to be payable October 1, 1979, and semi-annually thereafter on April 1st and October 1st of each year.

The Series 1979 Revenue Bonds are also subject to redemption in whole, at any time, or in part, at any interest payment date, at the option of the District upon the occurrence of any of the following conditions or events: (1) if title to, or the permanent use of, or use for a limited period of, substantially all of the District is condemned; or (2) if the title to substantially all of the District is found to be deficient to the extent that the Hospital is untenable or the efficient utilization of the District by the District is substantially impaired; or (3) if substantially all of the District is damaged or destroyed by fire or other casualty; or (4) if as a result of any changes in the Constitution of the United States of America or of the State of Louisiana or of legislative or administrative action, or failure of administrative action, by the United States or the State of Louisiana, or any agency or political subdivision thereof, or by reason of any judicial decision, (i) the Resolution becomes void or unenforceable or impossible to perform without unreasonable delay or (ii) unreasonable burdens or excessive liabilities are imposed on the District, including without limitation Federal, state or other ad valorem property, income or other taxes being imposed on the property of the District. In the event of such redemption, the Bonds shall be subject to redemption at the principal amount thereof plus accrued interest to the date of redemption, but without premium.

The Series 1979 Bonds are issued pursuant to a Resolution, under which payment of the principal of, redemption premium, if any, and interest on the Series 1979 Bonds is secured by a pledge of the income, revenues, receipts and accounts receivable derived by, payable or accruing to the District by reason of its operation of the District, subject to payment of the operating expenses of the District.

NATCHITOCHEES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES

HISTORY (Continued)

The Series 1979 Bonds are limited obligations of the District which are payable solely from revenues derived by the District from its operation of the Hospital. The Series 1979 Bonds are not an indebtedness or pledge of the general credit of the State of Louisiana, the Parish or City of Natchitoches or the District. Neither the District nor any of the assets of the District are pledged or mortgaged as security for the Series 1979 Revenue Bonds.

On February 26, 1980, the Louisiana State Bond Commission approved a notice of intention to issue not exceeding \$750,000 of Hospital Revenue Bonds to bear interest at rates not exceeding 9 1/4% per annum, the proceeds of which will be used for the purpose of constructing improvements to the existing facilities or to provide additional facilities, said bonds are to be secured by and payable solely from the District from operations, to mature at such time not exceeding 30 years from date of issuance, and subject further to the approval of the Natchitoches Parish Police Jury. In lieu of issuing these bonds the District made an application for the approval to the State Bond Commission to issue \$500,000 of Certificates of Indebtedness at an interest rate not to exceed eleven and one-half percent per annum. This application was approved on September 1, 1981. The \$500,000 in Certificates of Indebtedness were issued on April 6, 1982. Certificates totaling \$150,000 were issued to each of three banks in Natchitoches. These Certificates of Indebtedness were paid in full on September 28, 1984.

On November 20, 1985, the District's Commissioners resolved to donate a portion of land to the Natchitoches Parish Police Jury so they could construct a parish health clinic. The act of donation was made by resolution of the Board of Commissioners on October 23, 1987. The District's basis in the donated land was \$8,200.

An ambulance service tax is collected by the Natchitoches Parish Police Jury. The tax money is forwarded to the District upon submitting ambulance cost for the year. A ten-year renewal was passed in 1986. The voters of Natchitoches Parish voted not to renew this tax in July 1996.

Effective January 30, 1987, the Long-Term Care Unit qualified as a Medicare participating skilled nursing facility. As of September 25, 1987, a home health program was begun.

On December 1, 1988, the District began renting office space for four physicians in a newly constructed physician office building.

During the year ended June 30, 1990, the District purchased approximately ten acres of land on Keyser Avenue. The State of Louisiana expropriated one quarter acre for road right-of-way.

During the year ended June 30, 1991, the District began an \$845,000 renovation of the fourth and fifth floors of the Hospital which include two additional elevators and a rehabilitation fitness center. The Hospital began redecorating and refurnishing 84 patient rooms. These renovations were completed in fiscal year 1992.

During the year ended June 30, 1992, the District began replacing the chillers and completed replacement of the chillers in fiscal year 1993. The Hospital began and nearly completed a building to be rented as a dialysis center.

During the year ended June 30, 1994, the District completed construction of the dialysis center and began construction of rental facilities for a mental health unit and an obstetrics/gynecology doctors' office. The District also refinanced \$3,600,000 of Revenue bonds. As with the 1979 series, the \$3,560,000 of Series 1994 Bonds, dated May 19, 1994, are obligations of the District which are payable from revenues derived by the District from its operation of the Hospital. The interest rates vary from 3.95% to 5.5%.

NATCHITOCHEES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES

HISTORY (Continued)

The District completed construction of the mental health unit, the obstetrics/gynecology doctors' office, senior care center and remodeling of the labor and delivery rooms during the fiscal year ended June 30, 1995. A cooperative endeavor with Northwest Psychiatry, Inc. resulted in the establishment of an adolescent psychiatric program in Natchitoches Parish. Additionally, the Hospital began its own geriatric psychiatric program on the hospital campus just prior to year end.

Effective July 1, 1995, the Hospital's geriatric psychiatric unit received "Distinct Part" status which provides for reasonable cost reimbursement of necessary services to Medicare patients. In February 1996 the cooperative endeavor with Northwest Psychiatry, Inc. ended as Medicaid, the primary payor source for the adolescent facility, tightened its admission and length of stay criteria. The result was an inadequate census and the unit was closed.

The District began leasing twenty-one beds and selling ancillary services to Satellite Rehab, Inc., a separately licensed hospital and unrelated party, on December 1, 1997. Satellite Rehab, Inc. offers inpatient rehabilitative services.

Also, on December 1, 1997, the District entered into a management agreement with Christus Health (the "Manager"). The Manager is responsible for providing an administrator for routine administrative services, making recommendations for the overall rate structure, preparing monthly reports to the Board, managing cash and investments, preparing annual budgets and reviewing the insurance program. The Board of Commissioners retained all authority and control over the District.

During the year ended June 30, 2000, the District financed \$10,000,000 of 6% Series 2000 Revenue Bonds. The \$10,000,000 of Series 2000 bonds, dated June 14, 2000, are obligations of the District which are payable from revenues derived by the District from its operation of the Hospital and must be used for expansion of hospital facilities.

The District received escrow funds in the amount of \$5,000,000 from Christus Health on March 3, 2000, as a part of an agreement with the District to be used for expansion of outpatient facilities. As certain conditions were met, the \$5,000,000 was earned during 1999, 2000, 2001 and 2002.

The District ceased operations of the home health and partial day psychiatric services in June 2000.

During the year ended June 30, 2002, the Hospital renovated the second and third floor of the tower as part of the beginning of a three-phase construction project, which will include a new outpatient service center. This project is being financed by the issuance of the Series 2000 Revenue Bonds of \$10,000,000 and from the \$5,000,000 contribution received by Christus Health.

The Hospital continued its three-phase construction project during 2004 with the completion of the renovation of the second and third floors and expected completion of the new outpatient service center by September of 2005. The final phase of the project, renovation of the first floor, will start after the completion of the outpatient service center.

The Hospital entered into a joint venture with local physicians and created Natchitoches Outpatient Services, LLC. NOP, LLC offers outpatient therapy services and MRI services. NOP, LLC began operations in June of 2005.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES

HISTORY (Continued)

The Hospital has changed its d/b/a name to Natchitoches Regional Medical Center to reflect its regional healthcare status.

The Hospital purchased a minority interest in Northwestern Louisiana Cancer Center, LLC, which provides outpatient cancer treatment, in March 2006.

Christus Health conveyed a medical office building to the Hospital in July 2006. The conveyance contains an act of re-conveyance which is subject to the term of the management agreement with Christus Health. At the end of the agreement, the Hospital will recognize the building as an asset and the income based at fair market value.

In September of 2006, the Hospital opened the new outpatient center and started renovation of the first and fourth floor. The fourth floor will be leased to a rehab hospital.

The Hospital completed the renovation of the first and fourth floors in January 2007. The fourth floor is leased to a physical rehabilitation hospital.

The Hospital created a new entity called Natchitoches Assisted Living, LLC. NAL, LLC purchased an assisted living facility for \$1,200,000 on July 12, 2007, through a cash investment by the Hospital. NAL, LLC offers housing and limited care for elderly residents.

During the year ended June 30, 2009, the District financed \$8,000,000 of 4.26% Series 2008 Revenue Bonds. The \$8,000,000 of Series 2008 bonds, dated August 26, 2008, are obligations of the District which are payable from revenues derived by the District from its operation of the Hospital and must be used for expansion of hospital facilities.

Construction of the new nursing home facility began in September of 2008. The facility was completed in November 2009 and the patients were transferred. During FY 2012, the old nursing home was demolished.

The Hospital created a new entity called Regional Cardiology Clinic, LLC on March 2, 2009. RCC, LLC provides cardiology diagnostics and testing services.

The Natchitoches Hospital Foundation merged on November 3, 2010, with the Natchitoches Regional Medical Center Foundation.

The Hospital acquired a medical office building valued at \$4,550,000 by act of donation from Christus Health on December 31, 2010.

On February 3, 2014, the Hospital entered into a joint venture, NRMC Comprehensive Wound Care, LLC, to offer wound care and hyperbaric services.

On April 1, 2015, the Hospital entered into a joint venture with local physicians, NRMC Walk-In Clinic Ventures, LLC, to establish an after-hours care clinic.

On April 7, 2016, the Hospital entered into a joint venture, NRMC Pain Institute Ventures, LLC, to offer pain management services.

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES

HISTORY (Continued)

During the year ended June 30, 2019, the District financed \$9,000,000 of 2.75% to 4.20% Series 2018 Revenue Bonds. The \$9,000,000 of Series 2018 bonds, dated February 13, 2019, are obligations of the District which are payable from revenues derived by the District from its operation of the Hospital and must be used for expansion of hospital facilities.

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
SCHEDULE OF PER DIEM
OR OTHER AMOUNTS PAID TO OR ON BEHALF OF COMMISSIONERS
YEAR ENDED JUNE 30, 2020

<u>Board Member</u>	<u>Paid on Behalf of Commissioners</u>
Roger Williams	\$ 640
Ronald Corkern	640
Dr. Chris Ingram	280
Samuel Jackson	240
John Luster	760
Arthur Welch	280
Russel Leo Rachal	<u>200</u>
	\$ <u><u>3,040</u></u>

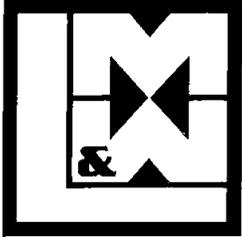
NATCHITOCHES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED SCHEDULE OF BONDS PAYABLE
YEAR ENDED JUNE 30, 2020

NATCHITOCHES PARISH HOSPITAL	RATES	PAYMENT DATES	ISSUE DATES	FINAL MATURITY DATE	ANNUAL SERIAL PAYMENTS	AUTHORIZED	BONDS		
							ISSUED	RETIRED	OUTSTANDING
Revenue bonds - 2000	4.350%	4/1; 10/1	6/14/2000	10/1/2020	815,000 (2021)	\$ <u>10,000,000</u>	\$ <u>10,000,000</u>	\$ <u>9,185,000</u>	\$ <u>815,000</u>
Revenue bonds - 2008	2.450%	4/1; 10/1	8/26/2008	10/1/2023	635,000 (2021) 670,000 (2022) 700,000 (2023) 735,000 (2024)	\$ <u>10,000,000</u>	\$ <u>8,000,000</u>	\$ <u>5,260,000</u>	\$ <u>2,740,000</u>
Revenue bonds - 2018	2.750% to 4.200%	4/1; 10/1	2/13/2019	10/1/2033	370,000 (2021) 475,000 (2022) 495,000 (2023) 520,000 (2024) 545,000 (2025) 570,000 (2026) 600,000 (2027) 625,000 (2028) 655,000 (2029) 685,000 (2030) 720,000 (2031) 755,000 (2032) 790,000 (2033) 830,000 (2034)	\$ <u>9,000,000</u>	\$ <u>9,000,000</u>	\$ <u>365,000</u>	\$ <u>8,635,000</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
 PAYMENTS TO CHIEF EXECUTIVE OFFICER
 YEAR ENDED JUNE 30, 2020

Agency Head Name: Kirk Soileau
 Position: CEO

<u>Purpose</u>	<u>Amount</u>
Salary	318,352
Health insurance	12,226
Retirement	38,583
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	2,752
Travel	3,215
Registration fees	1,370
Conference travel	15,049
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	15,104
Professional dues	-0-
Cell phone	-0-



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Retired 2015

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INDEPENDENT AUDITORS' 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
Natchitoches Parish Hospital Service District
Natchitoches, Louisiana

We have audited, 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, the consolidated financial statements of Natchitoches Parish Hospital Service District and its affiliates (the "District" or the "Hospital"), a component unit of the Natchitoches Parish Government, Natchitoches, Louisiana, as of and for the years ended June 30, 2020, 2019, and 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report thereon dated January 15, 2021.

Internal Control Over Financial Reporting

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

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

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

Board of Commissioners
Natchitoches Parish Hospital Service District
Natchitoches, Louisiana
Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's consolidated financial statements are free of 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 audits, 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants
Alexandria, Louisiana

January 15, 2021



Natchitoches Parish Hospital Service District
Schedule of Findings
Year Ended June 30, 2020

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weaknesses identified - No
- Significant deficiencies identified - No

Compliance

- Noncompliance issue noted - No

Management letter issued - No

Federal Awards - Not applicable

Section II. Financial Statement Findings

Not applicable

Section III. Federal Awards Findings and Questioned Costs

Not applicable

Section IV. Management Letter

Not applicable



Natchitoches Parish Hospital Service District
Schedule of Prior Year Findings
Year Ended June 30, 2020

Section I. Financial Statement Findings

2019-001 – Uninsured Bank Balances

Fiscal Year Initially Reported: June 30, 2019

Finding: The Hospital had deposits with a financial institution of \$6,737,350 that were neither insured by the FDIC or the assigned pledged securities in their name at year end.

Recommendation: We recommend closer monitoring of the bank balances, FDIC coverage and pledged securities' market value by management to insure all deposits are in compliance with state law.

Response: The Hospital has acquired pledged securities and is now in compliance. The controller will monitor bank balances regularly starting immediately to ensure that the Hospital's deposits are fully secured by FDIC insurance or pledged securities.

Resolution: This matter has been resolved.

Section II. Federal Award Findings and Questioned Costs

Not applicable

Section III. Management Letter

Not applicable



