

**St. Helena Parish Hospital  
Service District No. 1 and Subsidiary  
Greensburg, Louisiana  
October 31, 2018**

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**St. Helena Parish Hospital Service District No. 1 and Subsidiary  
Management's Discussion and Analysis  
October 31, 2018**

This portion of St. Helena Parish Hospital Service District No. 1 and Subsidiary's ("the District") annual financial reporting presents background information and management's review of the District's financial performance during the fiscal year ended October 31, 2018. This section should be interpreted within the context of the consolidated financial statements as displayed in this report.

**FINANCIAL HIGHLIGHTS**

- The financial statements reveal an excess of revenue over expenses of \$742,686. If depreciation expense was not included, then an excess of \$1,252,743 would have occurred.
- Ad valorem tax for the nursing home and hospital combined to generate \$1,068,000 and \$1,046,822 in revenue in 2018 and 2017, respectively.

**REQUIRED FINANCIAL STATEMENTS**

The basic financial statements of the District report information regarding the District using Governmental Accounting Standards Board (GASB) accounting principles. These statements offer short-term and long-term financial information about its activities. The Consolidated Statements of Net Position include all of the District's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to the District's creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure, and assessing the liquidity and financial flexibility of the District.

All of the current year's revenues and expenses are accounted for in the Consolidated Statements of Revenue, Expenses, and Changes in Net Position. This statement measures improvements in the District's operations over the past year and can be used to determine whether the District has been able to recover all of its costs through its patient service and other revenue sources. The final required financial statement is the Consolidated Statement of Cash Flows. The primary purpose of this statement is to provide information about the District's cash flows from operations and financial activities, as well as define the sources of cash, its uses, and cash balance changes during the reporting period. Additional statistical information and notes are offered as support, explanation, and information.

**FINANCIAL ANALYSIS OF THE HOSPITAL SERVICE DISTRICT**

The Consolidated Statements of Net Position and Consolidated Statements of Revenue, Expenses, and Changes in Net Position report data about the District's activities. These two statements report the net position of the District and the change in net position. Increases or decreases in net position are one indicator regarding the financial integrity of the District. Other non-financial indicators include changes in state and local economic conditions, as well as regulatory changes regarding Medicare and Medicaid, especially as these may impact Critical Access Hospital status, and related cost based reimbursements.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary  
Management's Discussion and Analysis  
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**FINANCIAL ANALYSIS OF THE HOSPITAL SERVICE DISTRICT (CONTINUED)**

**Net Position**

Summaries of the District's Consolidated Statements of Net Position as of October 31, 2018, 2017, and 2016 are displayed in the following table:

**Condensed Consolidated Statements of Net Position**

	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>
Current assets	\$ 8,817,563	\$ 8,010,453	\$ 6,371,543
Assets limited as to use	524,401	503,836	747,529
Property, plant and equipment, net	<u>4,562,158</u>	<u>4,785,898</u>	<u>5,179,935</u>
 Total assets	 <u>\$ 13,904,122</u>	 <u>\$ 13,300,187</u>	 <u>\$ 12,299,007</u>
 Current liabilities	 \$ 1,073,247	 \$ 1,098,226	 \$ 1,418,935
Long-term liabilities	<u>3,493,174</u>	<u>3,606,946</u>	<u>3,295,691</u>
 Total liabilities	 4,566,421	 4,705,172	 4,714,626
 Total net position	 <u>9,337,701</u>	 <u>8,595,015</u>	 <u>7,584,381</u>
 Total liabilities and net position	 <u>\$ 13,904,122</u>	 <u>\$ 13,300,187</u>	 <u>\$ 12,299,007</u>

The following table presents the components of the District's net position at October 31, 2018, 2017, and 2016:

	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>
Net investment in capital assets	\$ 882,121	\$ 975,268	\$ 1,577,159
Restricted for debt service	524,401	503,836	747,529
Unrestricted	<u>7,931,179</u>	<u>7,115,911</u>	<u>5,259,693</u>
 Total net position	 <u>\$ 9,337,701</u>	 <u>\$ 8,595,015</u>	 <u>\$ 7,584,381</u>

**St. Helena Parish Hospital Service District No. 1 and Subsidiary  
Management's Discussion and Analysis  
October 31, 2018**

**Property, Plant and Equipment**

The following table presents the components of property, plant and equipment at October 31, 2018, 2017, and 2016:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Land	\$ 412,705	\$ 413,705	\$ 413,705
Construction in progress	26,000	-	-
Buildings	8,154,515	8,151,150	8,378,158
Equipment	2,931,691	2,798,313	3,099,440
Vehicles	198,890	164,366	164,366
Equipment under capital leases	<u>447,064</u>	<u>370,662</u>	<u>353,296</u>
	12,170,865	11,898,196	12,408,965
Less: accumulated depreciation	<u>7,608,707</u>	<u>7,112,298</u>	<u>7,229,030</u>
Property, plant and equipment, net	<u>\$ 4,562,158</u>	<u>\$ 4,785,898</u>	<u>\$ 5,179,935</u>

**Summary of Revenue, Expenses, and Changes in Net Position**

The following table presents a summary of the District's revenues and expenses for the latest three fiscal years:

**Condensed Consolidated Statements of Revenue,  
Expenses and Changes in Net Position**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net patient service revenue	\$ 10,495,508	\$ 10,883,731	\$ 10,774,301
Apartment revenue	<u>289,775</u>	<u>283,874</u>	<u>281,075</u>
Total operating revenue	<u>10,785,283</u>	<u>11,167,605</u>	<u>11,055,376</u>
Salaries	7,071,455	6,717,996	6,581,210
Other operating expenses	5,587,745	5,552,118	5,563,361
Depreciation and amortization	510,057	643,887	624,102
Apartment expense	<u>254,841</u>	<u>239,286</u>	<u>237,706</u>
Total operating expenses	<u>13,424,098</u>	<u>13,153,287</u>	<u>13,006,379</u>
Net non-operating revenue	<u>3,381,501</u>	<u>2,996,316</u>	<u>2,673,979</u>
Change in net position	742,686	1,010,634	722,976
Net position, at beginning of fiscal year	<u>8,595,015</u>	<u>7,584,381</u>	<u>6,861,405</u>
Net position, at end of fiscal year	<u>\$ 9,337,701</u>	<u>\$ 8,595,015</u>	<u>\$ 7,584,381</u>

**St. Helena Parish Hospital Service District No. 1 and Subsidiary  
Management's Discussion and Analysis  
October 31, 2018**

**SOURCES OF REVENUE**

The District derives the majority of its total revenue from patient service operations. St. Helena Parish Hospital is a Critical Access Hospital and, as such, has been reimbursed for Medicare services on a cost basis since 2000.

The following table displays payor mix percentages as a function of total billed charges during 2018, 2017, and 2016:

	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>
Medicare	26%	31%	45%
Medicaid	31%	30%	22%
Commercial	38%	34%	24%
Self-Pay	<u>5%</u>	<u>5%</u>	<u>9%</u>
	<u>100%</u>	<u>100%</u>	<u>100%</u>

The District derives additional revenue from ad valorem taxes, grants, donations, and meals sold in the cafeteria.

**LONG-TERM DEBT**

Long-term debt including current portion decreased by approximately \$130,000 or 3%.

**OPERATING AND FINANCIAL PERFORMANCE**

The District's primary source of revenue is derived from patient services and is driven by admissions, which involves converting admissions and treatment into cash collections. The industry standard regarding management of receivables is the measure of outstanding days in accounts receivable. The following table displays both inpatient days and days in accounts receivable from 2018, 2017, and 2016.

	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>
Inpatient Days	1,514	1,757	2,153
Outstanding Days in Accounts Receivable	37	39	42

The District's statistical measure of days in accounts receivable is 37 days. The District does make aggressive attempts to procure payment from self-pay patients, but these receivables must stay on the books for a statutory amount of time to make a claim for uncompensated care reimbursement.

**BUDGET AND STRATEGY FOR FISCAL YEAR 2019**

The 2019 budget was approved by the Board of Commissioners during its regular meeting in October 2018. Highlights and expectations regarding 2019 are as follows:

Concerning Revenue and Patient Utilization, the hospital expects an inpatient census of 6, which is consistent with 2018. The ancillary departments of the hospital are budgeted for the same or modest utilization increases. Areas for outpatient growth opportunity include Observation, Therapy and Lab. Property taxes for 2019 are budgeted for \$1,065,000.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary  
Management's Discussion and Analysis  
October 31, 2018**

**CONTACTING THE DISTRICT'S CHIEF FINANCIAL OFFICER**

This financial report is intended to provide the community, patients, and creditors with a general overview of the District's financial position and demonstrate accountability regarding all revenues received. If further information is required, requests should be submitted in writing to:

Chief Financial Officer  
St. Helena Parish Hospital and Nursing Home  
16874 Highway 43 North  
Greensburg, LA 70441



**HAWTHORN  
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## **Independent Auditor's Report**

Board of Commissioners  
St. Helena Parish Hospital Service District No. 1 and Subsidiary  
Greensburg, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of St. Helena Parish Hospital Service District No. 1, a component unit of St. Helena Parish Police Jury, and Subsidiary, as of and for the years ended October 31, 2018 and 2017, and the related notes to the consolidated financial statements, which collectively comprise St. Helena Parish Hospital Service District No. 1 and Subsidiary'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 consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of St. Helena Parish Hospital Service District No. 1 and Subsidiary as of October 31, 2018 and 2017, 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.

## **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 3 through 7 be presented to supplement the basic consolidated financial statements. Such information, although not a part of the basic consolidated 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 consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audits of the basic consolidated 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 consolidated schedules of net patient service revenue, operating expenses, and salaries and the schedule of compensation, benefits and other payments to agency head or chief executive officer are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements.

The consolidated schedules of net patient service revenue, operating expenses, and salaries and the schedule of compensation, benefits and other payments to agency head or chief executive officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic consolidated 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 consolidated financial statements or to the basic consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidated schedules of net patient service revenue, operating expenses, and salaries and the schedule of compensation, benefits and other payments to agency head or chief executive officer are fairly stated in all material respects in relation to the consolidated 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 April 22, 2019 on our consideration of St. Helena Parish Hospital Service District No. 1 and Subsidiary'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 St. Helena Parish Hospital Service District No. 1 and Subsidiary'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 St. Helena Parish Hospital Service District No. 1 and Subsidiary's internal control over financial reporting and compliance.

*Hawthorn, Waymouth & Carroll, L.L.P.*

April 22, 2019

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Consolidated Statements of Net Position**  
**October 31, 2018 and 2017**

Assets	<b>2018</b>	<b>2017</b>
	<b>2018</b>	<b>2017</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 4,418,474	\$ 3,531,925
Patient accounts receivable (net of estimated uncollectibles of \$886,333 for 2018 and \$1,065,528 for 2017)	1,243,380	1,316,784
Accounts receivable - other	1,729,399	1,616,611
Estimated third-party payor settlements	885,660	1,002,651
Inventory	370,373	367,812
Prepaid expenses	170,277	174,670
	8,817,563	8,010,453
<b>Assets Limited as to Use</b>	524,401	503,836
<b>Property, Plant and Equipment, Net</b>	4,562,158	4,785,898
	\$ 13,904,122	\$ 13,300,187
<b>Liabilities and Net Position</b>		
<b>Current Liabilities</b>		
Current maturities of notes payable	\$ 9,787	\$ 8,970
Current maturities of bonds payable	142,378	135,356
Current maturities of obligations under capital leases	34,698	59,358
Accounts payable	316,588	319,357
Accrued liabilities	569,796	575,185
	1,073,247	1,098,226
<b>Long-term Liabilities</b>		
Notes payable, less current maturities	670,915	680,073
Bonds payable, less current maturities	2,749,147	2,887,714
Obligations under capital leases, less current maturities	73,112	39,159
	3,493,174	3,606,946
<b>Total long-term liabilities</b>	3,493,174	3,606,946
<b>Total liabilities</b>	4,566,421	4,705,172
<b>Net Position</b>		
Net investment in capital assets	882,121	975,268
Restricted for debt service	524,401	503,836
Unrestricted	7,931,179	7,115,911
	9,337,701	8,595,015
<b>Total net position</b>	9,337,701	8,595,015
<b>Total liabilities and net position</b>	\$ 13,904,122	\$ 13,300,187

The accompanying notes are an integral part of these consolidated financial statements.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Consolidated Statements of Revenue, Expenses, and Changes in Net Position**  
**Years Ended October 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Operating Revenue</b>		
Net patient service revenue	\$ 10,495,508	\$ 10,883,731
Apartment revenue	289,775	283,874
	<hr/>	<hr/>
Total operating revenue	10,785,283	11,167,605
	<hr/>	<hr/>
<b>Operating Expenses</b>		
Salaries	7,071,455	6,717,996
Outside services	1,637,229	1,586,413
Supplies and other	1,458,232	1,505,428
General and administrative	2,492,284	2,460,277
Depreciation and amortization	510,057	643,887
Apartment expense	254,841	239,286
	<hr/>	<hr/>
Total operating expenses	13,424,098	13,153,287
	<hr/>	<hr/>
Operating loss	(2,638,815)	(1,985,682)
	<hr/>	<hr/>
<b>Non-operating Revenue (Expense)</b>		
Ad valorem taxes	1,068,000	1,046,822
Grant income	2,266,101	2,010,686
Other income	128,875	78,375
Interest income	52,378	28,480
Interest expense	(133,853)	(151,159)
Loss on disposal of property, plant and equipment	-	(16,888)
	<hr/>	<hr/>
Total non-operating revenue (expense)	3,381,501	2,996,316
	<hr/>	<hr/>
<b>Change in Net Position</b>	742,686	1,010,634
	<hr/>	<hr/>
<b>Net Position</b>		
Beginning of year	8,595,015	7,584,381
	<hr/>	<hr/>
End of year	\$ 9,337,701	\$ 8,595,015
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these consolidated financial statements.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Consolidated Statements of Cash Flows**  
**Years Ended October 31, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
	<hr/>	<hr/>
<b>Cash Flows from Operating Activities</b>		
Receipts from patients and third-party payors	\$ 10,954,696	\$ 11,016,125
Payments to employees and for employee-related costs	(7,053,452)	(6,676,723)
Payments to suppliers for goods and services	(5,845,619)	(5,920,405)
	<hr/>	<hr/>
Net cash used in operating activities	(1,944,375)	(1,581,003)
	<hr/>	<hr/>
<b>Cash Flows from Non-capital Financing Activities</b>		
Ad valorem tax receipts	1,048,462	1,068,262
Grant income	2,172,853	2,067,662
Other income	128,873	78,459
	<hr/>	<hr/>
Net cash provided by non-capital financing activities	3,350,188	3,214,383
	<hr/>	<hr/>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Purchases of property, plant and equipment	(218,667)	(249,372)
Proceeds from issuance of bonds payable	-	500,000
Principal payments on bonds payable	(131,545)	(227,374)
Principal payments on notes payable	(8,341)	(112,645)
Principal payments under capital lease obligations	(59,357)	(74,492)
Interest paid on long-term debt	(134,167)	(151,245)
	<hr/>	<hr/>
Net cash used in capital and related financing activities	(552,077)	(315,128)
	<hr/>	<hr/>
<b>Cash Flows from Investing Activities</b>		
Interest received	52,378	28,480
Proceeds from the sale of property	1,000	-
	<hr/>	<hr/>
Net cash provided by investing activities	53,378	28,480
	<hr/>	<hr/>
<b>Net Increase in Cash and Cash Equivalents</b>	907,114	1,346,732
	<hr/>	<hr/>
<b>Cash and Cash Equivalents, Beginning of Year</b>		
Including \$503,836 and \$747,529 limited as to use for 2018 and 2017, respectively	4,035,761	2,689,029
	<hr/>	<hr/>
<b>Cash and Cash Equivalents, End of Year</b>		
Including \$524,401 and \$503,836 limited as to use for 2018 and 2017, respectively	\$ 4,942,875	\$ 4,035,761
	<hr/> <hr/>	<hr/> <hr/>

(Continued)

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Consolidated Statements of Cash Flows**  
**Years Ended October 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities:</b>		
Operating loss	\$ (2,638,815)	\$ (1,985,682)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	510,057	643,887
Provision for bad debts	699,088	622,971
(Increase) decrease in assets:		
Patient accounts receivable	(625,684)	(449,461)
Estimated third-party payor settlements	116,991	(324,990)
Inventory	(2,561)	7,797
Prepaid expenses	4,393	16,783
Increase (decrease) in liabilities:		
Accounts payable	(2,769)	(79,125)
Accrued liabilities	(5,075)	(33,183)
Total adjustments	<u>694,440</u>	<u>404,679</u>
Net cash used in operating activities	<u>\$ (1,944,375)</u>	<u>\$ (1,581,003)</u>

**Noncash Capital Financing Activities:**

Capital assets of \$68,650 and \$17,366 were acquired through capital leases during the years ended October 31, 2018 and 2017, respectively.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2018**

**Note 1-Summary of Significant Accounting Policies**

A. Legal Organization

On December 29, 1962, St. Helena Parish Police Jury passed a resolution creating St. Helena Parish Hospital Service District No. 1 under the authority of Chapter 10 of Title 46 of the Louisiana Revised Statutes of 1950, as amended.

The governing authority of the District consists of a board of six (6) commissioners, all of whom are qualified electors of the Parish of St. Helena. The Commissioners serve without pay, per diem, or reimbursement of expense, except actual out-of-pocket expenses incurred in the performance of their duties.

B. Nature of Business

The District primarily earns revenue by providing inpatient, outpatient, and emergency care services to patients in the St. Helena Parish area. The District also operates a 72-bed nursing home and a 24-unit apartment complex for the elderly and handicapped.

C. Principles of Consolidation

The financial statements are consolidated as of and for the years ended October 31, 2018 and 2017. These consolidated financial statements include St. Helena Parish Hospital Service District No. 1 and its subsidiary, St. Helena Medical Foundation, Inc. All intercompany accounts and transactions have been eliminated in consolidation. Operations in these consolidated financial statements are predominantly from St. Helena Parish Hospital Service District No. 1.

D. Basis of Accounting and Presentation

The District's financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

As a proprietary fund, the District distinguishes operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing patient services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's proprietary fund are charges to customers related to patient services. Operating expenses for the District's proprietary fund include patient care expenses, general and administrative expenses, and depreciation of property, plant and equipment. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

The District follows GASB standards for state and local governments which require that resources be classified for accounting and reporting purposes into the following three net position components:

- The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2018**

**Note 1-Summary of Significant Accounting Policies (Continued)**

D. Basis of Accounting and Presentation (Continued)

- The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted net position results when external constraints are placed on net asset use by creditors, grantors, contributors or laws through constitutional provisions or enabling legislation.
- The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position. Unrestricted net position is often designated to indicate that management does not consider them to be available for general operations; however, these designations can be removed or modified.

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

E. Reporting Entity

As the governing authority of the Parish, for reporting purposes, St. Helena Parish Police Jury is the financial reporting entity for St. Helena Parish. The financial reporting entity consists of (a) the primary government (Police Jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Section 2100 of the 2011 Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, establishes criteria for determining which component units should be considered part of St. Helena Parish Police Jury for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit.
2. Financial accountability:
  - a. The primary government appoints a voting majority of the potential component unit's governing body (and) the primary government is able to impose its will on the potential component unit (or)
  - b. When a potential component unit is fiscally dependent on the primary government regardless of whether the organization has separately elected officials or boards.
3. Financial benefit/burden relationship between the Police Jury and the potential component unit.
4. Misleading to exclude: Paragraph 111 of Section 2100 covers other potential component units for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

Because the Police Jury appoints all members to the District's Board of Commissioners, the District was determined to be a component unit of St. Helena Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only of the funds maintained by the District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2018**

**Note 1-Summary of Significant Accounting Policies (Continued)**

F. 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 disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The most significant item on the Consolidated Statements of Net Position that involves a greater degree of accounting estimates subject to changes in the near future is the assessment of the allowance for doubtful accounts. As additional information becomes available (or actual amounts are determinable), the recorded estimates are revised and reflected in operating results of the period in which they are determined.

G. Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the District considers all highly-liquid investments purchased with an original maturity of three months or less to be cash equivalents.

H. Patient Accounts Receivable

Accounts receivable from patients, insurance companies, and third-party reimbursement contractual agencies are recorded at established charge rates. Certain third-party insured accounts (Medicare and Medicaid) are based on cost reimbursement agreements, which generally result in the District collecting more or less than the established charge rates with the difference recorded as "contractual adjustments." Final determination of settlement is subject to review by appropriate authorities.

The District provides an allowance for doubtful accounts equal to the estimated collection losses that will be incurred in collection of all receivables. Management estimates the losses based on historical collection experience coupled with a review of the current status of existing receivables. Accounts are subsequently written off based on individual credit evaluation and specific circumstances of the account.

I. Inventory

Inventory is valued at the lower of cost or net realizable value (first-in, first-out). Inventory is comprised of departmental supplies and pharmaceutical items.

J. Assets Limited as to Use

Assets whose use is limited under terms of the bond indentures are classified as assets limited as to use as shown in Note 3.

K. Property, Plant and Equipment

Property, plant and equipment are stated at cost, except for assets donated to the District. Donated assets are recorded at the appraised value at the date of donation.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2018**

**Note 1-Summary of Significant Accounting Policies (Continued)**

K. Property, Plant and Equipment (Continued)

Equipment under capital leases is amortized using the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the consolidated financial statements.

Maintenance, repairs, replacements and improvements of minor amounts are expensed. Major replacements and improvements are capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows:

Buildings	10 - 40 years
Equipment	5 - 15 years
Vehicles	5 years

L. Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations.

The District is a "Critical Access Hospital" (CAH), which allows it to receive cost-based reimbursements from Medicare and Medicaid.

As a Critical Access Hospital, inpatient services, certain outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are reimbursed based on a cost reimbursement methodology. The District is reimbursed for cost reimbursable items 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 classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the District. The District's Medicare cost reports have been audited by the Medicare fiscal intermediary through October 31, 2016.

Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. Inpatient costs are reimbursed at the prospectively determined peer group per diem, and outpatient costs are reimbursed at cost per the cost report, less 17%. 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 audited by the Medicaid fiscal intermediary through October 31, 2013.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. These adjustments will be recorded in the year they are realized.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2018**

**Note 1-Summary of Significant Accounting Policies (Continued)**

L. Net Patient Service Revenue (Continued)

The District has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payments to the District under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates. To the extent management's estimates differ from actual results, the differences will be recorded in the year such differences arise.

M. Property Taxes

The Sheriff of St. Helena Parish, as provided by state law, is the official tax collector of property taxes levied by the Parish and the Parish's special districts.

The 2018 property tax calendar follows:

Millage rates adopted	June 27, 2018
Tax bills mailed	November 15, 2018
Due date	December 31, 2018
Certified delinquent notice	March 1, 2019

The District records the expected revenues to be received based on factors such as previous years' collections of assessments and the estimated taxable assessed value for the current year. State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. After notice is given to the delinquent taxpayers, the sheriff is required by the constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

N. Reclassifications

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

O. Paid Time Off

Paid time off (PTO) includes vacation and holiday pay. Unused PTO hours accumulate and carry over from year to year. Employees may accrue a maximum of 272 hours of PTO, including holidays. Full-time employees earn and vest in PTO according to length of service as follows.

<u>Length of Service</u>	<u>PTO Earned</u>
90 days - 2 years	1.08 days per month
3 - 5 years	1.50 days per month
6 - 15 years	1.92 days per month
Over 16 years	2.33 days per month

Sick pay is not vested.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2018**

**Note 1-Summary of Significant Accounting Policies (Continued)**

P. Income Taxes

The District is exempt from income taxes under Internal Revenue Code Section 115.

Q. Advertising

Advertising costs are expensed as incurred. Advertising costs of \$11,201 and \$13,908 were expensed in 2018 and 2017, respectively.

R. 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 and employee health and accident benefits.

The District is a member of a separate trust fund established by the Louisiana Hospital Association that encompasses self-insurance of statutory workers' compensation. The District continues to carry commercial insurance for portions of all other risks of loss. The management of the trust fund for statutory workers' compensation has complete control over the rate setting process.

The District has medical malpractice insurance up to \$100,000 through the Louisiana Hospital Association Trust Fund and an additional \$400,000 through the Patients Compensation Fund. Under current Louisiana Law, its liability is limited to the statutory maximum of \$500,000.

**Note 2-Cash and Cash Equivalents**

Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with any bank domiciled or having a branch office in the State of Louisiana. The District had cash and cash equivalents and cash under indenture agreements (book balances) totaling \$4,942,875 and \$4,035,761 at October 31, 2018 and 2017, respectively.

These deposits are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance and/or the pledge of securities owned by the fiscal agent bank. The pledged securities are held in the name of the District in a holding or custodial bank that is mutually agreeable to both parties.

At October 31, 2018, the District had \$5,013,326 in deposits (collected bank balances). These deposits were fully secured from risk by federal deposit insurance and pledged securities.

At October 31, 2017, the District had \$4,109,471 in deposits (collected bank balances). These deposits were fully secured from risk by federal deposit insurance and pledged securities.

In order to comply with debt agreements, the District deposits funds into reserve accounts on a monthly basis.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2018**

**Note 3-Assets Limited as to Use**

Assets whose use is limited that are required for obligations classified as current liabilities are reported in current assets. The composition of assets whose use is limited at October 31, 2018 and 2017, is set forth in the following table.

	<u>2018</u>	<u>2017</u>
Under Indenture Agreement		
Cash and cash equivalents	<u>\$ 524,401</u>	<u>\$ 503,836</u>

**Note 4-Property, Plant and Equipment**

A summary of property, plant and equipment additions, retirements, and balances at October 31, 2018 is as follows:

	<u>Balance October 31, 2017</u>	<u>Additions</u>	<u>Retirements and Adjustments</u>	<u>Balance October 31, 2018</u>
<b>Non-depreciable Assets</b>				
Land				
Hospital	\$ 377,705	\$ -	\$ (1,000)	\$ 376,705
Morgan Hills	36,000	-	-	36,000
Construction in progress	<u>-</u>	<u>26,000</u>	<u>-</u>	<u>26,000</u>
Total non-depreciable assets	<u>413,705</u>	<u>26,000</u>	<u>(1,000)</u>	<u>438,705</u>
<b>Depreciable Assets</b>				
Buildings				
Hospital	6,230,193	13,200	(9,835)	6,233,558
Morgan Hills	818,997	-	-	818,997
Nursing Home	1,101,960	-	-	1,101,960
Equipment	2,798,313	137,191	(3,813)	2,931,691
Vehicles	164,366	34,524	-	198,890
Equipment under capital leases	<u>370,662</u>	<u>76,402</u>	<u>-</u>	<u>447,064</u>
Total depreciable assets	<u>11,484,491</u>	<u>261,317</u>	<u>(13,648)</u>	<u>11,732,160</u>
<b>Less Accumulated Depreciation and Amortization</b>				
Buildings				
Hospital	\$ 2,771,466	\$ 182,737	\$ (9,835)	\$ 2,944,368
Morgan Hills	521,131	25,077	-	546,208
Nursing Home	1,098,096	151	-	1,098,247
Equipment	2,336,030	247,245	(3,813)	2,579,462
Vehicles	164,366	-	-	164,366
Equipment under capital leases	<u>221,209</u>	<u>54,847</u>	<u>-</u>	<u>276,056</u>
Total accumulated depreciation and amortization	<u>7,112,298</u>	<u>510,057</u>	<u>(13,648)</u>	<u>7,608,707</u>
Total depreciable assets, net	<u>4,372,193</u>	<u>(248,740)</u>	<u>-</u>	<u>4,123,453</u>
Total property, plant and equipment, net	<u>\$ 4,785,898</u>	<u>\$ (248,740)</u>	<u>\$ (1,000)</u>	<u>\$ 4,562,158</u>

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2018**

**Note 4-Property, Plant and Equipment (Continued)**

A summary of property, plant and equipment additions, retirements, and balances at October 31, 2017 is as follows:

	<b>Balance October 31, 2016</b>	<b>Additions</b>	<b>Retirements and Adjustments</b>	<b>Balance October 31, 2017</b>
<b>Non-depreciable Assets</b>				
Land				
Hospital	\$ 377,705	\$ -	\$ -	\$ 377,705
Morgan Hills	<u>36,000</u>	<u>-</u>	<u>-</u>	<u>36,000</u>
Total non-depreciable assets	<u>413,705</u>	<u>-</u>	<u>-</u>	<u>413,705</u>
<b>Depreciable Assets</b>				
Buildings				
Hospital	6,476,743	107,458	(354,008)	6,230,193
Morgan Hills	798,530	20,467	-	818,997
Nursing Home	1,102,884	-	(924)	1,101,960
Equipment	3,099,440	121,447	(422,574)	2,798,313
Vehicles	164,366	-	-	164,366
Equipment under capital leases	<u>353,296</u>	<u>17,366</u>	<u>-</u>	<u>370,662</u>
Total depreciable assets	<u>11,995,259</u>	<u>266,738</u>	<u>(777,506)</u>	<u>11,484,491</u>
<b>Less Accumulated Depreciation and Amortization</b>				
Buildings				
Hospital	\$ 2,915,357	\$ 205,269	\$ (349,160)	\$ 2,771,466
Morgan Hills	497,810	23,321	-	521,131
Nursing Home	1,098,870	150	(924)	1,098,096
Equipment	2,385,655	360,910	(410,535)	2,336,030
Vehicles	164,366	-	-	164,366
Equipment under capital leases	<u>166,972</u>	<u>54,237</u>	<u>-</u>	<u>221,209</u>
Total accumulated depreciation and amortization	<u>7,229,030</u>	<u>643,887</u>	<u>(760,619)</u>	<u>7,112,298</u>
Total depreciable assets, net	<u>4,766,229</u>	<u>(377,149)</u>	<u>(16,887)</u>	<u>4,372,193</u>
Total property, plant and equipment, net	<u>\$ 5,179,934</u>	<u>\$ (377,149)</u>	<u>\$ (16,887)</u>	<u>\$ 4,785,898</u>

Depreciation and amortization expense for the years ended October 31, 2018 and 2017 was \$510,057 and \$643,887, respectively.

**Note 5-Notes Payable**

A schedule of changes in the District's note payable at October 31, 2018 is as follows:

	<b>Balance October 31, 2017</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance October 31, 2018</b>	<b>Amount Due Within One Year</b>
Note Payable					
USDA Rural Development	<u>\$ 689,043</u>	<u>\$ -</u>	<u>\$ (8,341)</u>	<u>\$ 680,702</u>	<u>\$ 9,787</u>

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2018**

**Note 5-Notes Payable (Continued)**

A schedule of changes in the District's notes payable at October 31, 2017 is as follows:

	<b>Balance October 31, 2016</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance October 31, 2017</b>	<b>Amount Due Within One Year</b>
Notes Payable					
USDA Rural Development	\$ 696,688	\$ -	\$ (7,645)	\$ 689,043	\$ 8,970
First Guaranty Bank	<u>105,000</u>	<u>-</u>	<u>(105,000)</u>	<u>-</u>	<u>-</u>
Total notes payable	<u>\$ 801,688</u>	<u>\$ -</u>	<u>\$ (112,645)</u>	<u>\$ 689,043</u>	<u>\$ 8,970</u>

Maturities for each of the next five years ending October 31, are as follows:

2019	\$ 9,787
2020	10,679
2021	11,652
2022	12,713
2023	13,871
Thereafter	<u>622,000</u>
	<u>\$ 680,702</u>

Note Payable – USDA Rural Development

Note payable to USDA Rural Development with interest at 8.75% for 50 years with a monthly payment of \$5,735. Note is secured by the Morgan Hills Apartments.

Note Payable – First Guaranty Bank

Note payable to First Guaranty Bank at 6.0% interest for seven (7) years with a principal balance of \$105,000 at October 31, 2016, secured by a pledge of all revenues accruing to the District. The final principal payment of \$105,000 was paid during the year ended October 31, 2017.

**Note 6-Bonds Payable**

A schedule of changes in the District's bonds payable at October 31, 2018 is as follows:

	<b>Balance October 31, 2017</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance October 31, 2018</b>	<b>Amount Due Within One Year</b>
Bonds Payable					
Hospital Revenue Bonds					
25 Year	\$ 834,045	\$ -	\$ (40,332)	\$ 793,713	\$ 46,774
40 Year	<u>1,689,025</u>	<u>-</u>	<u>(28,213)</u>	<u>1,660,812</u>	<u>29,604</u>
Total hospital revenue bonds payable	<u>2,523,070</u>	<u>-</u>	<u>(68,545)</u>	<u>2,454,525</u>	<u>76,378</u>

(Continued)

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2018**

**Note 6-Bonds Payable (Continued)**

(Continued)	<b>Balance October 31, 2017</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance October 31, 2018</b>	<b>Amount Due Within One Year</b>
Limited Tax Bonds					
Series 2016A	400,000	-	(51,000)	349,000	53,000
Series 2016B	<u>100,000</u>	<u>-</u>	<u>(12,000)</u>	<u>88,000</u>	<u>13,000</u>
Total limited tax bonds payable	<u>500,000</u>	<u>-</u>	<u>(63,000)</u>	<u>437,000</u>	<u>66,000</u>
Total bonds payable	<u>\$ 3,023,070</u>	<u>\$ -</u>	<u>\$ (131,545)</u>	<u>\$ 2,891,525</u>	<u>\$ 142,378</u>

A schedule of changes in the District's bonds payable at October 31, 2017 is as follows:

Bonds Payable	<b>Balance October 31, 2016</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance October 31, 2017</b>	<b>Amount Due Within One Year</b>
Hospital Revenue Bonds					
5 Year	\$ 155,508	\$ -	\$ (155,508)	\$ -	\$ -
25 Year	878,836	-	(44,791)	834,045	43,947
40 Year	<u>1,716,100</u>	<u>-</u>	<u>(27,075)</u>	<u>1,689,025</u>	<u>28,409</u>
Total hospital revenue bonds payable	<u>2,750,444</u>	<u>-</u>	<u>(227,374)</u>	<u>2,523,070</u>	<u>72,356</u>
Limited Tax Bonds					
Series 2016A	-	400,000	-	400,000	51,000
Series 2016B	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>12,000</u>
Total limited tax bonds payable	<u>-</u>	<u>500,000</u>	<u>(227,374)</u>	<u>500,000</u>	<u>63,000</u>
Total bonds payable	<u>\$ 2,750,444</u>	<u>\$ 500,000</u>	<u>\$ (227,374)</u>	<u>\$ 3,023,070</u>	<u>\$ 135,356</u>

Hospital Revenue Bonds – 5 Year

Hospital Revenue Bonds of \$1,184,000 due in annual installments of \$262,245 (principal and interest) for 5 years at an annualized rate of 3.5%. Bonds are secured by a pledge of net revenue from the operations of the District.

Hospital Revenue Bonds – 25 Year

Hospital Revenue Bonds of \$1,200,000 due in monthly installments of \$7,916 (principal and interest) for 25 years at an annualized rate of 6.125%. Bonds are secured by a pledge of net revenue from the operations of the District.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2018**

**Note 6-Bonds Payable (Continued)**

Hospital Revenue Bonds – 40 Year

Hospital Revenue Bonds of \$1,900,000 due in monthly installments of \$8,113 (principal and interest) for 40 years at an annualized rate of 4.125%. Bonds are secured by a pledge of net revenue from the operations of the District.

As required by the bond agreement, the District is required to maintain three separate accounts: Sinking Fund, Reserve Fund, and Contingency Fund. The Sinking Fund is required to have an amount sufficient to pay promptly and fully the principal and interest on the bonds. The Reserve Fund must have an amount paid to it equal to 10% of the amount paid to the Sinking Fund each month. The amount shall continue until the Reserve Fund has accumulated a sum equal to the combined principal and interest falling due in any year on the bonds.

The Contingency Fund shall have deposited \$170 per month to cover depreciation, additions, improvements and replacements necessary to properly operate the District. These amounts have been classified as assets limited as to use.

Limited Tax Bonds – Series 2016A

Limited Tax Bonds of \$400,000 due in annual principal installments ranging from \$51,000 to \$63,000 and semi-annual interest installments for seven years at an annualized rate of 2.75%. Bonds are secured by a pledge of the proceeds of a special five mills tax.

Limited Tax Bonds – Series 2016B

Limited Tax Bonds of \$100,000 due in annual principal installments ranging from \$12,000 to \$17,000 and semi-annual interest installments for seven years at an annualized rate of 4.0%. Bonds are secured by a pledge of the proceeds of a special five mills tax.

Bond maturities for each of the next five years ending October 31, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 142,378	\$ 128,099	\$ 270,477
2020	149,630	121,822	271,452
2021	156,129	115,223	271,352
2022	163,888	108,295	272,183
2023	171,925	100,994	272,919
Thereafter	<u>2,107,575</u>	<u>1,000,462</u>	<u>3,108,067</u>
	<u>\$ 2,891,525</u>	<u>\$ 1,574,895</u>	<u>\$ 4,466,420</u>

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2018**

**Note 7-Obligations under Capital Leases**

A schedule of changes in the District's obligations under capital leases at October 31, 2018 is as follows:

	<b>Balance October 31, <u>2017</u></b>	<b><u>Additions</u></b>	<b><u>Reductions</u></b>	<b>Balance October 31, <u>2018</u></b>	<b>Amount Due Within <u>One Year</u></b>
Capital Leases					
Analyzer	\$ 37,074	\$ -	\$ (37,074)	\$ -	\$ -
Fugi	996	-	(996)	-	-
Coag analyzer	43,678	-	(17,101)	26,667	17,640
Omnicell server	16,679	-	(4,186)	12,493	4,301
Telephone system	<u>-</u>	<u>68,650</u>	<u>-</u>	<u>68,650</u>	<u>12,757</u>
Total obligations under capital leases	<u>\$ 98,517</u>	<u>\$ 68,650</u>	<u>\$ (59,357)</u>	<u>\$ 107,810</u>	<u>\$ 34,698</u>

A schedule of changes in the District's obligations under capital leases at October 31, 2017 is as follows:

	<b>Balance October 31, <u>2016</u></b>	<b><u>Additions</u></b>	<b><u>Reductions</u></b>	<b>Balance October 31, <u>2017</u></b>	<b>Amount Due Within <u>One Year</u></b>
Capital Leases					
Analyzer	\$ 83,621	\$ -	\$ (46,547)	\$ 37,074	\$ 37,074
Fugi	11,676	-	(10,680)	996	996
Coag analyzer	60,346	-	(16,579)	43,768	17,101
Omnicell server	<u>-</u>	<u>17,366</u>	<u>(687)</u>	<u>16,679</u>	<u>4,187</u>
Total obligations under capital leases	<u>\$ 155,643</u>	<u>\$ 17,366</u>	<u>\$ (74,493)</u>	<u>\$ 98,517</u>	<u>\$ 59,358</u>

The following are the aggregate future maturities of the capital leases:

2019	\$ 34,698
2020	28,207
2021	19,471
2022	16,693
2023	<u>8,741</u>
	<u>\$ 107,810</u>

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2018**

**Note 8-Operating Leases**

The District leases equipment under various operating leases which expire at various times through July 2023. Rent expense on these operating leases was \$63,693 in 2018 and \$87,775 in 2017. Future minimum operating lease payments on non-cancelable leases for the next five years are as follows:

2019	\$	48,805
2020		7,822
2021		2,424
2022		2,424
2023		1,818
		\$ 63,293

**Note 9-Pension Plan**

The District has a 403(b) defined contribution plan. Contributions are matched based on years of service of full-time employees, not to exceed 3% of salary. Contributions to the plan totaled \$130,078 in 2018 and \$124,723 in 2017.

**Note 10-Grant Revenue**

Intergovernmental Transfers – Grant Income

In 2015, the District (Grantee) entered into a cooperative endeavor agreement (CEA) with a regional public rural hospital (Grantor) whereby the Grantor awards as 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 was \$1,611,651 and \$1,363,982 for the years ended October 31, 2018 and 2017, respectively, and is included in grant income in the accompanying consolidated statements of revenue, expenses, and changes in net position.

**Note 11-Reconciliation of Cash and Cash Equivalents for Statement of Cash Flows**

Total cash and cash equivalents at October 31, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 4,418,474	\$ 3,531,925
Assets limited as to use	524,401	503,836
Total cash and cash equivalents	\$ 4,942,875	\$ 4,035,761

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**October 31, 2018**

**Note 12-Concentration of Credit Risk**

The District is located in Greensburg, Louisiana and grants credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements. Revenue from patients and third-party payors was as follows.

	<u><b>2018</b></u>	<u><b>2017</b></u>
Medicare and Medicaid	57%	61%
Commercial and Blue Cross	38%	34%
Private pay	<u>5%</u>	<u>5%</u>
	<u>100%</u>	<u>100%</u>

**Note 13-Subsequent Events**

Management evaluated all subsequent events through April 22, 2019, the date the consolidated financial statements were available to be issued. As a result, management noted no subsequent events that required adjustment to, or disclosure in, these consolidated financial statements.

**Supplementary Information**

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Consolidated Schedules of Net Patient Service Revenue**  
**Years Ended October 31, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b>Patient Service Revenue</b>		
Cardiopulmonary	\$ 330,424	\$ 394,637
CT scan	1,152,200	1,115,940
Emergency services	1,457,831	1,458,740
Intensive outpatient psychiatry	206,260	223,640
Laboratory	2,131,395	2,196,558
Medical supplies	233,561	208,351
Nursing home	3,340,725	3,298,572
Nursing services	514,224	531,500
Observation	72,465	44,825
Occupational therapy	112,500	68,965
Pharmacy	616,621	727,165
Physical therapy	303,365	326,861
Professional services	1,142,603	1,089,604
Rural health clinic	84,370	8,788
Speech therapy	36,376	31,566
Ultrasound	66,517	51,661
X-ray	419,463	397,116
	12,220,900	12,174,489
Gross patient service revenue		
Less: contractual adjustments and discounts	1,026,304	667,787
Less: provision for bad debts	699,088	622,971
	\$ 10,495,508	\$ 10,883,731
Net patient service revenue		

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Consolidated Schedules of Operating Expenses**  
**Years Ended October 31, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
Food cost	\$ 226,875	\$ 198,228
Pharmacy	177,240	193,294
Medical supplies	1,054,117	1,113,906
	<hr/>	<hr/>
Total supplies and other expenses	\$ 1,458,232	\$ 1,505,428
	<hr/>	<hr/>
Advertising	\$ 11,201	\$ 13,908
Bank charges	3,788	4,511
Bed tax	277,635	273,306
Dues and subscriptions	27,830	28,623
Education	19,531	5,192
Employee benefits	130,078	124,722
Gas	24,382	31,172
Group insurance	636,161	603,986
Insurance	310,536	358,317
Lease and rental expense	86,932	106,926
Maintenance contracts	76,139	12,742
Other	69,957	78,111
Payroll taxes	507,695	476,626
Penalties and interest	1,171	599
Postage	2,092	1,755
Repairs and maintenance	66,848	96,793
Sewerage	4,157	3,944
Taxes-Property	3,529	5,868
Telephone	73,005	82,356
Travel	19,474	15,199
Utilities	138,830	134,590
Water	1,313	1,031
	<hr/>	<hr/>
Total general and administrative expenses	\$ 2,492,284	\$ 2,460,277
	<hr/>	<hr/>

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Consolidated Schedules of Salaries**  
**Years Ended October 31, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b>Salaries</b>		
Administration	\$ 745,456	\$ 608,302
Business office	186,560	169,693
Cardiopulmonary	147,673	152,709
Central supply	52,103	51,940
Dietary	258,820	251,479
Emergency services	401,092	478,805
Housekeeping	275,939	240,172
Information technology	55,492	57,164
Intensive outpatient psychiatry	147,464	142,930
Laboratory	454,749	453,083
Maintenance	171,622	155,418
Medical records	81,301	76,080
Nursing home	2,021,339	1,964,552
Nursing services	913,977	950,699
Occupational therapy	165,954	141,559
Pharmacy	133,478	128,341
Physical therapy	350,190	316,088
Radiology	254,324	271,590
Rural health clinic	167,790	22,144
Speech therapy	26,032	18,108
Transportation	60,100	67,140
	<hr/>	<hr/>
Total general and administrative expenses	\$ 7,071,455	\$ 6,717,996
	<hr/> <hr/>	<hr/> <hr/>

**St. Helena Parish Hospital Service District No. 1 and Subsidiary  
Schedule of Compensation, Benefits and Other  
Payments to Agency Head or Chief Executive Officer  
Year Ended October 31, 2018**

**Agency Head Name: Naveed Awan, Chief Executive Officer**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 222,138
Benefits - insurance	19,918
Benefits - retirement	32,660
Car allowance	-
Vehicle provided by agency	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	1,948
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	413



**HAWTHORN  
WAYMOUTH  
& CARROLL, L.L.P.**  
Certified Public Accountants

Louis C. McKnight, III, CPA  
Charles R. Pevey, Jr., CPA  
David J. Broussard, CPA  
Neal D. King, CPA  
Brittany B. Thames, CPA  
Kevin M. Rodriguez, CPA  
Blaine M. Crochet, CPA

**Independent Auditor's Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

Board of Commissioners  
St. Helena Parish Hospital Service District No. 1 and Subsidiary  
Greensburg, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of St. Helena Parish Hospital Service District No. 1 and Subsidiary, as of and for the years ended October 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise St. Helena Parish Hospital Service District No. 1 and Subsidiary's basic consolidated financial statements and have issued our report thereon dated April 22, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audits of the consolidated financial statements, we considered St. Helena Parish Hospital Service District No. 1 and Subsidiary's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Helena Parish Hospital Service District No. 1 and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Helena Parish Hospital Service District No. 1 and Subsidiary'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 audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether St. Helena Parish Hospital Service District No. 1 and Subsidiary's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

*Hawthorn, Weymouth & Carroll, L.L.P.*

April 22, 2019

**St. Helena Parish Hospital Service District No. 1 and Subsidiary**  
**Schedule of Findings and Responses**  
**Year Ended October 31, 2018**

**Part I - Summary of Audit Results**

- 1) An unmodified opinion has been expressed on the financial statements of St. Helena Parish Hospital Service District No. 1 and Subsidiary, as of and for the year ended October 31, 2018, and the related notes to the financial statements.
- 2) No deficiencies in internal control over financial reporting that we consider to be material weaknesses were identified.
- 3) No instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* were identified.
- 4) A single audit in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* was not required.
- 5) A management letter was not issued.

**Part II – Financial Statement Findings**

No findings were noted.

**St. Helena Parish Hospital Service District No. 1 and Subsidiary  
Summary Schedule of Prior Audit Findings  
Year Ended October 31, 2018**

**Part I – Financial Statement Findings**

No findings were noted.

**Part II – Management Letter**

A management letter was not issued.

**St. Helena Parish Hospital  
Service District No. 1**

**Agreed-Upon Procedures Report**

**October 31, 2018**



**Independent Accountant's Report  
on Applying Agreed-upon Procedures**

To the Board of Trustees of St. Helena Parish Hospital Service District No.1 and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by St. Helena Parish Hospital Service District No. 1 (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period November 1, 2017 through October 31, 2018. The Entity's management is responsible for those control and compliance areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedures presented in italics.

***Written Policies and Procedures***

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1. Obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation)

*The Entity's written policies and procedures on receipts/collections do not include management's actions to determine the completeness of all collections for each type of revenue.*

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy

*No exceptions noted.*

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

*No exceptions noted.*

### ***Board or Finance Committee***

---

- 2. Obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*No exceptions noted.*

- b) Observed that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

*Monthly budget-to-actual comparisons were only noted in the minutes of the board's October 2018 meeting.*

- c) Obtained the prior year audit report and observed the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

*No exceptions noted.*

### ***Bank Reconciliations***

---

- 3. Obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Asked management to identify the entity's main operating account. Selected the entity's main operating account and randomly selected four additional accounts. Randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for each selected account, and observed that:

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

### ***Collections***

---

- 4. Obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. The entity's only deposit site was used for the procedures in this section.

*No exceptions noted.*

5. For the entity's only deposit site, obtained a listing of collection locations and management's representation that the listing is complete. Randomly selected one collection location for the entity's only deposit site, obtained and inspected written policies and procedures relating to employee job duties at the selected collection location, and observed that job duties are properly segregated at the selected collection location such that:

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

*No exceptions noted.*

b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

*No exceptions noted.*

c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

*No exceptions noted.*

d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

*No exceptions noted.*

6. Inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

*No exceptions noted.*

7. Randomly selected two deposit dates for each of the five bank accounts selected for procedure # 3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits were made on the same day). Obtained supporting documentation for each of the 10 deposits and:

a) Observed that receipts are sequentially pre-numbered.

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

- d) Observed that the deposit was made within one business day of receipt at the collection location.

*For one of the five bank accounts selected, the supporting documentation does not include sufficient evidence of a collection date.*

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

*No exceptions noted.*

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

---

- 8. Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. The entity's only location that processes payments was used for the procedures in this section.

*No exceptions noted.*

- 9. For the location that processes payments, obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties and observed that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*The employee responsible for signing checks gives the signed checks to the individual who is responsible for processing payments.*

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

- a) Observed that the disbursement matched the related original invoice/billing statement.

*No exceptions noted.*

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

*No exceptions noted.*

### **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

---

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

*No exceptions noted.*

- 12. Using the listing prepared by management, randomly selected 5 cards that were used during the fiscal period. Randomly selected one monthly statement or combined statement for each card, obtained supporting documentation, and:

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

*No exceptions noted.*

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

*No exceptions noted.*

- 13. Using the monthly statements or combined statements selected under # 12 above, excluding fuel cards, randomly selected 10 transactions from each statement, and obtained supporting documentation for the transactions. For each transaction, observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

*(1) No exceptions noted.*

*(2) No exceptions noted.*

*(3) One meal transaction was not supported by documentation of the individuals participating in the meal.*

### **Travel and Travel-related Expense Reimbursements (excluding card transactions)**

---

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

- a) If reimbursed using a per diem, agreed the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

- d) Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*No exceptions noted.*

## ***Contracts***

---

15. Obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtained management's representation that the listing is complete. Randomly selected five contracts from the listing, excluding the practitioner's contract, and:

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

*No exceptions noted.*

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

*No exceptions noted.*

- c) If the contract was amended (e.g. change order), observed that the original contract terms provided for such an amendment.

*No exceptions noted.*

- d) Randomly selected one payment from the fiscal period for each of the five contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

*No exceptions noted.*

## ***Payroll and Personnel***

---

16. Obtained a listing of employees employed during the fiscal period and management's representation that the listing is complete. Randomly selected five employees, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

*No exceptions noted.*

17. Randomly selected one pay period during the fiscal period. For the five employees selected under # 16 above, obtained attendance records and leave documentation for the pay period, and:

- a) Observed that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).

*No exceptions noted.*

- b) Observed that supervisors approved the attendance and leave of the selected employees.

*No exceptions noted.*

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

*No exceptions noted.*

18. Obtained a listing of those employees that received termination payments during the fiscal period and management's representation that the list is complete. Randomly selected two employees, obtained related documentation of the hours and pay rates used in management's termination payment calculations, agreed the hours to the employees' cumulative leave records, and agreed the pay rates to the employees' authorized pay rates in the employees' personnel files.

*No exceptions noted.*

19. Obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

*No exceptions noted.*

## ***Other***

---

20. Obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*Management asserted that it is not aware of any misappropriations of public funds or assets.*

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

*No exceptions noted.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

*Hawthorn, Waymouth & Carroll, LLP.*

February 25, 2019



# St. Helena Parish Hospital

*"Louisiana's First Critical Access Hospital"*

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**Board of Commissioners:**

Joseph Lombardo, Chairman

Joe L. Lee, Vice-Chairman

Daisy Callihan

Harrison Gill

Iola Martin

Richard Womack

## **Management's Response to Independent Accountant's Report on Applying Agreed-upon Procedures**

### Written Policies and Procedures

- 1.d) The written policies and procedures will be revised to include management's actions to determine the completeness of all collections.

### Board

- 2.b) Monthly budget-to-actual comparisons will be presented to the Board going forward.

### Collections

- 7.d) Supporting documentation for collections will include sufficient evidence of a collection date going forward.

### Non-Payroll Disbursements

- 9.d) The employee responsible for signing checks will give the signed checks to an individual not responsible for processing payments going forward.

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

- 13.(3) Meals purchased by credit card will include documentation of the individuals participating in the meal going forward.

### **Hospital Service District #1**

16874 Highway 43 North, Greensburg, LA 70441, TELEPHONE 225.222.6111, FAX 225.222.4819

This institution is an equal opportunity provider/employer.