



East Carroll Parish Hospital Service District d/b/a East Carroll Parish Hospital (A Component Unit of East Carroll Parish)

**Independent Auditor's Reports, Financial Statements,
and Supplementary Information**

May 31, 2025 and 2024



East Carroll Parish Hospital Service District
d/b/a East Carroll Parish Hospital
(A Component Unit of East Carroll Parish)
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May 31, 2025 and 2024

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Independent Auditor's Report

Board of Commissioners
East Carroll Parish Hospital Service District
d/b/a East Carroll Parish Hospital
A Component Unit of East Carroll Parish
Lake Providence, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of East Carroll Parish Hospital Service District d/b/a East Carroll Parish Hospital (Hospital), a component unit of East Carroll Parish, which comprise the balance sheets as of and for the years ended May 31, 2025 and 2024, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Hospital, as of May 31, 2025 and 2024, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hospital's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Hospital's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer as listed in the table of contents is required by the Louisiana Legislative Auditor and is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer 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 June 10, 2026 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.

Forvis Mazars, LLP

**Jackson, Mississippi
June 10, 2026**

**East Carroll Parish Hospital Service District
d/b/a East Carroll Parish Hospital
(A Component Unit of East Carroll Parish)
Management's Discussion and Analysis (Unaudited)
May 31, 2025 and 2024**

Introduction

This management's discussion and analysis of the financial performance of East Carroll Parish Hospital Service District d/b/a East Carroll Parish Hospital (Hospital) provides an overview of the Hospital's financial activities for the fiscal years ended May 31, 2025 and 2024. It should be read in conjunction with the accompanying financial statements of the Hospital. During 2025, the Hospital adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The implementation of this standard did not result in a material change to the recognition or measurement of the Entity's compensated absence liabilities. Accordingly, no adjustment to beginning net position was required. The summarized financial information for the years ended May 31, 2025 and 2024, included in the management's discussion and analysis, was not restated for this adoption.

Financial Highlights

2025

- Cash and cash equivalents, along with the change in certificates of deposit, increased by \$142,376 in 2025.
- The Hospital's net position decreased by \$728,688 in 2025.
- The assets of the Hospital exceeded liabilities by \$22,160,708 at the end of the 2025 fiscal year. Of this amount, \$17,952,015 at May 31, 2025 are unrestricted net position and may be used to meet ongoing obligations to the Hospital's employees, patients, and creditors; while \$4,208,693 at May 31, 2025 are invested in capital assets.
- Income related to the 340B Drug Pricing Program increased by \$1,167,300, or 83.3%, over 2025 due to the addition of a new contract pharmacy and reimbursement for prior year qualified medications resulting from a federal change in wholesaler reimbursement policies. Income related to the 340B Drug Pricing Program is included in other operating revenues on the statements of revenues, expenses, and changes in net position.

2024

- Cash and cash equivalents, along with the change in certificates of deposit, increased by \$1,438,469 in 2024.
- The Hospital's net position increased by \$1,127,238 in 2024.
- The assets of the Hospital exceeded liabilities by \$22,889,396 at the end of the 2024 fiscal year. Of this amount, \$18,192,878 at May 31, 2024 are unrestricted net position and may be used to meet ongoing obligations to the Hospital's employees, patients, and creditors; while \$4,696,518 at May 31, 2024 are invested in capital assets.
- Income related to the 340B Drug Pricing Program increased by \$852,708, or 161.6%, over 2023 due to the addition of a new contract pharmacy and reimbursement for prior year qualified medications resulting from a federal change in wholesaler reimbursement policies. Income related to the 340B Drug Pricing Program is included in other operating revenues on the statements of revenues, expenses, and changes in net position.

**East Carroll Parish Hospital Service District
d/b/a East Carroll Parish Hospital
(A Component Unit of East Carroll Parish)
Management's Discussion and Analysis (Unaudited)
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Using This Annual Report

The Hospital's financial statements consist of three statements—balance sheet; statement of revenues, expenses, and changes in net position; and statement of cash flows. These statements provide information about the activities of the Hospital, including resources held by the Hospital but restricted for specific purposes by creditors, contributors, grantors, or enabling legislation. The Hospital is accounted for as a business-type activity and presents its financial statements using the economic resources measurement focus and the accrual basis of accounting.

The Balance Sheets and Statements of Revenues, Expenses, and Changes in Net Position

One of the most important questions asked about any Hospital's finances is "Is the Hospital as a whole better or worse off as a result of the year's activities?" The balance sheets and the statements 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. Using the accrual basis of accounting means that all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Hospital's net position and changes in it. The Hospital's total net position—the difference between assets and liabilities—is one measure of the Hospital's financial health or financial position. Over time, increases or decreases in the Hospital's net position are an indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors, such as changes in the Hospital's patient base, changes in legislation and regulations, measures of the quantity and quality of services provided to its patients, and local economic factors should also be considered to assess the overall financial health of the Hospital.

The Statements of Cash Flows

The statements of cash flows report cash receipts, cash payments, and net changes in cash and cash equivalents resulting from four defined types of 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 and cash equivalents 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 balance sheets. The Hospital's net position decreased by \$728,688 in 2025 over 2024, and increased by \$1,127,238 in 2024 over 2023, as shown in Table 1.

East Carroll Parish Hospital Service District
d/b/a East Carroll Parish Hospital
(A Component Unit of East Carroll Parish)
Management's Discussion and Analysis (Unaudited)
May 31, 2025 and 2024

Table 1: Assets, Liabilities and Net Position

	2025	2024	2023
ASSETS			
Current assets	\$ 10,233,934	\$ 10,294,599	\$ 8,906,799
Capital assets, net	4,208,693	4,673,791	5,046,070
Physician receivables	147,405	197,405	-
Subscription assets, net	-	12,183	42,206
Board designated certificates of deposit	9,132,683	8,853,026	8,659,281
Total assets	<u>\$ 23,722,715</u>	<u>\$ 24,031,004</u>	<u>\$ 22,654,356</u>
LIABILITIES			
Current	\$ 1,562,007	\$ 1,141,608	\$ 881,390
Subscription	-	-	10,808
Total liabilities	<u>1,562,007</u>	<u>1,141,608</u>	<u>892,198</u>
NET POSITION			
Net investment in capital assets	4,208,693	4,696,518	5,052,048
Unrestricted	17,952,015	18,192,878	16,710,110
Total net position	<u>22,160,708</u>	<u>22,889,396</u>	<u>21,762,158</u>
Total liabilities and net position	<u>\$ 23,722,715</u>	<u>\$ 24,031,004</u>	<u>\$ 22,654,356</u>

- Current assets decreased in 2025 by a total of \$60,665.
- Current assets increased in 2024 by a total of \$1,387,800, primarily due to increased cash of \$1,438,469 and an increase in patient accounts receivable, net of allowance for uncollectible accounts of \$290,788.
- Current liabilities increased \$420,399 in 2025, primarily due to increases in both accounts payables and accrued expenses.
- Current liabilities increased \$248,218 in 2024, primarily due to increases in both accounts payables and accrued expenses.

**East Carroll Parish Hospital Service District
d/b/a East Carroll Parish Hospital
(A Component Unit of East Carroll Parish)
Management's Discussion and Analysis (Unaudited)
May 31, 2025 and 2024**

Operating Results and Changes in the Hospital's Net Position

In 2025, the Hospital's net position decreased by \$728,688 as shown in Table 2.

In 2024, the Hospital's net position increased by \$1,127,238 as shown in Table 2. This increase was primarily related to an increase in supplies and other of \$1,189,566.

Table 2: Operating Results and Changes in Net Position

	2025	2024	2023
Operating Revenues			
Net patient service revenue	\$ 13,116,121	\$ 13,558,214	\$ 13,686,591
Other	2,715,894	1,774,688	806,097
Total operating revenues	15,832,015	15,332,902	14,492,688
Operating Expenses			
Salaries, wages, and employee benefits	8,931,217	7,760,677	7,411,193
Supplies and other	8,042,108	7,009,488	5,819,922
Depreciation and amortization	561,671	597,549	622,531
Total operating expenses	17,534,996	15,367,714	13,853,646
Operating Income (Loss)	(1,702,981)	(34,812)	639,042
Nonoperating Revenues, Net	974,293	1,162,050	634,086
Increase (Decrease) in Net Position	<u>\$ (728,688)</u>	<u>\$ 1,127,238</u>	<u>\$ 1,273,128</u>

Operating Revenues

The first component of the overall change in the Hospital's net position is its operating income or loss – generally, the difference between net patient service revenue and other operating revenues and the expenses incurred to perform those services. In two of the past three years, the Hospital has reported an operating loss. This is consistent with the Hospital's recent operating history, as the Hospital was formed and is operated primarily to serve residents of East Carroll Parish and the surrounding area. The Hospital levies property taxes to provide sufficient resources to enable the Hospital to serve lower income and other residents.

There was an operating loss in 2025 of \$1,702,981 as compared to operating loss of \$34,812 in 2024. The operating loss in 2025 was primarily driven by an increase in salaries and wages, as well as increases in supplies and professional services within supplies and other. The operating loss in 2024 was primarily driven by an increase in professional services within supplies and other that increased significantly over 2023.

Nonoperating Revenues and Expenses

Nonoperating revenues decreased by \$187,757 or 16.16%, as compared to 2024. The primary component of the decrease in nonoperating revenues relate to a decrease in grant income. The remaining components of nonoperating revenues and expenses consist primarily of subsidy from East Carroll Parish. The Hospital recognized approximately \$664,000 and \$611,000 of parish subsidy for 2025 and 2024, respectively.

**East Carroll Parish Hospital Service District
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Management's Discussion and Analysis (Unaudited)
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The Hospital's Cash Flows

Cash (used in) provided by operating activities was approximately (\$737,000) and \$691,000 for 2025 and 2024, respectively. The decrease in cash provided by operating activities in 2025 is driven by the increase in operating expenses noted in the "Operating Revenues" section above. The decrease in cash provided by operating activities in 2024 from 2023 is driven by the increase in operating expenses noted in the "Operating Revenues" section above.

Capital Asset and Debt Administration

Capital Assets

At the end of 2025 and 2024, the Hospital had approximately \$4,209,000 and \$4,674,000 of net capital assets, as detailed in Note 7 to the financial statements.

Debt

The Hospital had no outstanding debt at May 31, 2025 or 2024.

Other Economic Factors

While the annual budget of the Hospital is not presented within these financial statements, the Hospital's Board and management considered many factors when setting the fiscal year 2025 budget. The primary importance in setting the 2025 budget was the status of the economy and the healthcare environment, which takes into account market forces and environmental factors such as:

- Medicare reimbursement changes
- Medicaid reimbursement changes, particularly as Medicaid expands in Louisiana
- Continuation at the current level of Direct Payment Program
- Increased number of high deductible plans
- Workforce shortages, primarily in nursing and other clinically skilled positions and related employee costs

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. Questions about this report and requests for additional financial information should be directed to the Hospital Administrator at East Carroll Parish Hospital, 336 North Hood Street, Lake Providence, Louisiana 71254-2194 or by phone at 318.559.4023.

East Carroll Parish Hospital Service District
d/b/a East Carroll Parish Hospital
(A Component Unit of East Carroll Parish)
Balance Sheets
May 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 7,748,129	\$ 7,885,410
Patient accounts receivable, net of allowance for uncollectible accounts of approximately \$4,674,000 and \$2,532,000 in 2025 and 2024, respectively	1,597,198	1,658,251
Current portion of physician receivables	50,000	50,000
Supplies	333,734	307,810
Prepaid expenses and other	504,873	393,128
	<u>10,233,934</u>	<u>10,294,599</u>
Total Current Assets		
	<u>4,208,693</u>	<u>4,673,791</u>
Capital Assets, Net		
	<u>147,405</u>	<u>197,405</u>
Physician Receivables		
	<u>-</u>	<u>12,183</u>
Subscription Assets, Net		
	<u>9,132,683</u>	<u>8,853,026</u>
Board Designated Certificates of Deposit		
	<u>\$ 23,722,715</u>	<u>\$ 24,031,004</u>
Total Assets		

East Carroll Parish Hospital Service District
d/b/a East Carroll Parish Hospital
(A Component Unit of East Carroll Parish)
Balance Sheets
May 31, 2025 and 2024

(Continued)

	2025	2024
LIABILITIES AND NET POSITION		
Current Liabilities		
Current maturities of subscription liabilities	\$ -	\$ 10,808
Accounts payable	802,056	600,227
Estimated amounts due to third-party payors	166,633	16,660
Accrued expenses	593,318	513,913
Total current liabilities	1,562,007	1,141,608
Net Position		
Net investment in capital assets	4,208,693	4,696,518
Unrestricted	17,952,015	18,192,878
Total Net Position	22,160,708	22,889,396
Total Liabilities and Net Position	\$ 23,722,715	\$ 24,031,004

East Carroll Parish Hospital Service District
d/b/a East Carroll Parish Hospital
(A Component Unit of East Carroll Parish)
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended May 31, 2025 and 2024

	2025	2024
Operating Revenues		
Net patient service revenue, net of provision for uncollectible accounts of approximately \$3,382,000 and \$1,997,000 in 2025 and 2024, respectively	\$ 13,116,121	\$ 13,558,214
Other	2,715,894	1,774,688
Total Operating Revenues	15,832,015	15,332,902
Operating Expenses		
Salaries and wages	7,698,299	6,636,414
Employee benefits	1,232,918	1,124,263
Supplies and other	8,042,108	7,009,488
Depreciation and amortization	561,671	597,549
Total Operating Expenses	17,534,996	15,367,714
Operating Loss	(1,702,981)	(34,812)
Nonoperating Revenues		
Parish subsidy	663,678	611,080
Interest income	311,413	232,651
Other	(798)	318,319
Total Nonoperating Revenues	974,293	1,162,050
Increase (decreases) in Net Position	(728,688)	1,127,238
Net Position, Beginning of Year	22,889,396	21,762,158
Net Position, End of Year	\$ 22,160,708	\$ 22,889,396

**East Carroll Parish Hospital Service District
d/b/a East Carroll Parish Hospital
(A Component Unit of East Carroll Parish)
Statements of Cash Flows
Years Ended May 31, 2025 and 2024**

	2025	2024
Operating Activities		
Receipts from and on behalf of patients	\$ 13,327,147	\$ 13,675,166
Payments to suppliers and contractors	(7,944,622)	(6,794,246)
Payments to employees	(8,853,903)	(7,686,137)
Payments from (to) physicians	50,000	(247,405)
Other operating receipts	2,684,658	1,743,453
Net Cash (used in) provided by Operating Activities	(736,720)	690,831
Noncapital Financing Activities		
Parish subsidy	663,678	611,080
Other	(798)	318,319
Net Cash provided by Noncapital Financing Activities	662,880	929,399
Capital and Related Financing Activities		
Purchase of capital assets	(84,389)	(195,247)
Principal payments on subscription liabilities	(10,808)	(25,420)
Net Cash used in Capital and Related Financing Activities	(95,197)	(220,667)
Investing Activities		
Interest income received	31,756	38,906
Net Cash provided by Investing Activities	31,756	38,906
(Decrease) Increase in Cash and Cash Equivalents	(137,281)	1,438,469
Cash and Cash Equivalents, Beginning of Year	7,885,410	6,446,941
Cash and Cash Equivalents, End of Year	\$ 7,748,129	\$ 7,885,410

East Carroll Parish Hospital Service District
d/b/a East Carroll Parish Hospital
(A Component Unit of East Carroll Parish)
Statements of Cash Flows
Years Ended May 31, 2025 and 2024

(Continued)

	2025	2024
Reconciliation of Operating Income (Loss) to Net Cash		
Provided by Operating Activities		
Operating used	\$ (1,702,981)	\$ (34,812)
Depreciation and amortization	561,671	597,549
Provision for uncollectible accounts	3,381,816	1,997,307
Patient accounts receivable	(3,320,763)	(2,288,095)
Physician notes receivable	50,000	(247,405)
Estimated amounts due to third-party payors	149,973	407,740
Supplies	(25,925)	68,223
Prepaid expenses and other	(111,745)	(67,846)
Accounts payable and accrued expenses	281,234	258,170
Net Cash (used in) provided by Operating Activities	\$ (736,720)	\$ 690,831

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations and Reporting Entity

East Carroll Parish Hospital Service District d/b/a East Carroll Parish Hospital (Hospital) primarily earns revenues by providing inpatient, outpatient, and emergency care services to patients in East Carroll Parish, Louisiana. The Hospital is a governmental acute care hospital located in Lake Providence, Louisiana. It was created by the East Carroll Parish Police Jury. The Policy Jury appoints the Board of Commissioners of the Hospital. The Hospital is considered a political subdivision of the State of Louisiana and a component unit of East Carroll Parish.

Basis of Accounting and Presentation

The financial statements of the Hospital have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets, and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated nonexchange transactions (principally federal and state grants and parish appropriations) are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions and program-specific, government-mandated nonexchange transactions. Government-mandated nonexchange transactions that are not program specific (such as parish appropriations), investment income, and interest on capital assets-related debt are included in nonoperating revenues and expenses. The Hospital first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

Use of Estimates

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

Cash Equivalents

The Hospital considers all liquid investments with original maturities of three months or less to be cash equivalents. At May 31, 2025 and 2024, the hospital has no cash equivalents.

Patient Accounts Receivable

The Hospital reports patient accounts receivable for services rendered at net realizable amounts from third-party payors, patients, and others. The Hospital provides an allowance for uncollectible accounts based upon a review of outstanding receivables, historical collection information, and existing economic conditions.

Supplies

Supplies inventories are stated at the lower of cost or market. Costs are determined using the first-in, first-out (FIFO) method.

**East Carroll Parish Hospital Service District
d/b/a East Carroll Parish Hospital
(A Component Unit of East Carroll Parish)
Notes to Financial Statements
May 31, 2025 and 2024**

Investments and Investment Income

Investments in nonnegotiable certificates of deposit are carried at amortized cost.

Investment income includes interest income on board designated certificates of deposit.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are depreciated over the shorter of the lease term, or their respective estimated useful lives. The following estimated useful lives are being used by the Hospital:

Buildings and improvements	20-40 years
Equipment	5-20 years

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus the subscription payments made at or before the commencement of the subscription term, less any subscription vendor incentives received from the subscription vendor at or before the commencement of the subscription term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying information technology asset.

Capital and Subscription Asset Impairment

The Hospital evaluates capital and subscription assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital or subscription asset has occurred. If a capital or subscription asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the accumulated depreciation is increased by the amount of the impairment loss. No asset impairment was recognized during the years ended May 31, 2025 and 2024.

Subscription-Based Information Technology Arrangement Liabilities

The Hospital has entered into noncancellable subscription-based information technology arrangements (SBITAs). The Hospital recognizes a subscription liability and an intangible subscription asset in the financial statements. At the commencement of a subscription arrangement, the Hospital initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

The Hospital monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

**East Carroll Parish Hospital Service District
d/b/a East Carroll Parish Hospital
(A Component Unit of East Carroll Parish)
Notes to Financial Statements
May 31, 2025 and 2024**

Compensated Absences

Hospital policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits are earned, whether the employee is expected to realize the benefit as time off or in cash. Expense and the related liability for sick leave benefits are recognized when earned to the extent the employee is expected to realize the benefit in cash determined using the termination payment method. Sick leave benefits expected to be realized as paid time off are recognized as expense when the time off occurs, and no liability is accrued for such benefits employees have earned but not yet realized. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the balance sheet date, plus an additional amount for compensation-related payments such as social security and Medicare taxes computed using rates in effect at that date.

Risk Management

The Hospital 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. 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.

The Hospital purchases medical malpractice insurance under a claims-made policy on a fixed premium basis. GAAP requires a healthcare provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon the Hospital's claims experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

Net Position

Net position of the Hospital is classified in two components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive revenue adjustments under reimbursement agreements with third-party payors and a provision for uncollectible accounts. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such estimated amounts are revised in future periods as adjustments become known.

Charity Care

The Hospital provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net patient service revenue.

Parish Subsidy

The Hospital received approximately 3.8% in 2025 and 3.7% in 2024 of its financial support from property taxes. These funds were used to support operations.

**East Carroll Parish Hospital Service District
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Property taxes are assessed October 1 and are received beginning on October 1 of each year and become delinquent after January 1 of the following year. Revenue from property taxes is recognized in the year for which the taxes are levied.

Income Taxes

As a political subdivision of the State of Louisiana, the Hospital is generally exempt from federal and state income taxes under Section 115 of the Internal Revenue Code and a similar provision of state law. However, the Hospital is subject to federal income tax on any unrelated business taxable income.

Note 2. Change in Accounting Principle

In June 2022, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 101, Compensated Absences. The new accounting guidance updates the recognition and measurement guidance for compensated absences under a unified model.

Specifically, the new standard clarifies that a liability should be recorded for compensated absences that are more likely than not to be paid or otherwise settled. Additionally, it amends certain existing disclosure requirements.

The implementation of this standard did not result in a material change to the recognition or measurement of the Hospital's compensated absence liabilities. Accordingly, no adjustment to beginning net position was required.

Note 3. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Hospital's deposits may not be returned to it. The Hospital does not have a deposit policy for custodial credit risk. Investing is performed in accordance with investment policies complying with state statutes. Funds may be invested in (1) direct obligations of the United States Government pledged by its full faith and credit, (2) certificates of deposit at savings and loan associations and federally insured banks when secured by acceptable collateral, and (3) savings accounts at savings and loan associations and banks to the extent fully insured.

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At May 31, 2025 and 2024, the Hospital's bank balances were exposed to custodial credit risk as follows:

	2025	2024
Insured by Federal Deposit Insurance Corporation (FDIC)	\$ 290,781	\$ 276,446
Collateralized by securities held by the pledging financial institution's Trust Department in the Hospital's name	16,607,160	16,641,096
Total depository balance	<u>\$ 16,897,941</u>	<u>\$ 16,917,542</u>
Carrying value	<u>\$ 16,880,812</u>	<u>\$ 16,738,436</u>
Included in the following balance sheet captions		
Cash and cash equivalents	\$ 7,748,129	\$ 7,885,410
Board designated certificates of deposit	9,132,683	8,853,026
	<u>\$ 16,880,812</u>	<u>\$ 16,738,436</u>

Note 4. Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. These payment arrangements include:

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. Inpatient nonacute services, certain outpatient services, and defined capital costs related to Medicare beneficiaries are paid based upon a cost reimbursement methodology. The Hospital is reimbursed for cost reimbursable items at a tentative rate, with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare administrative contractor.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed at a prospectively determined per diem rate. Outpatient services are reimbursed at a percentage of cost, with final settlement determined after the submission of annual cost reports by the Hospital and audits thereof by the Medicaid administrative contractor.

Other

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

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May 31, 2025 and 2024

Approximately 71% and 82% of net patient service revenue is from participation in the Medicare and state-sponsored Medicaid programs for the years ended May 31, 2025 and 2024, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

Cooperative Endeavor Agreements

The Hospital collaborates with a Rural Hospital Coalition (RHC), a nonprofit organization, to establish a payment program funded by various sources, including Medicaid supplemental payments from Managed Care Organizations, to ensure that adequate and essential medically necessary healthcare services are accessible and available to the service population subject to the availability of such funds.

Beginning in 2023, the Hospital collaborated with RHC to enter into a new rural hospital Cooperative Endeavor Agreement (CEA) which established a new payment program, the Direct Payment Program (DPP). The payment model formula established through the CEA is prospective and includes two components, a fixed amount per state fiscal year for each participating hospital and the variable component is based on each hospital's uncompensated care. For the years ended May 31, 2025 and 2024, the Hospital received approximately \$2,413,000 and \$3,660,000, respectively, and is recorded as a component of Medicaid contractual adjustments. There can be no assurances that this program will remain in effect in future years, or that the Hospital will continue to participate in the program at reimbursement levels experienced to date.

Note 5. Patient Accounts Receivable

The Hospital grants credit without collateral to its patients, many of whom are area residents and are insured under third-party payor agreements. Patient accounts receivable at May 31, 2025 and 2024 consisted of:

	<u>2025</u>	<u>2024</u>
Medicare	\$ 1,762,030	\$ 1,015,948
Medicaid	1,317,455	1,393,675
Other third-party payors	1,445,009	865,014
Patients	<u>1,746,424</u>	<u>915,582</u>
	6,270,918	4,190,219
Allowance for uncollectible accounts	<u>(4,673,720)</u>	<u>(2,531,968)</u>
	<u><u>\$ 1,597,198</u></u>	<u><u>\$ 1,658,251</u></u>

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May 31, 2025 and 2024

Note 6. Estimated Amounts Due from/to Third-Party Payors

A summary of estimated amounts due from/to third-party payors follows.

	<u>2025</u>	<u>2024</u>
Due from Medicare Program, net	\$ 9,568	\$ 105,511
Due to Louisiana Medicaid Program, net	(565,064)	(724,600)
Due from Rural Health Coalition	<u>388,863</u>	<u>602,429</u>
	<u><u>\$ (166,633)</u></u>	<u><u>\$ (16,660)</u></u>

East Carroll Parish Hospital Service District
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May 31, 2025 and 2024

Note 7. Capital Assets

Capital assets activity for the years ended May 31 consisted of:

	2025			
	Beginning Balance	Additions	Disposals	Ending Balance
Land	\$ 22,000	\$ -	\$ -	\$ 22,000
Land improvements	52,146	-	-	52,146
Buildings	5,738,015	25,000	-	5,763,015
Equipment	5,064,662	49,453	-	5,114,115
Construction in progress	-	22,120	-	22,120
	<u>10,876,823</u>	<u>96,573</u>	<u>-</u>	<u>10,973,396</u>
Less accumulated depreciation				
Land improvements	17,409	2,607	-	20,016
Buildings	2,629,423	231,640	-	2,861,063
Equipment	3,556,200	327,424	-	3,883,624
	<u>6,203,032</u>	<u>561,671</u>	<u>-</u>	<u>6,764,703</u>
Capital assets, net	<u>\$ 4,673,791</u>	<u>\$ (465,098)</u>	<u>\$ -</u>	<u>\$ 4,208,693</u>

	2024			
	Beginning Balance	Additions	Disposals	Ending Balance
Land	\$ 22,000	\$ -	\$ -	\$ 22,000
Land improvements	52,146	-	-	52,146
Buildings	5,738,015	-	-	5,738,015
Equipment	4,869,415	195,247	-	5,064,662
	<u>10,681,576</u>	<u>195,247</u>	<u>-</u>	<u>10,876,823</u>
Less accumulated depreciation				
Land improvements	14,802	2,607	-	17,409
Buildings	2,398,771	230,652	-	2,629,423
Equipment	3,221,933	334,267	-	3,556,200
	<u>5,635,506</u>	<u>567,526</u>	<u>-</u>	<u>6,203,032</u>
Capital assets, net	<u>\$ 5,046,070</u>	<u>\$ (372,279)</u>	<u>\$ -</u>	<u>\$ 4,673,791</u>

East Carroll Parish Hospital Service District
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Notes to Financial Statements
May 31, 2025 and 2024

Subscription assets activity for the years ended May 31 consisted of:

	2025			
	Beginning Balance	Additions	Deductions	Ending Balance
Subscription assets	\$ 60,931	\$ -	\$ (60,931)	\$ -
Accumulated amortization Subscription assets	(48,748)	-	48,748	-
Subscription assets, net	<u>\$ 12,183</u>	<u>\$ -</u>	<u>\$ (12,183)</u>	<u>\$ -</u>

	2024			
	Beginning Balance	Additions	Deductions	Ending Balance
Subscription assets	\$ 93,944	\$ -	\$ (33,013)	\$ 60,931
Accumulated amortization Subscription assets	(51,738)	(30,023)	33,013	(48,748)
Subscription assets, net	<u>\$ 42,206</u>	<u>\$ (30,023)</u>	<u>\$ -</u>	<u>\$ 12,183</u>

Note 8. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses included in current liabilities at May 31 consisted of:

	2025	2024
Payable to suppliers and contractors	834,462	679,239
Payable to employees (including payroll tax benefits)	560,912	434,901
	<u>\$ 1,395,374</u>	<u>\$ 1,114,140</u>

Note 9. Subscription Liabilities

The Hospital has various subscription-based information technology arrangements (SBITAs), the terms of which expire in various years through 2025. Variable payments based upon the use of underlying assets are not included in the subscription liabilities because they are not fixed in substance.

**East Carroll Parish Hospital Service District
d/b/a East Carroll Parish Hospital
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Notes to Financial Statements
May 31, 2025 and 2024**

Subscription liabilities activity for the years ended May 31 was:

Asset Type	Balance June 1, 2024	Additions	Deductions	Balance May 31, 2025	Current Portion
Subscription liabilities	\$ 10,808	\$ -	\$ (10,808)	\$ -	\$ -

Asset Type	Balance June 1, 2023	Additions	Deductions	Balance May 31, 2024	Current Portion
Subscription liabilities	\$ 36,228	\$ -	\$ (25,420)	\$ 10,808	\$ 10,808

Note 10. Retirement Plan

The Hospital contributes to a defined contribution pension plan covering substantially all employees. Pension expense is recorded for the amount of the Hospital's required contributions, determined in accordance with the terms of the plan. The plan is administered by an unrelated third party. The plan provides retirement and death benefits to plan members and their beneficiaries. Benefit provisions are contained in the plan document and were established and can be amended by action of the Hospital's governing body. Currently, the Hospital matches the employee's contributions up to 2% of the employee's eligible compensation. Contributions made by plan members and the Hospital were \$175,642 and \$69,542, respectively, during 2025, and \$145,683 and \$53,788, respectively, during 2024.

Note 11. Contingencies

Admitting Physicians

The Hospital is served by four physicians whose patients comprised approximately 96.6% and 91.5% of the Hospital's admissions for the years ended May 31, 2025 and 2024, respectively.

Litigation

In the normal course of business, the Hospital is, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by the Hospital's insurance program described in Note 1, such as allegations regarding employment practices or performance of contracts. The Hospital evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of legal counsel, management records an estimate of the amount of ultimate expected loss, if any, for each. No such amounts have been recorded as of May 31, 2025 or 2024. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

Supplementary Information

East Carroll Parish Hospital Service District
d/b/a East Carroll Parish Hospital
(A Component Unit of East Carroll Parish)
Schedule of Compensation, Benefits, and Other Payments to Agency Head
or Chief Executive Officer
May 31, 2025

Agency Head Name:		LaDonna Englerth
Position:		Administrator
Purpose		Amount
Salary		\$ 216,699
Benefits - insurance		7,265
Benefits - retirement		4,004
		\$ 227,968

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards – Independent Auditor’s Report

Board of Commissioners
East Carroll Parish Hospital Service District
d/b/a East Carroll Parish Hospital
A Component Unit of East Carroll Parish
Lake Providence, 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 (*Government Auditing Standards*), the financial statements of the East Carroll Parish Hospital Service District d/b/a East Carroll Parish Hospital (Hospital), a component unit of East Carroll Parish, which comprise the Hospital's balance sheet as of May 31, 2025, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 10, 2026.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 Hospital's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2025-01 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2025-02 to be a significant deficiency.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hospital'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 Hospital's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

**Jackson, Mississippi
June 10, 2026**

East Carroll Parish Hospital Service District
d/b/a East Carroll Parish Hospital
(A Component Unit of East Carroll Parish)
Schedule of Findings and Responses
Year Ended May 31, 2025

Reference Number	Finding
2025-01	Criteria or Specific Requirement – Management is responsible for establishing and maintaining effective internal controls over financial reporting to appropriately represent the financial position as of year-end. Condition – The Hospital's financial statements required adjusting journal entries for financial statement presentation. Context – Timely and accurate account reconciliations and review of general ledger details are critical in identifying necessary adjustments. Effect – Monthly and annual financial statements may not accurately reflect the financial position of the Hospital. Cause – Controls were not operating properly that would ensure transactions were properly recorded. Further, the Hospital has staffing limitations such that timely reconciliations may not always be feasible. Recommendation – Management should review or enhance month-end and fiscal year-end closing procedures to identify necessary journal entries to appropriately present the financial position of the Hospital and results of operations. Views of Responsible Officials and Planned Corrective Actions – Management will continue to consider the costs versus benefits of improving controls over financial statement preparation.

East Carroll Parish Hospital Service District
d/b/a East Carroll Parish Hospital
(A Component Unit of East Carroll Parish)
Schedule of Findings and Responses
Year Ended May 31, 2024

(Continued)

Reference Number	Finding
2025-02	Criteria or Specific Requirement – Management is responsible for establishing and maintaining effective internal controls over financial reporting. Condition – Limited separation of functions exists within the accounting system. Context – There are incompatible duties within cash disbursements and payroll. Further, the administrator has full access to the accounting system and can modify journal entries subsequent to posting with no review. Effect – Potentially material misstatements in the financial statements or material misappropriations of assets due to error or fraud could occur and not be prevented or detected in a timely manner. Cause – Due to limitations of the Hospital's small accounting staff, the Hospital has not designed internal control procedures for separation of duties in various functional accounting areas. Recommendation – Management should periodically evaluate the cost versus the benefits of developing internal control procedures or other compensating controls over the functional accounting areas and implement those changes it deems appropriate for which benefits are determined to exceed costs. Views of Responsible Officials and Planned Corrective Actions – Management will continue to consider the costs versus benefits of improving segregation of duties within the functional accounting areas.



East Carroll Parish Hospital Service District d/b/a East Carroll Parish Hospital A Component Unit of East Carroll Parish

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

Year Ended May 31, 2025



Independent Accountant's Report on Applying Agreed-Upon Procedures

Board of Commissioners
East Carroll Parish Hospital Service District
d/b/a East Carroll Parish Hospital
Lake Providence, Louisiana

We have performed the procedures enumerated in the attachment to this report on the control and compliance areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures as of and for the year ended May 31, 2025. The management of East Carroll Parish Hospital Service District d/b/a East Carroll Parish Hospital (Hospital), a component unit of East Carroll Parish, is responsible for the control and compliance areas identified in LLA's Statewide Agreed-Upon Procedures.

The Hospital has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of LLA's Statewide Agreed-Upon Procedure requirements as of and for the year ended May 31, 2025. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are described in the attachment to this report.

We were engaged by the Hospital to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on LLA's Statewide Agreed-Upon Procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

Forvis Mazars, LLP

**Jackson, Mississippi
June 10, 2026**

East Carroll Parish Hospital Service District d/b/a East Carroll Parish Hospital
A Component Unit of East Carroll Parish
Applying Agreed-Upon Procedures
Year Ended May 31, 2025

Written Policies and Procedures

Procedures

1. Obtain and inspect the Hospital's written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the Hospital's operations):
 - a. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the public bid law, and (5) documentation required to be maintained for all bids and price quotes.
 - c. ***Disbursements***, including processing, reviewing, and approving.
 - d. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - f. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - h. ***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, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - 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 documentation is maintained to demonstrate that all employees and officials were notified of any changes to the Hospital's ethics policy.
 - j. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - k. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
 - l. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

East Carroll Parish Hospital Service District d/b/a East Carroll Parish Hospital
A Component Unit of East Carroll Parish
Applying Agreed-Upon Procedures
Year Ended May 31, 2025

Findings

Debt service is not applicable to the Hospital due to no outstanding debt in the fiscal year.

No exceptions were identified in the performance of the procedures listed above.

Board or Finance Committee

Procedures

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the Hospital's collections during the fiscal period.
 - c. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - d. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective active plan at each meeting until the findings are considered fully resolved.

Findings

In review of board minutes subsequent to prior year audit report, discussion and approval of updated policies were completed.

No exceptions were identified in the performance of the procedures listed above.

East Carroll Parish Hospital Service District d/b/a East Carroll Parish Hospital
A Component Unit of East Carroll Parish
Applying Agreed-Upon Procedures
Year Ended May 31, 2025

Bank Reconciliations

Procedures

3. Obtain a listing of Hospital bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the Hospital's main operating account. Select the Hospital's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain, and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated or electronically logged); and
 - c. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Findings

Management provided a listing of 5 bank accounts for the year ended May 31, 2025 and asserted that the listing was complete.

No exceptions were identified in the performance of the procedures listed above.

Collections (excluding electronic funds transfers)

Procedures

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a. Employees responsible for cash collections do not share cash drawers/registers.
 - b. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c. Each employee responsible for collecting cash is not also 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 the deposit.

East Carroll Parish Hospital Service District d/b/a East Carroll Parish Hospital
A Component Unit of East Carroll Parish
Applying Agreed-Upon Procedures
Year Ended May 31, 2025

- d. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was in force during the fiscal period.
7. Randomly select 2 deposit dates for each of the 5 bank accounts selected for "Bank Reconciliations" procedure number 3 above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:
 - a. Observe that receipts are sequentially pre-numbered.
 - b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c. Trace the deposit slip total to the actual deposit per the bank statement.
 - d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e. Trace the actual deposit per the bank statement to the general ledger.

Findings

Management provided a listing of deposit sites where deposits for cash/checks/money orders (cash) are prepared for the year ended May 31, 2025 and asserted the listing was complete.

Management provided a listing of cash/check/money orders (cash) collection locations for each deposit site for the year ended May 31, 2025 and asserted the listing was complete.

No exceptions were identified in the performance of the procedures listed above.

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

Procedures

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

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9. For each location selected under procedure number 8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.
 - b. At least two employees are involved in processing and approving payments to vendors.
 - c. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
10. For each location selected under procedure number 8 above, obtain the Hospital's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - a. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the Hospital.
 - b. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure number 9 above, as applicable.
11. Using the Hospital's main operating account and the month selected in "Bank Reconciliations" procedure number 3, randomly select 5 non-payroll related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was:
 - a. Approved by only those persons authorized to disburse funds (e.g., sign checks) per the Hospital's policy.
 - b. Approved by the required number of authorized signers per the Hospital's policy.

Findings

No exceptions were identified in the performance of the procedures listed above.

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

Procedures

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:
 - a. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported).
 - b. Observe that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under procedure number 13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such a "missing receipt statement" that is subject to increased scrutiny.

Findings

Management asserted it had only one fuel card and no bank debit cards, credit cards, or purchase cards (cards) used for expending funds for the year ended May 31, 2025. The above testing was done on that one fuel card.

No exceptions were identified in the performance of the procedures listed above.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

Procedures

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov).

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- b. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure number 1h).
- d. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings

Management provided a listing of all employees that received travel reimbursements during the year ended May 31, 2025 and asserted the listing was complete.

No exceptions were identified in the performance of the procedures listed above.

Contracts

Procedures

- 16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment, and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval).
 - d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Findings

Management provided a listing of all active vendors in effect during the year ended May 31, 2025 and asserted the listing was complete.

No exceptions were identified in the performance of the procedures listed above.

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Payroll and Personnel

Procedures

17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure number 17 above, obtain attendance records and leave documentation for the pay period, and:
 - a. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b. Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c. Observe that any leave accrued or taken during the pay period is reflected in the Hospital's cumulative leave records.
 - d. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the Hospital's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to Hospital policy.
20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums) have been paid, and any associated forms have been filed, by required deadlines.

Findings

Management provided a list of all active and terminated employees for the year ended May 31, 2025 and asserted the listing was complete.

No exceptions were identified in the performance of the procedures listed above.

Ethics

Procedures

21. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure number 17, obtain ethics documentation from management and:
 - a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period as required by R.S. 42:1170.
 - b. Observe whether the Hospital maintains documentation which demonstrates each employee and official were notified of any changes to the Hospital's ethics policy during the fiscal period, as applicable.

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22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Findings

No exceptions were identified in the performance of the procedures listed above.

Debt Service

Procedures

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Findings

The Hospital issued no debt during the year and no outstanding debt service requirements; therefore, steps 23 and 24 are not applicable.

Fraud Notice

Procedures

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Hospital reported the misappropriation(s) to the legislative auditor and the Hospital attorney of the parish in which the Hospital is domiciled as required by R.S. 24:523.
26. Observe the Hospital 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.

Findings

No exceptions were identified in the performance of the procedures listed above.

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Information Technology Disaster Recovery/Business Continuity

Procedures

27. Perform the following procedures, verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”
 - a. Obtain and inspect the Hospital’s most recent documentation that it has backed up its critical data (if no written documentation, then inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week, was not stored on the government’s local server or network, and was encrypted.
 - b. Obtain and inspect the Hospital’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restorations) and observe evidence that the test/verification was successfully performed within past 3 months.
 - c. Obtain a listing of the Hospital’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in “Payroll and Personnel” procedure number 19. Observe evidence that the selected terminated employees have been removed or disabled from the network.
29. Using the 5 randomly selected employees/officials from “Payroll and Personnel” procedure number 17, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s information technology assets have completely cybersecurity training as required by R.S. 42:1267. The requirements are as follows: hired before June 9, 2020 – must have completed the training, and hired on or after June 9, 2020 – must have completed the training within 30 days of initial service or employment.

Findings

Management provided a computer listing in effect during the year ended May 31, 2025 and asserted the listing was complete.

We performed the procedures and discussed the results with management.

Prevention of Sexual Harassment

Procedures

30. Using the 5 randomly selected employees/officials from procedure number 17 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
31. Observe that the Hospital has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the Hospital’s premises if the Hospital does not have a website).

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32. Obtain the Hospital's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- a. Number and percentage of public servants in the agency who have completed the training requirements;
 - b. Number of sexual harassment complaints received by the agency;
 - c. Number of complaints which resulted in a finding that sexual harassment occurred;
 - d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e. Amount of time it took to resolve each complaint.

Findings

No exceptions were identified in the performance of the procedures listed above.