

**LOWER CAMERON  
HOSPITAL SERVICE DISTRICT NO. 2  
Cameron, Louisiana**

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**Financial Statements  
December 31, 2020**

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# STEVEN M. DEROUEN & ASSOCIATES, LLC

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Lower Cameron Hospital Service District No. 2  
Cameron, Louisiana

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

We have audited the accompanying financial statements of Lower Cameron Hospital Service District No. 2, a component unit of the Cameron Parish Police Jury, which comprise the statements of net position, as of and for the year ended December 31, 2020, and the related statements of revenues and expenses, changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on my audits. We conducted our audit 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.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of Lower Cameron Hospital Service District No. 2 as of December 31, 2020, and the results of its operations and its cash flows for the years then ended in conformity 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 5 be presented to supplement basic financial statements. Such information, although not a basic part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any other assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued my report dated September 13, 2021, on our consideration of Lower Cameron Hospital Service District No. 2's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

## **Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements of Lower Cameron Hospital Service District No. 2 of Cameron Parish, Louisiana. The Schedule of Compensation, Benefits and Other Payments is presented for purposes of additional analysis and is not a required part of the financial statements.

The Schedule of Compensation, Benefits and Other Payments is the responsibility of management and is derived from the underlying accounting and other records to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Steven M. DeRouen & Associates, LLC*

Lake Charles, Louisiana  
September 13, 2021

**LOWER CAMERON HOSPITAL SERVICE DISTRICT NO. 2  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
AS OF DECEMBER 31, 2020**

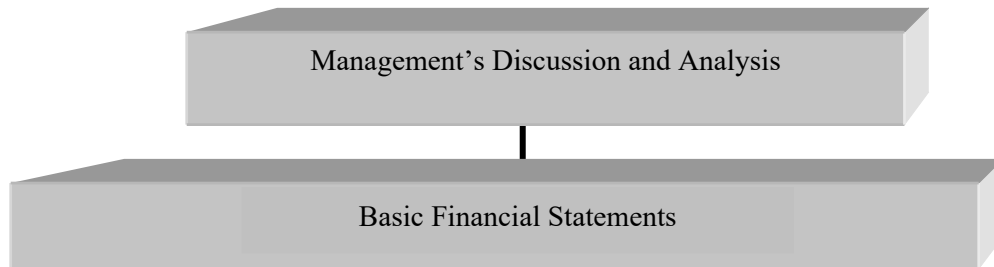
The Management’s Discussion and Analysis of the Lower Cameron Hospital Service District No. 2 (the District) financial performance presents a narrative overview and analysis of the District’s financial activities for the year ended December 31, 2020. This document focuses on the current year’s activities, resulting changes, and currently known facts in comparison with the prior year’s information. Please read this document in conjunction with the additional information contained in the financial statements.

**FINANCIAL HIGHLIGHTS**

- ★ The District’s assets exceeded its liabilities at the close of fiscal year 2020 by \$2,875,427. Of this amount, \$2,484,299 (unrestricted net position) may be used to meet the District’s ongoing obligations to its users.
  
- ★ The District’s revenue and support was more than its expenses by \$313,906.
- ★

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments.



These financial statements consist of two sections - Management’s Discussion and Analysis (this section) and the basic financial statements (including the notes to the financial statements).

**LOWER CAMERON HOSPITAL SERVICE DISTRICT NO. 2  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
AS OF DECEMBER 31, 2020**

**Basic Financial Statements**

The basic financial statements present information for the District as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statements of Net Position; the Statements of Activities; and the Statements of Cash Flows.

The Statements of Net Position (page 6) presents the current and long term portions of assets and liabilities separately. The difference between total assets and deferred outflows and total liabilities is net position and may provide a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statements of Activities (page 7) presents information showing how the District’s assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statements of Cash Flows (page 8) presents information showing how the District’s cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

**FINANCIAL ANALYSIS OF THE ENTITY**

	2020	2019	2018
Current and other assets	\$2,713,595	\$2,373,255	\$1,656,191
Capital assets	391,128	408,953	425,974
Total assets	3,104,723	2,782,208	2,082,165
Current and Long-term debt outstanding	229,296	220,687	137,893
Total liabilities	229,296	220,687	137,893
Net position:			
Net investment in capital assets	391,128	408,953	425,974
Unrestricted	2,484,299	2,152,568	1,518,298
Total net position	2,875,427	2,561,521	1,944,272
Total liabilities and net position	<u>\$3,104,723</u>	<u>\$2,782,208</u>	<u>\$2,082,165</u>

**LOWER CAMERON HOSPITAL SERVICE DISTRICT NO. 2  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
AS OF DECEMBER 31, 2020**

	2020	2019	2018
Revenue and support	\$867,208	\$1,058,899	\$758,402
Expenses	553,302	441,650	538,873
Increase(decrease) in net position	\$313,906	\$617,249	\$219,529

The revenues of the District decreased \$191,691 (18%) due to ad valorem taxes.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

As of December 31, 2020, the District had \$391,128 net of accumulated depreciation, invested in capital assets, including buildings and improvements.

**CONTACTING THE HOSPITAL’S MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the District’s finances and to show the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact Lynn Griffith, Secretary, Lower Cameron Hospital Service District No. 2.

**LOWER CAMERON HOSPITAL SERVICE DISTRICT NO. 2**  
**Cameron, Louisiana**  
**Statements of Net Position**  
**As of December 31,**

	<b>2020</b>
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 829,658
Investments - LAMP	1,001,165
Prepaid expenses	7,154
Ad valorem taxes receivable	875,618
Total Current Assets	2,713,595
<b>Property, Plant and Equipment</b>	
Furniture and equipment	5,555
Building and improvements	592,230
	597,785
Less accumulated depreciation	(206,657)
Net Property, Plant and Equipment	391,128
Total Assets	3,104,723
<b>Liabilities and Net Position</b>	
<b>Current Liabilities</b>	
Accounts payable	229,296
Total Current liabilities	229,296
<b>Long Term Liabilities</b>	
Total Liabilities	229,296
<b>Net Position</b>	
Net investment in capital assets	391,128
Net position - unrestricted	2,484,299
Total net position	\$ 2,875,427

See accompanying notes to financial statements.



**LOWER CAMERON HOSPITAL SERVICE DISTRICT NO. 2**  
**Cameron, Louisiana**  
**Statements of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Years Ended December 31,**

	<b>2020</b>
<b>Revenue and Support</b>	
Revenue:	
Ad valorem taxes	\$ 863,979
Support:	
Interest income	3,229
Total Support	3,229
Total Revenue and Support	867,208
<b>Expenses</b>	
General and administrative:	
Management fees	458,610
Office expense	566
Insurance expense	13,388
Legal and professional	6,250
Repairs and maintenance expense	48,752
Board commissioners expense	3,147
Depreciation expense	17,825
Utilities expense	4,514
Miscellaneous expense	250
Total Expenses	553,302
Change in Net Position	313,906
Net Position - Beginning of Year	2,561,521
Net Position - End of Year	\$ 2,875,427

See accompanying notes to financial statements.

**LOWER CAMERON HOSPITAL SERVICE DISTRICT NO. 2**  
**Cameron, Louisiana**  
**Statements of Cash Flows**  
**For the Years Ended December 31,**

	<b>2020</b>
<b>Cash Flows From Operating Activities</b>	
Receipts from taxes, donors, interest income, and other	\$ 1,035,708
Payments to suppliers and other	(526,896)
Net cash provided (used) by operating activities	508,812
 <b>Cash Flows From Capital and Related Financing Activities</b>	
Net cash provided (used) by capital and related financing activities	-
 <b>Cash Flows From Investing Activities</b>	
Purchase (sale) of investments, net	(876,813)
Net cash provided (used) by investing activities	(876,813)
 Net increase (decrease) in Cash and Cash Equivalents	(368,001)
 Cash and Cash Equivalents - Beginning of Year	1,197,659
 Cash and Cash Equivalents - End of Year	\$ 829,658
 <b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>	
Change in net assets	\$ 313,906
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	17,825
(Increase) decrease in taxes receivable	168,500
(Increase) decrease in prepaid expenses	(28)
Increase (decrease) in accounts payable	8,609
 Net Cash Provided (Used) by Operating Activities	\$ 508,812

See accompanying notes to financial statements.

**LOWER CAMERON HOSPITAL SERVICE DISTRICT NO. 2**  
**Cameron, Louisiana**  
**Notes to Financial Statements**  
**December 31, 2020**

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

The Lower Cameron Hospital Service District No. 2 is a component unit of the Cameron Parish Police Jury. The District owns a building which houses a rural health clinic located in the Johnson Bayou community of Cameron Parish, Louisiana.

Reporting Entity - As more fully described in the paragraph above, the Hospital Service District is a component unit of the Cameron Parish Police Jury.

Basis of Accounting - The District has implemented GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments*.

The District uses the accrual basis of accounting. The revenues are recognized when they are earned, and expenses are recognized when incurred.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Estimates - The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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

**LOWER CAMERON HOSPITAL SERVICE DISTRICT NO. 2**  
**Cameron, Louisiana**  
**Notes to Financial Statements (Continued)**  
**December 31, 2020**

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

Property, Plant, and Equipment - Property, plant, and equipment of the District is recorded at cost. Depreciation is recorded using the straight- line method in amounts sufficient to amortize the cost of its assets over their estimated useful lives.

The estimated useful lives of the various assets follow guidelines established by the American Hospital Association, and are categorized as follows:

	Life
Buildings and improvements	10 - 40 years
Furniture and equipment	5 – 10 years

The District entered into a cooperative endeavor agreement with Cheniere LNG Terminals, Inc. (Cheniere), whereby, Cheniere donated a building and improvements valued at \$530,000 to be used as a health clinic to the District. The agreement also included the donation of land by the Stream Family Limited Partnership, where the clinic is situated. No value has been assigned to the land.

The costs of maintenance and repairs of property and equipment are charged to expense as incurred. Expenditures for additions, improvements, and replacements are capitalized. The cost and related accumulated depreciation of property and equipment retired are removed from the accounts and any resulting gain or loss is recognized.

Cash and Cash Equivalents - The District considers all short-term investments with an original maturity of three months or less to be cash equivalents.

**Note 2 - Management Services Agreement**

The District entered into a management services agreement with West Cal Cam Hospital, effective November 1, 2007, for the purpose of managing the rural health clinic. The compensation for said services will be cost based, with a minimum fee \$25,000 per month. The agreement is effective through October 31, 2022.

**Note 3 - Compensation of the Board of Commissioners**

The members of the Board of Commissioners of Lower Cameron Hospital District No. 2 received the following compensation for the fiscal year ended December 31, 2020.

Allison Romero	\$ 225
Wendy Harrington	100
Lynn Griffith	1,997
Christine Storm	300
Bridget Snyder	175
Blair Jinks	<u>350</u>
	<u>\$3,147</u>

**LOWER CAMERON HOSPITAL SERVICE DISTRICT NO. 2**  
**Cameron, Louisiana**  
**Notes to Financial Statements (Continued)**  
**December 31, 2020**

**Note 4 - Subsequent Event**

The District evaluated its December 31, 2020 financial statements for subsequent events through the date the financial statements are available to be issued. The District is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

**Note 5- Cash, Cash Equivalents, Certificates of Deposit and Other Investments**

Under Louisiana Revised Statutes 39:2955, the District may deposit funds in demand deposit accounts, interest bearing demand deposit accounts, money market accounts, and time certificates of deposit with state banks, organized under Louisiana Law and National Banks having a principal office in Louisiana. Additionally, Louisiana statutes allow the Hospital to invest in United States Treasury obligations, obligations issued or guaranteed by the United States government or federal agencies, and mutual or trust funds register with the Securities and Exchange Commission which have underlying investments consisting solely of and limited to the United States government or its agencies. The District has no formal investment policy.

In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

The District had cash, cash equivalents (book balances) totaling \$829,658 at December 31, 2020. The deposits were insured by federal deposit insurance and the pledge of securities owned by the fiscal agent bank.

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

Custodial Credit Risk is the risk that in the event of bank failure, the District's deposits may not be returned. At December 31, 2020, the District has \$829,658 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$632,836 of pledged securities held by the custodial bank in the District's name.

The District deposits its cash with high quality financial institutions, and management believes the District is not exposed to significant credit risk on those amounts.

The carrying amount of the District's investment in LAMP was \$1,001,165 as of December 31, 2020.

**LOWER CAMERON HOSPITAL SERVICE DISTRICT NO. 2**  
**Cameron, Louisiana**  
**Notes to Financial Statements (Continued)**  
**December 31, 2020**

*Note 5- Cash, Cash Equivalents, Certificates of Deposit and Other Investments (continued)*

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

Credit risk: LAMP is rated AAAM by Standard & Poor's. The District does not have credit risk policies for investments.

Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 47 days as of December 31, 2020. The District does not have interest rate risk policies for investments.

Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

**LOWER CAMERON HOSPITAL SERVICE DISTRICT NO. 2**  
**Cameron, Louisiana**  
**Notes to Financial Statements (Continued)**  
**December 31, 2020**

*Note 6 - Ad Valorem Taxes*

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Parish in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. For the year ended December 31, 2020, taxes of 4 mills were levied on property with net assessed valuations of approximately \$225,397,576. Total taxes earned, net of pension funds, was \$863,979. The 4 mills were dedicated for maintenance.

**SUPPLEMENTARY INFORMATION**



# STEVEN M. DEROUEN & ASSOCIATES, LLC

*Certified Public Accountants*

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

Board of Commissioners  
Lower Cameron Hospital Service District No. 2  
Cameron, Louisiana

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Lower Cameron Hospital District No. 2, as of and for the year ended December 31, 2020, and the related notes to the financial statements, and have issued our report thereon dated September 13, 2021.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Lower Cameron Hospital District No. 2's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lower Cameron Hospital District No. 2's internal control. Accordingly, we do not express an opinion on the effectiveness of Lower Cameron Hospital District No. 2'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, 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 entity'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, Item 2020-02, 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, Item 2020-01 to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether financial statements of Lower Cameron Hospital Service District No. 2 are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Lower Cameron Hospital Service District No. 2's Reponse to Findings**

Lower Cameron Hospital Service District No. 2's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. Lower Cameron Hospital Service District No. 2's responses was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 result 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.

Steven M. DeRouen & Associates, LLC

Lake Charles, Louisiana  
September 13, 2021

**LOWER CAMERON HOSPITAL SERVICE DISTRICT NO. 2**  
**Cameron, Louisiana**  
**Schedule of Findings**  
**December 31, 2020**

**A. Summary of Independent Auditor's Results:**

1. Unqualified opinion on financial statements.
2. Significant deficiencies in internal control – refer to B. 2020-01; material weakness in internal control – refer to B. 2020-02.
3. No instance of non-compliance noted.

**B. GAGAS Findings:**

**2020-01 Segregation of Duties**

Condition: A proper segregation of duties is not possible due to the small number of people involved in the District's day-to-day operations.

Criteria: Effective internal control requires adequate segregation of duties among client personnel.

Effect: Without proper segregation of duties, errors within the financial records could go undetected.

Recommendation: To the extent cost effective, commissioners should attempt to mitigate this weakness by supervision and review procedures.

Response: Management has considered this deficiency and determined that it would not be cost effective at this time to employ or contract the appropriate personnel to adequately segregate duties. Commissioners have implemented supervision and review procedures to the extent possible. This a repeat finding.

**2020-02 Financial Statement Reporting**

Condition: The District maintains its books and records on the modified cash basis of accounting. The District relies on the auditing firm to assist in adjusting the modified cash basis books to accrual basis and to assist in the preparation of external financial statements and related disclosures.

Criteria: Under U. S. generally accepted auditing standards, the auditing firm cannot be considered part of the District's internal control structure and because of the limitations of the accounting staff, the design of the District's internal control structure does not otherwise include procedures to prevent or detect a material misstatement in the external financial statements.

Effect: Misstatements in financial statements could go undetected.

Recommendation: Management should have heightened awareness of all transactions being reported.

Response: Management has considered this weakness and determined that it would not be cost effective at this time to employ or contract the appropriate personnel to remove this deficiency. To the extent possible, management has implemented review procedures.

**C. Prior Year Findings:**

**2019-01 Segregation of Duties** - A proper segregation of duties is not feasible due to the small number of people involved in the District's day-to-day operations.

**2019-02 Financial Statement Reporting** – The District maintains its books and records on the cash basis of accounting. The District relies on the auditing firm to assist in adjusting the cash basis books to accrual basis and to assist in the preparation of external financial statements and related disclosures. Under U. S. generally accepted auditing standards, the auditing firm cannot be considered part of the District's internal control structure and because of the limitations of the accounting staff, the design of the District's internal control structure does not otherwise include procedures to prevent or detect a material misstatement in the external financial statements.

I. LOWER CAMERON PARISH HOSPITAL SERVICE DISTRICT #2

*Schedule of Compensation, Benefits and Other Payments to the President of the Board of Commissioners*

Year Ended December 31, 2020

Agency Head: Christine Storm, Board President

<b>Purpose</b>	<b>Amount</b>
Commissioner Fees	\$ 300.00
Benefits-insurance	0.00
Benefits-retirement	0.00
Benefits-Other	0.00
Car allowance	0.00
Vehicle provided by government	0.00
Per diem	0.00
Reimbursements	0.00
Travel	0.00
Registration fees	0.00
Conference travel	0.00
Continuing professional education fees	0.00
Housing	0.00
Unvouchered expenses	0.00
Special meals	0.00

**Note: This schedule is included as supplementary information.**