

Bienville Parish Hospital
Service District No. 2
Arcadia, Louisiana

Annual Financial Statements
For the Year Ended December 31, 2020

Bienville Parish Hospital
Service District No. 2
Annual Financial Statements
For the Year Ended December 31, 2020
With Supplemental Information Schedules

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Bienville Parish Hospital
Service District No. 2
Management Discussion and Analysis
December 31, 2020

The management of the Bienville Parish Hospital Service District No. 2 offers readers of the district's financial statements this narrative overview and analysis of the financial activities of the district for the fiscal year ended December 31, 2020. This management discussion and analysis ("MD&A") is designed to provide an objective analysis of the district's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of district finances. It is also intended to provide readers with an analysis of the district's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the district. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the district's financial activity, identify changes in the district's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

Overview of the Financial Statements

This section is intended to serve as an introduction to the district's financial statements. The district's basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements.

Government-Wide Financial Statements

Government-wide financial statements are designed by GASB Statement No. 34 to change the way in which governmental financial statements are presented. It now provides readers with a concise "entity-wide" Statement of Net Position and Statement of Activities, which seek to give the user of the financial statements a broad overview of the district's financial position and results of operations in a manner similar to private sector businesses.

The statement of net position presents information on all of the district's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. The difference between the two is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the district is improving or weakening.

The statement of activities presents information which shows how the government's net position changed during this fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g. uncollected taxes).

Each of these reports is broken down to show the district's governmental activities. Governmental activities normally are those activities that are supported by taxes, licenses, permits, fines, and intergovernmental revenues.

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Government-wide Financial Analysis

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the District's assets exceeded its liabilities by \$5,532,850 (net position); this represents a decrease of \$162,540 from the last fiscal year. Of this total net asset amount, \$4,661,138 is unrestricted net position.

The following is a condensed statement of the Bienville Parish Hospital Service District No. 2's net position as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Assets		
Current & Other Assets	\$4,813,532	\$4,812,464
Capital Assets (net)	<u>871,712</u>	<u>994,643</u>
Total Assets	<u>\$5,685,244</u>	<u>\$5,807,107</u>
Liabilities		
Other Liabilities	\$152,394	\$111,720
Long-term Liabilities	<u>0</u>	<u>0</u>
Total Liabilities	<u>152,394</u>	<u>111,720</u>
Net Position		
Net investment in capital assets	871,712	994,643
Unrestricted	<u>4,661,138</u>	<u>4,700,744</u>
Total Net Position	<u>\$5,532,850</u>	<u>\$5,695,387</u>

Approximately 16% of the District's net position of \$5,532,850 reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, District infrastructure, etc.) less any related debt used to acquire those assets still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of \$4,661,138 is unrestricted net position, which may be used to meet the government's on-going obligations to citizens and creditors.

The District has total outstanding debt of \$0, which was used to finance some of the \$871,712 net capital assets. Total liabilities of \$152,394 are equal to 3% of the total net position.

The following is a summary of the statement of activities -- governmental-type activities:

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December 31, 2020

	<u>2020</u>	<u>2019</u>
Revenue		
Program Revenue	\$2,293,818	\$1,751,441
General Revenue & Transfers	302,807	309,861
Total Revenue	<u>2,596,625</u>	<u>2,061,302</u>
Expenses		
Program Expenses	2,759,165	2,878,422
Total Expenses	<u>2,759,165</u>	<u>2,878,422</u>
Increase (Decrease) in Net Position	(162,540)	(817,120)
Net Position, beginning	5,695,390	6,474,026
Prior period adjustment	0	38,484
Net Position, ending	<u>\$5,532,850</u>	<u>\$5,695,390</u>

Governmental Activities

The governmental activities of the District include personnel services, operating services, materials and supplies, interest on long-term debt, and depreciation. The district is heavily dependent on charges for services to support its operations. Charges for services provided 88% of the district's revenues. The district's operations are primarily staff oriented. As a result, employee salaries and benefits make up approximately 37% of total expenses.

Fund Financial Statements - Governmental Funds

The fund financial statements provide more detailed information about the District's most significant funds - not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for a particular purpose.

The District currently maintains two individual governmental fund types. These fund types include the General Fund and Special Revenue Funds. Information is presented separately in the Governmental Funds Balance Sheet (Statement C) and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances (Statements E) for the General Fund and Special Revenue Funds. The General fund and the Family Clinic fund are considered to be major funds.

The District adopts an annual budget for the General Fund, Family Clinic Fund, and Wellness Center Fund. A statement of revenues, expenditures, and changes in fund balances is presented in the Required Supplemental Information (Schedule 1), which compares actual revenues and expenditures to the original budget and amended budget figures for each major fund and the Wellness Center Fund.

Financial Analysis of the District's Governmental Funds

The General Fund reported an ending fund balance of \$3,546,373 which is a decrease of \$147,390. The entire fund balance is unreserved.

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The Family Clinic Fund reported an ending fund balance of \$1,138,168, which is an increase of \$102,320 from prior year. This increase is caused by a decrease in operating services and an increase in operating transfers in and revenues.

The Wellness Center Fund reported an ending fund balance of \$22,207, which is an increase of \$12,589 from prior year. This increase is caused by an increase in operating transfers in and a decrease in operating services.

General Fund Budgetary Highlights

The District amended its original General Fund, Family Clinic Fund, and Wellness Center budgets once during the course of the year. All three (3) funds were in compliance with local budget laws of 5%.

Capital Asset and Debt Administration

The total net invested in capital assets as of December 31, 2020 is \$871,712.

The new major capital assets purchased in fiscal 2020 for governmental activities were various pieces of equipment for the Wellness Center fund totaling \$10,890.

Current Financial Factors

The District does not anticipate any other changes in its day-to-day operations that will have a material effect on its 2021 budget. Concerning the Covid-19 coronavirus, the related financial impact and duration cannot be reasonably estimated at this time. The District is closely monitoring its financial statements for 2021 impacts.

Requests for Information

This financial report is designed to provide a general overview of the Bienville Parish Hospital Service District No. 2's finances for all with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Lee Locke, P. O. Box 766 or 1175 Pine Street, Suite 100, Arcadia, LA 71001 or call at 318-263-7970.

WADE & PERRY

Certified Public Accountants
A Professional Accounting Corporation
Members: AICPA/ Society of LCPA's

Independent Auditor's Report

Board of Commissioners
Bienville Parish Hospital District No. 2
Arcadia, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Bienville Parish Hospital District No. 2 ("District"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 4 and 25 through 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

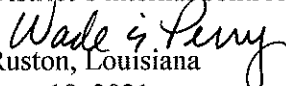
Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation paid elected officials and schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation paid elected officials and schedule of compensation, benefits, and other payments to agency head are 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of compensation paid elected officials and schedule of compensation, benefits, and other payments to agency head 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 a report dated June 18, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on 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 District's internal control over financial reporting and compliance.


Ruston, Louisiana
June 18, 2021

Bienville Parish Hospital Service District No. 2
Statement of Net Position
December 31, 2019

	ASSETS	
Cash and cash investments		\$3,389,635
Receivables		1,392,039
Internal balances		0
Other assets		31,858
Capital assets (net)		<u>871,712</u>
TOTAL ASSETS		<u>\$5,685,244</u>
Deferred outflows of resources		0
	LIABILITIES	
Accounts, salaries, and other payables		\$57,323
Unearned revenue		49,461
Compensated absences liability		<u>45,610</u>
TOTAL LIABILITIES		<u>152,394</u>
Deferred inflows of resources		0
	NET POSITION	
Net invested in capital assets		871,712
Unrestricted		<u>4,661,138</u>
TOTAL NET POSITION		<u>\$5,532,850</u>

The accompanying notes are an integral part of this statement.

Bienville Parish Hospital Service District No. 2
Statement of Activities
For the Year Ended December 31, 2020

EXPENSES	
Personnel services	\$1,026,087
Operating services	1,533,231
Materials and supplies	66,026
Depreciation	<u>133,821</u>
Total program expenses	2,759,165
PROGRAM REVENUES	
Charges for services	<u>2,293,818</u>
Net program expense	<u>(465,347)</u>
GENERAL REVENUES	
Property taxes	0
Use of money and property	302,807
Operating transfers (net)	<u>0</u>
Total general revenues	<u>302,807</u>
Net Change in Net Position	(162,540)
Net Position – beginning	5,695,390
Prior period adjustment	<u>0</u>
Net Position – ending	<u>\$5,532,850</u>

The accompanying notes are an integral part of this statement.

Bienville Parish Hospital Service District No. 2
 Balance Sheet, Governmental Funds
 December 31, 2020

	Major Funds		Non-major	Total
	General Fund	Family Clinic Fund	Wellness Center Fund	
ASSETS				
Cash and cash investments	\$3,282,849	\$81,278	\$25,508	\$3,389,635
Receivables	80,169	1,311,870		1,392,039
Due from other funds	194,115			194,115
Other assets		28,883	2,975	31,858
TOTAL ASSETS	\$3,557,133	\$1,422,031	\$28,483	\$5,007,647
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries, and other payables	\$10,760	\$44,243	\$2,320	\$57,323
Unearned revenue		49,461		49,461
Due to other funds		190,159	3,956	194,115
Total liabilities	10,760	283,863	6,276	300,899
Fund balances:				
Restricted for debt service				0
Unassigned	3,546,373	1,138,168	22,207	4,706,748
TOTAL LIABILITIES AND FUND BALANCES	\$3,557,133	\$1,422,031	\$28,483	\$5,007,647

The accompanying notes are an integral part of this statement.

Bienville Parish Hospital Service District No. 2
 Reconciliation of The Governmental Funds Balance Sheet
 to The Government-Wide Financial Statement of Net Position
 December 31, 2020

Amounts reported for governmental activities in the Statement of Net Position are different because:	
Fund balances, Total governmental funds (Statement C)	\$4,690,666
Long-term liabilities are not due and payable in the current year and therefore are not reported in the governmental funds:	
Compensated absences	(45,610)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:	
Governmental capital assets	4,800,784
Less accumulated depreciation	<u>(3,929,072)</u>
	871,712
Total Net Position of Governmental Activities (Statement A)	<u><u>\$5,516,768</u></u>

The accompanying notes are an integral part of this statement.

Bienville Parish Hospital Service District No. 2
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2020

	Major Funds		Non-major	Total
	General Fund	Family Clinic Fund	Wellness Center Fund	
REVENUES				
Fees and charges for services		\$2,253,801	\$40,017	\$2,293,818
Property taxes				0
Use of money and property	\$302,807			302,807
Total Revenues	<u>302,807</u>	<u>2,253,801</u>	<u>40,017</u>	<u>2,596,625</u>
EXPENDITURES				
General government:				
Personnel services	62,014	893,241	63,704	1,018,959
Operating services	102,704	1,379,632	50,895	1,533,231
Materials and supplies	479	58,608	6,939	66,026
Capital outlay			10,890	10,890
Total Expenditures	<u>165,197</u>	<u>2,331,481</u>	<u>132,428</u>	<u>2,629,106</u>
Excess (Deficiency) of Revenues over Expenditures	137,610	(77,680)	(92,411)	(32,481)
OTHER FINANCING SOURCES (USES)				
Operating transfers in		180,000	105,000	285,000
Operating transfers out	(285,000)			(285,000)
Local grant				0
Total Other Financing Sources (Uses)	<u>(285,000)</u>	<u>180,000</u>	<u>105,000</u>	<u>0</u>
Net Change in Fund Balances	(147,390)	102,320	12,589	(32,481)
Fund Balances – beginning	3,693,763	1,035,848	9,618	4,739,229
Prior period adjustment				0
Fund Balances – ending	<u>\$3,546,373</u>	<u>\$1,138,168</u>	<u>\$22,207</u>	<u>\$4,706,748</u>

The accompanying notes are an integral part of this statement.

Bienville Parish Hospital Service District No. 2
 Reconciliation of The Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended December 31, 2020

Amounts reported for governmental activities in the Statement of Activities are different because:	
Net Change in Fund Balances, Total governmental funds (Statement E)	(\$32,481)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds	(7,128)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$10,890) exceeded depreciation (\$133,821) in the current period.	<u>(122,931)</u>
Change in Net Position of Governmental Activities, Statement B	<u><u>(\$162,540)</u></u>

The accompanying notes are an integral part of this statement.

Bienville Parish Hospital
Service District No. 2
Arcadia, Louisiana
Notes to the Financial Statements
As of and For the Year Ended December 31, 2020

INTRODUCTION

Bienville Parish Hospital Service District No. 2 is controlled by a board of Commissioners who are appointed by the Bienville Parish Police Jury, and is exempt from income taxes. The District owns and operates the Family Clinic and the Wellness Center for the purpose of providing for the medical needs of the citizens of Bienville Parish. The District also contracts with various other health care providers in which the district provides space in return for rent.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Governmental Accounting Standards Board (GASB) Statement No. 14 establishes criteria for determining which component units should be considered part of the Bienville Parish Police Jury for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and;
 - a. The ability of the police jury to impose its will on that organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints a voting majority of the District's governing body and has the ability to impose its will, the agency was determined to be a component unit of the Bienville Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

The accompanying financial statements of the district have been prepared in conformity with U.S. generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

In June, 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

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Notes to the Financial Statements
As of and For the Year Ended December 31, 2020

- A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the District's activities, including infrastructure (if any).
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charge to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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As of and For the Year Ended December 31, 2020

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivables due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources, except those required to be accounted for in another fund. The General fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the District's policy.

The Special revenue funds are used to account for operations of the Family Clinic and the Wellness Center.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the governments enterprise operations. Elimination of those charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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. Principal operating revenues of the proprietary funds include

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As of and For the Year Ended December 31, 2020

water and sewer services to the residents of the District. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

C. Deposits and Investments

The District's cash and cash equivalents are considered to be demand deposits, interest-bearing demand deposits, and investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the District to invest in collateralized certificates of deposits, government back securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. Investments for the District are reported at fair value.

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectives. The District calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis.

The District levies a property tax on all property subject to taxation in the service district. A 1.03 mill tax is approved for a period of 15 years, beginning with the year 2005 and ending with the year 2020, to be dedicated and used for operating, maintaining, renovating, and improving medical services. The 1.03 mill tax was reduced to 0.969 mills during the year ended December 31, 2012. The 6.00 mill tax was reapproved for a period of 10 years, beginning with the year 2016 and ending with the year 2026, to be dedicated and used for acquiring, maintaining, operating, and supporting facilities, equipment and furnishings. Property taxes are collected through the local sheriff's office and remitted, net of collection fees, to the District. Property tax notices are mailed by November 15 each year, are due by December 31, and become delinquent on January 1 of the following year.

Bienville Parish Hospital
Service District No. 2
Arcadia, Louisiana
Notes to the Financial Statements
As of and For the Year Ended December 31, 2020

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

F. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Building	40 years
Equipment	5-10 years

G. Long-Term Obligations

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

H. Fund Equity

In the government wide statements, net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

Proprietary fund equity is classified in the same manner as in the government-wide statements. In the fund financial statements, governmental fund equity is classified as fund balance.

Bienville Parish Hospital
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Arcadia, Louisiana
Notes to the Financial Statements
As of and For the Year Ended December 31, 2020

The District adopted GASB 54 in the year ended December 31, 2012. As such, fund balances of the governmental funds are classified as follow:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors contributors, or laws or regulations of other governments.

Committed - amounts constrained to specific purpose by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level of action to remove or change the constraint.

Assigned - amounts the government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned - all other spendable amounts.

As of December 31, 2020, fund balances are composed of the following:

	<u>General Fund</u>	<u>Family Clinic</u>	<u>Wellness Center</u>
Nonspendable:			
Prepaid items	\$0	\$0	\$0
Restricted:			
Debt service	0	0	0
Unassigned	<u>3,546,373</u>	<u>1,138,168</u>	<u>22,207</u>
Total fund balances	<u>\$3,546,373</u>	<u>\$1,138,168</u>	<u>\$22,207</u>

I. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from the estimates.

J. RISK MANAGEMENT

The district is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the district maintains commercial

Bienville Parish Hospital
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Notes to the Financial Statements
As of and For the Year Ended December 31, 2020

insurance policies covering its vehicles, professional liability and surety bond coverage. No claims were paid on any of the policies which exceeded to policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2020.

K. VACATION AND SICK LEAVE

All full-time employees of the district earn 10 days of vacation leave after one full year of service, and fifteen days of vacation leave after six years of service. Full-time employees earn 10 days of sick leave after one full year of service. Employees may carry forward a maximum of one year of accrued vacation time and unlimited accrued sick leave time. Part-time employees are also eligible for vacation and sick leave at a lower rate of accrual. Upon separation of employment, employees are paid for accrued vacation leave.

L. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

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

2. LEVIED TAXES

The Board decided to not levy the 6.0 mill property tax for 2020 tax rolls.

3. CASH AND CASH EQUIVALENTS

At December 31, 2020, the District has cash and cash equivalents (book balances) totaling \$3,389,635 as follows:

Demand deposits	\$360,934
Interest-bearing demand deposits	1,543,237
Investments	1,485,364
Petty cash	<u>100</u>
Total	<u><u>\$3,389,635</u></u>

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 fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2020, the District has \$3,395,318 in deposits (collected bank balances). These deposits are secured from risk by \$327,929 of federal deposit insurance and \$3,908,466 of pledged securities held by the custodial bank in the name of the fiscal agent bank. (GASB Category 3).

Bienville Parish Hospital
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Notes to the Financial Statements
As of and For the Year Ended December 31, 2020

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

4. RECEIVABLES

The receivables of \$1,392,039 at December 31, 2020, are as follows:

<u>Class of Receivable</u>	
Property taxes	\$75,735
Other	300
Fees, charges, and commissions for services:	
Patient fees	1,311,870
Utility reimbursements	4,134
Total	<u>\$1,392,039</u>

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2020, for the primary government is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$88,871			\$88,871
Other- Construction in Progress	0			0
Total capital assets not being depreciated	<u>88,871</u>	<u>0</u>	<u>0</u>	<u>88,871</u>
Capital assets being depreciated:				
Buildings	3,433,143			3,433,143
Improvements other than buildings	183,092	\$8,870		191,962
Machinery and equipment	<u>1,084,788</u>	<u>2,020</u>		<u>1,086,808</u>
Total capital assets being depreciated	<u>4,701,023</u>	<u>10,890</u>	<u>0</u>	<u>4,711,913</u>
Less:				
Accumulated depreciation	<u>3,795,251</u>	<u>133,821</u>		<u>3,929,072</u>
Total capital assets being depreciated, net	<u>\$994,643</u>	<u>(\$122,931)</u>	<u>\$0</u>	<u>\$871,712</u>

Depreciation expense of \$133,821 for the year ended December 31, 2020, was charged to the general governmental functions.

Bienville Parish Hospital
Service District No. 2
Arcadia, Louisiana
Notes to the Financial Statements
As of and For the Year Ended December 31, 2020

6. LEASES

The district contracts with various other health care providers to serve the medical needs of the citizens of Bienville Parish. The District provides space for these providers in return for rent. Current leases include: 1) Green Clinic Management Co with a monthly payment of \$1,000; 2) Magnolia Home Health with a monthly payment of \$1,050; 3) the Bienville parish health unit with an annual payment of \$12,000; 4) Louisiana Extended Care Hospital with a monthly payment of \$17,000; 5) Bienville Medical Center with a monthly payment of \$3,425; and 6) Bienville Medical Center Digital Reader with a monthly payment of \$740.

7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2020 is as follows:

Due To/From Other Funds:		
<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund		\$194,115
	Wellness Center	(3,956)
	Family clinic fund	<u>(190,159)</u>
Total		<u><u>\$0</u></u>

The balances consist of allocations for management fees, insurance, payroll and utilities reimbursements. The district's management will determine an action to take in order to reduce the interfunds in approximately 5 years.

Advances From/To Other Funds:		
<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
Wellness center fund		\$105,000
Family clinic fund		180,000
	General fund	<u>(285,000)</u>
Total		<u><u>\$0</u></u>

The transfers consist of allocations for payroll and various operations expenses.

8. MANAGEMENT REVIEW

Subsequent events have been evaluated through June 18, 2021. This date represents the date the financial statements were available to be issued. As a result of COVID-19 coronavirus, economic uncertainties have arisen which are likely to have a negative impact on operations and cause business disruption. However, the related financial impact and duration cannot be reasonably estimated at this time. The District is closely monitoring its financial statements for 2021 impacts.

REQUIRED SUPPLEMENTAL INFORMATION

Bienville Parish Hospital Service District No. 2
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts GAAP Basis	Favorable (Unfavorable) Variance
	Original	Final		
REVENUES				
Property taxes				\$0
Use of money and property	300,574	302,574	\$302,807	233
Other revenue				0
Total Revenues	<u>300,574</u>	<u>302,574</u>	<u>302,807</u>	<u>233</u>
EXPENDITURES				
General government:				
Personnel services	63,000	62,000	62,014	(14)
Operating services	66,374	111,614	102,704	8,910
Material & Supplies	700	480	479	1
Capital outlay				0
Total Expenditures	<u>130,074</u>	<u>174,094</u>	<u>165,197</u>	<u>8,897</u>
Excess (Deficiency) of Revenues over Expenditures	170,500	128,480	137,610	9,130
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	(772,000)	(285,000)	(285,000)	0
Total Other Financing Sources (Uses)	<u>(772,000)</u>	<u>(285,000)</u>	<u>(285,000)</u>	<u>0</u>
Net Change in Fund Balance	(601,500)	(156,520)	(147,390)	9,130
Fund Balance (Deficit) at Beginning of Year	3,878,889	3,693,763	3,693,763	0
Prior period adjustment	0	0	0	0
Fund Balance (Deficit) at End of Year	<u>\$3,277,389</u>	<u>\$3,537,243</u>	<u>\$3,546,373</u>	<u>\$9,130</u>

Notes to the Schedule

(1) method of budgetary accounting - GAAP

Bienville Parish Hospital Service District No. 2
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
Family Clinic Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts GAAP Basis	Favorable (Unfavorable) Variance
	Original	Final		
REVENUES				
Fees and charges for services	\$1,900,000	\$2,300,000	\$2,253,801	(\$46,199)
Use of money and property	0	0		0
Total Revenues	1,900,000	2,300,000	2,253,801	(46,199)
EXPENDITURES				
General government:				
Personnel services	1,102,500	952,000	893,241	58,759
Operating services	1,433,340	1,366,900	1,379,632	(12,732)
Materials and supplies	64,000	60,000	58,608	1,392
Capital outlay				0
Total Expenditures	2,599,840	2,378,900	2,331,481	47,419
Excess (Deficiency) of Revenues over Expenditures	(699,840)	(78,900)	(77,680)	1,220
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	700,000	180,000	180,000	0
Local grant				0
Total Other Financing Sources (Uses)	700,000	180,000	180,000	0
Net Change in Fund Balance	160	101,100	102,320	1,220
Fund Balance (Deficit) at Beginning of Year	882,046	1,035,848	1,035,848	0
Prior period adjustment				0
Fund Balance (Deficit) at End of Year	\$882,206	\$1,136,948	\$1,138,168	\$1,220

Notes to the Schedule

(1) method of budgetary accounting - GAAP

Bienville Parish Hospital Service District No. 2
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
Wellness Center Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts GAAP Basis	Favorable (Unfavorable) Variance
	Original	Final		
REVENUES				
Fees and charges for services	\$68,000	\$41,740	\$40,017	(\$1,723)
Use of money and property	0	0	0	0
Total Revenues	68,000	41,740	40,017	(1,723)
EXPENDITURES				
General government:				
Personnel services	71,000	78,700	63,704	14,996
Operating services	63,300	47,890	50,895	(3,005)
Materials and supplies	5,000	19,500	6,939	12,561
Capital outlay			10,890	(10,890)
Total Expenditures	139,300	146,090	132,428	13,662
Excess (Deficiency) of Revenues over Expenditures	(71,300)	(104,350)	(92,411)	11,939
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	72,000	105,000	105,000	0
Total Other Financing Sources (Uses)	72,000	105,000	105,000	0
Net Change in Fund Balance	700	650	12,589	11,939
Fund Balance (Deficit) at Beginning of Year	7,169	9,618	9,618	0
Fund Balance (Deficit) at End of Year	\$7,869	\$10,268	\$22,207	\$11,939

Notes to the Schedule

(1) method of budgetary accounting - GAAP

OTHER SUPPLEMENTAL SCHEDULES

Bienville Parish Hospital Service District No. 2
Schedule of Compensation Paid Board Members
For the Year Ended December 31, 2020

<u>Board Member</u>	<u>Amount</u>
Dan Madden	\$600
Gary Gantt	600
Randy Wright	525
Shirley Payne	600
John Fontenot	600
Sharon Jackson	600
Moselene Green	<u>600</u>
Total	<u>\$4,125</u>

Bienville Parish Hospital Service District No. 2
Schedule of Compensation, Benefits and Other Payments
to Agency Head
For the Year Ended December 31, 2020

Schedule 5

Agency Head Name: Lee Locke

<u>Purpose</u>	<u>Amount</u>
Salary	\$80,000
Benefits-insurance	9,234

OTHER REPORTS

WADE & PERRY

Certified Public Accountants
A Professional Accounting Corporation
Members: AICPA/ Society of LCPA's

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

Independent Auditor's Report

Board of Commissioners
Bienville Parish Hospital District No. 2
Arcadia, 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 the governmental activities of Bienville Parish Hospital District No. 2 ("District") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated (DATE).

Internal Control Over Financial Reporting

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

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

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

internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

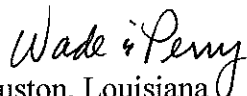
As part of obtaining reasonable assurance about whether District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2020-001.

District's Response to Findings

District's response to the findings identified in our audit is described in the accompanying corrective action plan. District's response 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.



Ruston, Louisiana

June 18, 2021

Bienville Parish Hospital Service District No. 2
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the general purpose financial statements of the District.
2. One instance of noncompliance material to the financial statements of the District was disclosed during the audit.
3. No significant deficiency relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control.

B. Financial Statements Findings

2020-001. Violation of Article VII, Section 14

Condition: Personal charges were noted on the business credit card in the amount of \$50.

Criteria: Article VII, Section 14 states in part "funds, credit, property, or things of value shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private."

Cause: The District manager charged personal items to the District credit card in error.

Effect: Violation of Article VII, Section 14.

Recommendation: The District manager should not charge any personal items in order to refrain from violating this Article.

Bienville Parish Hospital Service District No. 2
Summary of Prior Year Findings
For the Year Ended December 31, 2020

A. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2019-001. Internal control deficiency for disbursements

Status: Resolved

2019-002. Violation of Article VII, Section 14

Status: Unresolved - see 2020-001

BIENVILLE PARISH HOSPITAL DISTRICT NO. 2
PO Box 766
Arcadia, LA 71001

CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2020

The Bienville Parish Hospital District No. 2 hereby submits the following corrective action plan as referenced in the Findings and Questioned Costs:

2020-001. The District agrees with the recommendations. This was done in error and was paid back as soon as the error was discovered.