

**G. B. COOLEY HOSPITAL SERVICE DISTRICT**  
Monroe, Louisiana

**Financial Statements**  
For the Years Ended June 30, 2020 and 2019

**G. B. COOLEY HOSPITAL SERVICE DISTRICT**

Monroe, Louisiana

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As of and for the Years Ended June 30, 2020 and 2019

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*Keeping you on course!*

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## INDEPENDENT AUDITORS' REPORT

**The Board of Commissioners  
G. B. Cooley Hospital Service District  
Monroe, Louisiana**

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

We have audited the accompanying financial statements of the business-type activities of **G.B. Cooley Hospital Service District** (the Hospital), as of and for the years ended June 30, 2020 and 2019 and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements as listed in the Table of Contents.

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

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

### **Auditors' Responsibility**

Our responsibility is to express 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. Those standards require that we plan and perform the audits 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.

**The Board of Commissioners  
G.B. Cooley Hospital Service District  
Monroe, Louisiana**

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Hospital, as of June 30, 2020 and 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4–6 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hospital's basic financial statements. The Schedule of Per Diem Paid Board Members and Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Per Diem Paid Board Members and the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic 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 Per Diem Paid Board Members and Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2021, on our consideration of the Hospital's internal control over financial reporting

**The Board of Commissioners  
G.B. Cooley Hospital Service District  
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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 solely 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hospital's internal control over financial reporting and compliance.

*Woodard & Associates*

**(A Professional Accounting Corporation)**  
Monroe, Louisiana

January 7, 2021

**REQUIRED SUPPLEMENTARY INFORMATION**

## **G. B. COOLEY HOSPITAL SERVICE DISTRICT**

Monroe, Louisiana

### **Management's Discussion and Analysis**

For the Years Ended June 30, 2020 and 2019

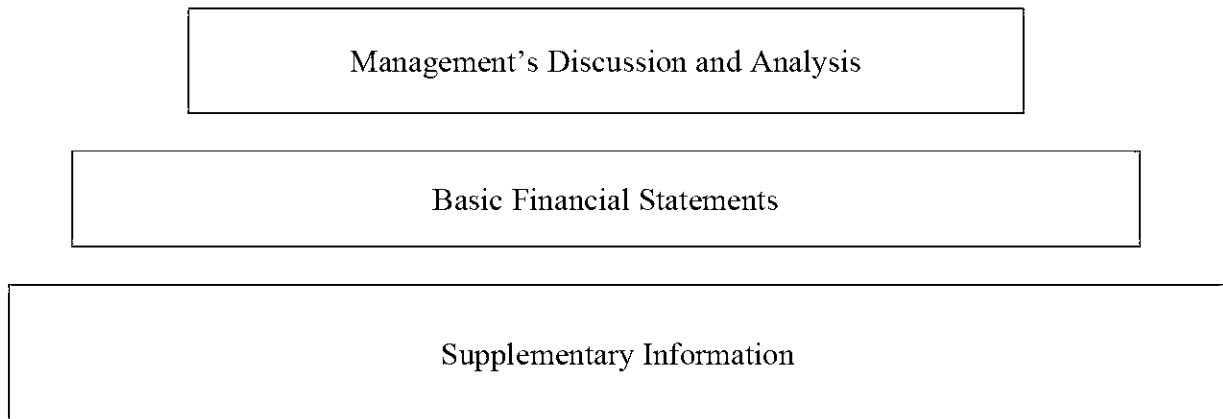
Our discussion and analysis of G. B. Cooley Hospital Service District's (the Hospital) financial performance provides an overview of the Hospital's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the Hospital's basic financial statements, which begin on page 7.

#### **FINANCIAL HIGHLIGHTS**

- The Hospital's total net position (that is the amount by which total assets exceed liabilities) was in the amount of \$13,203,911 at the close of fiscal year 2020, which represents a \$1,126,022 (or a 9%) increase from last year.
- The Hospital's operating revenue is generated primarily by state grants and is based on each client's Inventory for Client and Agency Planning (ICAP) daily rate. Operating revenue is generally subject to the number of residents housed and the level of care required and can fluctuate but is generally consistent from year to year. The Hospital's operating revenues increased by \$1,133,794.
- The Hospital's nonoperating revenues consist primarily of ad valorem tax (90%), interest income (4%), and other income (6%). Ad valorem tax revenue is related to taxes on property in Ouachita Parish and collected by the Ouachita Parish Sheriff. Interest income is based on market rates established by financial institutions.
- The Hospital's operating expenses increased by \$593,572 (or 5%) from \$12,146,365 last fiscal year to \$12,739,937 this fiscal year primarily as a result of increases in salaries and benefits.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The graphic below illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by the Governmental Accounting Standards Board in GASB 34, Basic Financial Statements-and Management's Discussion and Analysis.



This financial report consists of two sections – Management's Discussion and Analysis (this section), the basic financial statements (including the related notes to the financial statements), and required supplementary information, as may be applicable. Other than the MD&A, in the Hospital's case, there is no required supplementary information applicable.

#### **Basic Financial Statements**

The basic financial statements present information for the Hospital as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the

## G. B. COOLEY HOSPITAL SERVICE DISTRICT

Monroe, Louisiana

### Management's Discussion and Analysis For the Years Ended June 30, 2020 and 2019

Statements of Net Position; the Statements of Revenues, Expenses and Changes in Net Position; and the Statements of Cash Flows.

The Statements of Net Position presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net position and may provide a useful indicator of whether the financial position of the Hospital is improving or deteriorating.

The Statements of Revenues, Expenses, and Changes in Net Position presents information showing how the Hospital's position changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Cash Flow Statements presents information showing how the Hospital's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method. It includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (the "indirect method") as required by GASB 34.

#### FINANCIAL ANALYSIS OF THE HOSPITAL AS A WHOLE

	Statement of Net Position		% Change
	2020	2019	
Current and Other Assets	\$ 9,336,812	\$ 7,801,081	20%
Noncurrent Assets	4,979,521	5,218,404	-5%
Total Assets	14,316,333	13,019,485	
Current and Other Liabilities	1,001,747	776,124	29%
Long-Term Obligations	110,675	165,472	-33%
Total Liabilities	1,112,422	941,596	
Net Position			
Net Investment in Capital Assets	4,709,397	5,100,835	-8%
Restricted Debt Service	100	1,791	-94%
Unrestricted	8,494,414	6,975,263	22%
Total Net Position	\$ 13,203,911	\$ 12,077,889	9%

Unrestricted net position represents excess amounts that do not have any specified limitation on what they may be used for, therefore, the net position is available for future operations. Net Position increased by \$1,126,022 from June 30, 2019 to June 30, 2020. The Board planned for changes in operations through the budget process.



**G. B. COOLEY HOSPITAL SERVICE DISTRICT**

Monroe, Louisiana

**Management's Discussion and Analysis**

For the Years Ended June 30, 2020 and 2019

	Total			
	2020	2019	(\$ Change)	% Change
Operating Revenues	\$ 12,032,057	\$ 10,898,263	\$ 1,133,794	10%
Operating Expenses	12,739,937	12,146,365	593,572	5%
Operating Loss	(707,880)	(1,248,102)	540,222	-43%
Nonoperating Revenues and Expenses	1,833,902	1,813,118	20,784	1%
Increase in Net Assets	\$ 1,126,022	\$ 565,016	\$ 561,006	99%

Operating revenues increased by \$1,133,794 while operating expenses increased by \$593,572. Nonoperating revenues and expenses increased by \$20,784. Operating expenses increased the most in salaries and benefits, \$696,301 and decreased the most in travel and mileage, (\$61,812).

**CAPITAL ASSETS AND DEBTS**

**Capital Assets**

At June 30, 2020, there was a book balance of \$4,709,397 (that is a balance of \$10,172,277 net of accumulated depreciation of \$5,462,880) invested in capital assets that consisted of land, buildings, vehicles, equipment, and furniture and fixtures. There was \$187,277 in additions to furniture, fixtures and equipment, and vehicles and \$158,525 in disposals of assets.

**Debts**

The Hospital has outstanding obligations relating to compensated absences (accrued vacation, sick, and compensatory leave) and capital leases of vehicles and equipment. All are described in the notes to the financial statements.

**CONTACTING THE HOSPITAL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens and taxpayers with a general overview of the Hospital's finances and to show the Hospital's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Hospital's executive officer at 211 North Third Street, Monroe, LA 71201.

## **BASIC FINANCIAL STATEMENTS**

**G. B. COOLEY HOSPITAL SERVICE DISTRICT**  
Monroe, Louisiana

**Statements of Net Position**

	<b>June 30,</b>	
	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 7,457,927	\$ 6,014,793
Investments	492,848	484,765
Receivables	1,307,514	1,209,508
Prepaid and other assets	78,523	92,015
Total current assets	9,336,812	7,801,081
<b>Restricted assets</b>		
Cash-individuals' fund accounts	270,024	115,778
Cash-debt service funds	100	1,791
Total restricted assets	270,124	117,569
<b>Capital assets, net</b>		
	4,709,397	5,100,835
<b>Total assets</b>	14,316,333	13,019,485
<b>Liabilities and Net Position</b>		
<b>Current liabilities (payable from current assets)</b>		
Accounts payable	\$ 186,969	\$ 175,157
Accrued payroll	213,120	159,669
Withholding and payroll taxes payable	82,248	59,821
Other liabilities	48,803	49,249
Accrued vacation and sick pay, current portion	103,439	120,975
Current portion of long-term obligations	97,144	95,475
Total current liabilities	731,723	660,346
<b>Payable from restricted assets</b>		
Individuals' funds liability	270,024	115,778
Total payable from restricted assets	270,024	115,778
<b>Long-term liabilities</b>		
Accrued vacation and sick pay, net of current portion	55,883	7,204
Long-term obligation, net of current portion	54,792	158,268
Total long-term liabilities	110,675	165,472
<b>Total liabilities</b>	1,112,422	941,596
<b>Net position</b>		
Net investment in capital assets	4,709,397	5,100,835
Restricted for debt service	100	1,791
Unrestricted	8,494,414	6,975,263
<b>Total net position</b>	\$ 13,203,911	\$ 12,077,889

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

**G. B. COOLEY HOSPITAL SERVICE DISTRICT**  
Monroe, Louisiana

**Statements of Revenues, Expenses  
and Changes in Net Position**  
For the Years Ended

	<b>June 30,</b>	
	<b>2020</b>	<b>2019</b>
<b>Operating revenues</b>		
Charges for services		
Intergovernmental revenues		
State of Louisiana		
Title XIX residential program	\$ 8,616,592	\$ 7,705,296
Title XIX waiver program	2,422,481	2,252,671
LA health care	81,031	-
Total intergovernmental revenues	11,120,104	9,957,967
Private revenue		
Residential program	826,197	842,401
Other services revenues		
Employment services	85,756	97,895
Total operating revenues	12,032,057	10,898,263
<b>Operating expenses</b>		
Salaries	7,152,466	6,530,428
Payroll taxes and benefits	1,204,475	1,130,212
Supplies	455,396	488,116
Travel and mileage	99,501	161,313
Food	358,497	345,996
Facility	1,116,012	1,105,191
Insurance	463,224	463,704
Professional fees	1,322,478	1,380,723
Depreciation	567,888	540,682
Total operating expenses	12,739,937	12,146,365
<b>Operating loss</b>	(707,880)	(1,248,102)
<b>Nonoperating revenues and expenses</b>		
Ad valorem tax revenues	1,693,714	1,613,905
Interest income	77,548	116,285
Interest expense	(11,108)	(7,444)
Rental income	12,000	12,000
Miscellaneous income	103,262	100,152
Gain on disposal of property and equipment	2,551	38,928
Loss on revenue due to embezzlement	(44,065)	(60,708)
Excess of nonoperating revenues	1,833,902	1,813,118
Over nonoperating expenses	1,833,902	1,813,118
<b>Changes in net position</b>	1,126,022	565,016
<b>Net position at beginning of year</b>	12,077,889	11,512,883
<b>Total net position at end of year</b>	\$ 13,203,911	\$ 12,077,889

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

**G. B. COOLEY HOSPITAL SERVICE DISTRICT**  
Monroe, Louisiana

**Statements of Cash Flows**  
For the Years Ended

	<b>June 30,</b>	
	<b>2020</b>	<b>2019</b>
<b>Cash flow from operating activities</b>		
Cash received from intergovernmental agencies	\$ 11,036,204	\$ 9,972,440
Cash received from patients and others	860,892	946,113
Payments to employees for services and benefits	(8,250,366)	(7,620,051)
Payments to suppliers	(3,789,804)	(3,990,128)
Net cash flow used by operating activities	(143,074)	(691,626)
<b>Cash flow from noncapital financing activities</b>		
Tax revenues	1,722,510	1,604,629
Miscellaneous income	63,113	100,149
Net cash flow provided by noncapital financing activities	1,785,623	1,704,778
<b>Cash flow from capital and related financing activities</b>		
Proceeds from sale of capital assets	2,552	48,080
Insurance recoveries	4,243	21,560
Purchases of capital assets	(187,276)	(624,665)
Retirements of capital assets	10,826	-
Proceeds from the issuance of debt	-	291,280
Cash paid for interest	(11,109)	7,382
Payment on long term obligations	(101,808)	(145,346)
Net cash flow used by capital and related financing activities	(282,572)	(401,709)
<b>Cash flow from investing activities</b>		
Purchase of investments	(8,083)	(7,031)
Rental income	12,000	12,000
Interest income	77,549	116,285
Net cash flow provided by investing activities	81,466	121,254
<b>Increase (decrease) in cash and cash equivalents</b>	1,441,443	732,697
<b>Cash and cash equivalents at beginning of year</b>	6,016,584	5,283,887
<b>Cash and cash equivalents at end of year</b>	\$ 7,458,027	\$ 6,016,584

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

Continued

**G. B. COOLEY HOSPITAL SERVICE DISTRICT**

Monroe, Louisiana

**Statements of Cash Flows (Concluded)**

For the Years Ended

	<b>June 30,</b>	
	<b>2020</b>	<b>2019</b>
<b>Reconciliation of operating loss</b>		
<b>to net cash provided (used) by operating activities</b>		
Operating loss	\$ (707,880)	\$ (1,248,102)
Adjustments to reconcile operating loss to		
Net cash used by operating activities		
Depreciation	567,888	540,682
Change in current assets and liabilities		
Accounts receivable	(83,900)	14,473
Prepaid items	13,492	(27,246)
Accounts payable	11,812	(12,017)
Accrued payroll and related liabilities	73,499	23,829
Accrued vacation and sick leave payable	(17,536)	866
Other liabilities	(449)	15,889
Total adjustments	564,806	556,476
<b>Net cash provided (used) by operating activities</b>	<b>\$ (143,074)</b>	<b>\$ (691,626)</b>
 <b>Cash and cash equivalents consist of the following:</b>		
Current assets		
Cash and cash equivalents	\$ 7,457,927	\$ 6,014,793
Restricted assets		
Cash-debt service funds	100	1,791
<b>Total cash and cash equivalents</b>	<b>\$ 7,458,027</b>	<b>\$ 6,016,584</b>

The cash in the individuals funds accounts are considered agency accounts being held on behalf of the individuals and therefore are not included on the statements of cash flows

## **G. B. COOLEY HOSPITAL SERVICE DISTRICT**

Monroe, LA

### **Notes to the Financial Statements**

June 30, 2020 and 2019

#### ***History***

G. B. Cooley Hospital Service District (the Hospital) is a training facility that provides twenty-four hour care for individuals with mental disabilities. The Hospital was created April 11, 1962, by Ordinance Number 7127 of the Ouachita Parish Policy Jury. The Hospital provides all basic needs for each individual, including speech therapy, occupational therapy, physical therapy, psychological services, and vocational training services. The vocational training objective is to teach individuals vocational skills in order that they may be eligible for community employment. There are 134 beds across 17 group homes with 95.5% occupancy. The Hospital serves residents of Ouachita Parish for the length of their lifespan.

The Hospital is a component unit of the Ouachita Parish Police Jury because the Police Jury appoints the Board and there is the potential for the Hospital to provide specific financial benefits to or impose specific financial burdens on the Ouachita Parish Police Jury. Each member of the Board of Commissioners must be a qualified voter and resident of the Hospital Service District. The Board of Commissioners consists of seven members, each appointed to a six-year term. The members receive a travel allowance of \$100 per meeting attended.

#### **Note 1 – Summary of Significant Accounting Policies**

##### ***A. Basis of Accounting and Presentation***

The accompanying component unit financial statements of the Hospital have been prepared in conformity with generally accepted accounting principles (GAAP) 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.

The Hospital uses the accrual basis of accounting, whereby revenues are recognized in the period in which they are earned, and expenses are recognized in the period incurred. Certain revenue sources are subject to review and audit by state agencies annually; the results of those examinations cannot be known with certainty and can result in the Hospital having to repay the state if certain conditions are not met.

The Hospital distinguishes 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 an entity's principal ongoing operations. The Hospital's operating revenues primarily consist of charges for services rendered under the residential, waiver, and client employment programs. Operating expenses for the Hospital consist of amounts paid for wages and related benefits, contractual services, supplies used, equipment and facility maintenance and operations, client care needs, and other items directly or indirectly required for the provision of services. All revenues and expenses not meeting the previously mentioned definitions are reported as non-operating revenues and expenses.

**G. B. COOLEY HOSPITAL SERVICE DISTRICT**

Monroe, LA

**Notes to the Financial Statements**

June 30, 2020 and 2019

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.

*B. Reporting Entity*

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. In conformance with GASB Codification Section 2100, the Hospital is a component unit of the Ouachita Parish Police Jury. The accompanying basic financial statements present only the transactions of G. B. Cooley Hospital Service District of the Parish of Ouachita, Louisiana.

*C. Cash Equivalents*

For purposes of the Statements of Cash Flows, the Hospital considers all highly liquid investments with a maturity date of three months or less when purchased to be cash equivalents.

*D. Accounts Receivable*

Receivables are primarily composed of amounts due from the State of Louisiana. The Hospital uses the direct write-off method for recognizing bad debts. Under this method, the receivable is charged to expense when the account is deemed to be uncollectible. The difference between the use of the direct write-off method and the allowance method for accounting for bad debts is not material to the financial statements of the Hospital.

*E. Capital Assets*

Capital assets are recorded at cost, if purchased, or at fair market value, if donated and are capitalized if the cost is \$500 or greater and the expected life is at least two years.

The original land and buildings where the Hospital is operating are owned by the Ouachita Parish Police Jury and are leased to the Hospital. They are not recorded on the books. All improvements are reflected on the books, at cost, under leasehold improvements. The Hospital has acquired additional land and buildings, which are recorded on the books at cost.

The Hospital computes depreciation using the straight-line method over the estimated useful lives of the related assets. The estimated useful lives used to compute depreciation are as follows:

Buildings	7 - 39 Years
Leasehold Improvements	5 - 15 Years
Furniture and Equipment	3 - 15 Years
Vehicles	4 - 4.5 Years



**G. B. COOLEY HOSPITAL SERVICE DISTRICT**

Monroe, LA

**Notes to the Financial Statements**

June 30, 2020 and 2019

Maintenance and repairs are generally charged to operations while significant betterments are capitalized. The cost and related accumulated depreciation of assets retired, or otherwise disposed of, are eliminated from the accounts with the resulting gain or loss included in income.

*F. Net Position*

Net position comprises the various net earnings from operations, nonoperating revenues, expenses, and contributions of capital. Net position is classified in the following three components:

Net Investment in Capital Assets – consists of all capital assets, net of accumulated depreciation, reduced by any debt that is attributable to the acquisition, construction, or improvement of those assets.

Restricted – consists of external constraints placed on net asset use by creditors, grantors, contribution, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – consists of all other net assets that are not included in the other categories previously mentioned.

*G. Reclassifications of Prior Year Amounts*

Minor reclassifications have been made to the prior year financial statements to make them comparable to the current year presentation.

*H. Use of Estimates*

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

## G. B. COOLEY HOSPITAL SERVICE DISTRICT

Monroe, LA

### Notes to the Financial Statements

June 30, 2020 and 2019

#### Note 2 – Cash and Cash Equivalents

Cash, cash equivalents, and investments consisted of the following:

	June 30,	
	2020	2019
Current Assets		
Cash on Hand	\$ 3,094	\$ 3,094
Cash in Bank Checking and Savings Deposits	7,454,833	6,011,699
Restricted Cash - Debt Service	100	1,791
Restricted Cash - Individual Funds	270,024	115,778
Cash and Cash Equivalents	\$ 7,728,051	\$ 6,132,362

*Custodial credit risk-deposits* - At year-end, as reported on the Statements of Net Position, the book balances of the Hospital's deposits were \$7,724,957 and \$6,129,268. The Hospital's bank balances totaled \$7,863,244 at June 30, 2020 and \$6,148,919 at June 30, 2019. State law dictates that all funds maintained in financial institutions be supported by federal depository insurance or collateral held by the trust departments of agents of the pledging financial institutions in the Hospital's name. Of the June 30, 2020 bank balances, \$495,737, respectively, were covered by Federal depository insurance at June 30, 2020. The remaining \$7,367,507 at June 30, 2020, was covered by pledged collateral.

#### Note 3 – Investments

As dictated by state law, the Hospital may invest in long-term certificates of deposit or bonds, debentures, or other investments guaranteed by the United States government. The Hospital has no policy concerning the maximum amount or length of time that assets may be invested. Investments held by the Hospital at June 30, 2020 and 2019 consisted entirely of certificates of deposit with maturities greater than 90 days. The Hospital had investments of \$492,848 and \$484,765, respectively, stated at cost, which approximates market value. These entire amounts were covered by Federal depository insurance as of June 30, 2020 and 2019.

ASC Section 820 establishes the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820-10 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets and liabilities in active markets that the Hospital has the ability to access;

## G. B. COOLEY HOSPITAL SERVICE DISTRICT

Monroe, LA

### Notes to the Financial Statements

June 30, 2020 and 2019

Level 2 Inputs to the valuation methodology include quoted market prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement. There is no movement in Level 3 year to year.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Hospital's investments at June 30, 2020, are valued at quoted market prices and other relevant information generated by market transactions held by the Hospital at that date and are considered to be level 1 in the fair value hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future value. Furthermore, while the Hospital believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements within the fair value hierarchy.

#### Note 4 – Receivables

Receivables consisted of the following:

	June 30,	
	2020	2019
State of Louisiana		
Title XIX - Residential	\$ 807,471	\$ 644,909
Contractual Services	239,776	355,530
Individuals Patient Liability	69,160	-
Ad Valorem Taxes Receivable	3,254	21,400
Other Receivables	187,854	187,669
Total Receivables	<u>\$ 1,307,514</u>	<u>\$ 1,209,508</u>

Revenue from governmental agencies accounted for 97% of revenue and 86% of receivables in 2020 and 91% and 85%, respectively, in 2019.

**G. B. COOLEY HOSPITAL SERVICE DISTRICT**  
Monroe, LA

**Notes to the Financial Statements**  
June 30, 2020 and 2019

**Note 5 – Capital Assets**

Capital Assets consisted of the following on June 30, 2020:

	2019	Additions	Retirements	2020
Buildings	\$ 4,743,562	\$ 15,576	\$ (138,470)	\$ 4,620,668
Furniture, Fixtures, and Equipment	1,430,250	-		1,430,250
Vehicles	1,330,156	30,206	(20,055)	1,340,307
Leasehold Improvements	2,226,533	141,495		2,368,028
Total Property and Equipment	9,730,502	187,277	(158,525)	9,759,253
Less: Accumulated Depreciation	(5,042,691)	(567,075)	146,886	(5,462,880)
Net Depreciable Assets	4,687,811	(379,798)	(11,639)	4,296,373
Land	413,025	-	-	413,025
Total Property and Equipment	\$ 5,100,835	\$ (379,798)	\$ (11,639)	\$ 4,709,397

Capital Assets consisted of the following on June 30, 2019:

	2018	Additions	Retirements	2019
Buildings	\$ 4,725,499	\$ 18,063	\$ -	\$ 4,743,562
Furniture, Fixtures, and Equipment	1,384,379	63,211	(17,340)	1,430,250
Vehicles	1,267,494	316,780	(254,118)	1,330,156
Leasehold Improvements	2,091,266	135,267	-	2,226,533
Total Property and Equipment	9,468,637	533,321	(271,458)	9,730,501
Less: Accumulated Depreciation	(4,764,314)	(540,682)	262,305	(5,042,691)
Net Depreciable Assets	4,704,323	(7,361)	(9,153)	4,687,810
Land	413,025	-	-	413,025
Total Property and Equipment	\$ 5,117,347	\$ (7,361)	\$ (9,153)	\$ 5,100,835

Depreciation expense was \$567,075 and \$540,682, for the years ended June 30, 2020 and June 30, 2019 respectively.

**Note 6 – Restricted Cash**

Per the terms of its bond agreement, further discussed in Note 8, G.B. Cooley Hospital Service District is required to maintain a sinking fund for the payment of bond principal and interest that was paid off during the fiscal year. The terms of the agreement require the Hospital to deposit the full amount of the principal and interest payment into the sinking fund at least one full day in advance of the date on which the payment is due. As of June 30, 2020, and 2019, the Hospital had a balance of \$100 and \$1,791, respectively, into the sinking fund.

Also, the Hospital is required under Title XIX to maintain cash that is the property of the individuals for their personal use. The individuals' cash is reflected in restricted assets as cash-individuals' funds accounts on the statements of net position in the amounts of \$270,024 and \$115,778 at June 30, 2020 and 2019 respectively.

**G. B. COOLEY HOSPITAL SERVICE DISTRICT**

Monroe, LA

**Notes to the Financial Statements**

June 30, 2020 and 2019

**Note 7 – Compensated Absences**

Employees of the Hospital earn vacation pay in varying amounts ranging from 80 to 160 working hours per year depending upon length of service. Vacation time in excess of 60 hours must be used by December 31<sup>st</sup> of the year in which it was earned, or it will be forfeited. Employees who have accrued vacation will be allowed to cash in their vacation time. However, employees must cash in at least 24 hours of vacation time. If an employee elects to cash in, he/she will normally receive this vacation compensation by his/her next regularly scheduled payday. Under no circumstances will vacation be accrued on a pro-rate basis. Employees who are denied vacation because of their required presence at work are allowed to carry forward excess vacation upon recommendation of their supervisor and approval by the Director of Human Resources. Subject to the above limitations, unused vacation is paid to an employee upon retirement, separation, or death at hourly rates being earned by that employee upon separation. Both full-time and part-time employees accrue sick leave according to a written formula. Sick leave may be carried forward from year to year with no limit on the number of hours that can be accrued. Upon retirement, an eligible employee is paid vacation and up to 96 hours of sick leave at the employee's hourly rate of pay at the time of retirement. Any excess sick leave at the retirement date is forfeited. Employees are eligible for retirement based on the following:

<u>Years of Service</u>	<u>Age</u>
10	60
25	55
30	Regardless of Age
Any	65

Accrued vacation, including applicable salary-related payments, consisted of the following:

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Accrued Vacation	\$ 159,322	\$ 128,179
Less: Current Portion	<u>(103,439)</u>	<u>(120,975)</u>
Long-Term Portion	<u>\$ 55,883</u>	<u>\$ 7,204</u>

**Note 8 – Debt Obligations**

In February 2019, the Hospital entered into a capital lease for the purchase of 10 vans. The original amount of the lease was \$291,280 and bears interest at 4.18%. The lease is to be repaid in 36 monthly payments at \$8,623 a month.

**G. B. COOLEY HOSPITAL SERVICE DISTRICT**

Monroe, LA

**Notes to the Financial Statements**

June 30, 2020 and 2019

Future maturities of capital lease obligations are as follows:

<u>Years Ended June 30, 2020</u>	
2021	97,144
2022	60,362
	<u>157,506</u>
Less: Amount representing interest	(5,570)
Present value of future minimum lease payments \$	<u>151,936</u>

Long-term debt consisted of the following:

		June 30,	
		2020	2019
Capital Leases	\$	<u>151,936</u>	\$ <u>253,743</u>
Total Debt		151,936	253,743
Less Current Portion		<u>(97,144)</u>	<u>(95,475)</u>
Total Long-Term Portion	\$	<u><u>54,792</u></u>	\$ <u><u>158,268</u></u>

Changes in Long-term debt were as follows:

	Balance, <u>7/1/2018</u>	<u>Additions</u>	<u>Retirements</u>	Balance, <u>7/1/2019</u>	<u>Additions</u>	<u>Retirements</u>	Balance, <u>6/30/2020</u>
Capital Lease Obligation	\$ 92,810	\$ 291,280	\$ (130,346)	\$ 253,744	\$ -	\$ (101,808)	\$ 151,936
Total Debt	<u>\$ 92,810</u>	<u>\$ 291,280</u>	<u>\$ (130,346)</u>	<u>\$ 253,744</u>	<u>\$ -</u>	<u>\$ (101,808)</u>	<u>\$ 151,936</u>

**Note 9 – Property Taxes**

Property taxes are levied on real and business personal property located within the boundaries of Ouachita Parish at a levied millage of 1.43. The Ouachita Parish Tax Assessor, an elected official, determines the fair market value of all property subject to taxation, except public service properties, which are valued by the Louisiana Tax Commission. The fair market values determined by the Assessor are subject to review and approval of the Louisiana Tax Commission.

Property taxes are levied on a portion of fair market value as follows:

Land and Improvements for Residential Purposes -----	10%
Machinery, Industrial and Commercial Improvements -----	15%
Public Service Properties, Excluding Land -----	25%

The Assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

## G. B. COOLEY HOSPITAL SERVICE DISTRICT

Monroe, LA

### Notes to the Financial Statements

June 30, 2020 and 2019

The Sheriff of Ouachita Parish is the official tax collector of property taxes levied by the parish and special districts within the Parish. The 2019 property tax calendar was as follows:

Assessment	January 1, 2019
Levy Date	November 15, 2019
Total Taxes Are Due	December 31, 2019
Lien Date	January 1, 2019

Property taxes are recorded as revenue when they become available and measurable. Property taxes are considered measurable when levied. Generally, the majority of taxes are collected before the end of the Hospital's June 30 fiscal year end.

#### Note 10 – Concentrations and Uncertainties

In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic resulting in federal, state and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders and advisories and quarantining of people who may have been exposed to the virus. This has caused the Hospital's traveling and hiring to be limited during the fiscal year along with changes in procedures due to quarantine. However, relief monies have become available to the Hospital and its clients with the longevity of the virus. At this point, we cannot reasonably estimate the duration and severity of this pandemic. The outbreak presents uncertainty and risk with respect to the Hospital, its performance relating to client care and its financial results. Due to the necessity of the services that the Hospital provides along with the Hospital's continuous care for the clients, the Hospital has not identified a need for an adjustment as of the date of this report.

#### Note 11 – Commitments

##### *A. Contract and Agreement*

On April 1, 2002, the Hospital entered into an agreement with the Ouachita Parish Police Jury to jointly construct, renovate, and provide for the operation and maintenance of the facility then known as the G. B. Cooley Hospital for Retarded Citizens. The agreement requires that the Hospital maintain and operate the facilities for the exclusive purpose of caring for, treating, housing, and otherwise attending to the needs of retarded citizens who are residents of Ouachita Parish and non-residents after the needs of Ouachita Parish residents are fulfilled. Either party may construct improvements to the Hospital, at its own cost, with the improvements subject to the terms of the agreement. The agreement is for a term of 25 years beginning January 1, 2002 and ending December 31, 2026.

##### *B. Leases - Community Homes*

The Walnut, Shannon, South Grand, Spurgeon and Texas Street Community Homes are leased from the Monroe Housing Authority. The monthly rental,

**G. B. COOLEY HOSPITAL SERVICE DISTRICT**

Monroe, LA

**Notes to the Financial Statements**

June 30, 2020 and 2019

calculated by the Monroe Housing Authority, is based on the amount of each individual's social security benefits. G. B. Cooley Hospital is billed monthly. The lease was executed on February 16, 1984, and will terminate after 40 years. The minimum future rentals cannot be determined and, therefore, minimum future rentals disclosures for these noncancelable operating leases are not disclosed.

Building rent expenses for the years ended June 30, 2020 and 2019 were \$165,116 and \$163,793, respectively, all of which was comprised of lease payments to the Monroe Housing Authority.

**Note 12 – Other Matters**

In October 2019, the Finance Director resigned his position and confessed to misappropriation of District funds. For the year ended June 30, 2020 and 2019, \$44,065 and \$209,506 has been identified as being moved from Hospital accounts to the prior employee's personal bank accounts and the loss was recorded. A receivable was recorded for the amount to be reimbursed by insurance (\$150,000) and the remaining \$44,065 was recorded as a loss on the June 30, 2020 financial statements.

**Note 13 – Subsequent Events**

The Hospital has evaluated subsequent events through January 7, 2021, the date which the financial statements were available for issue and noted the following events occurring subsequent to the reporting period requiring disclosure:

On August 27, 2020, Hurricane Laura made landfall and subsequently Ouachita Parish became a Presidentially declared disaster area due to the damage resulting from the storm. The effect of the storm caused damage to one of the Hospital's vehicles along with added expense of obtaining generators for the Hospital's client housing. Management has evaluated the effects of the disaster and did not consider it necessary to make any adjustment to 2020 financial information and foresees no going concern issues due to this disaster.



**SUPPLEMENTARY INFORMATION**

**G. B. COOLEY HOSPITAL SERVICE DISTRICT**  
Monroe, Louisiana

**Schedule of Per Diem Paid Board Members**  
For the Years Ended

<b>Board Member</b>	<b>June 30,</b>	
	<b>2020</b>	<b>2019</b>
Kyle Coburn	700	600
Josie C. Roberts	1,200	1,000
Jackie Slack	1,300	1,100
Kenneth Wilson	700	800
Owen Moses	600	1,100
Taronda Goodin	1,300	1,100
Dan Sartor	600	-
<b>TOTAL</b>	<b>\$ 6,400</b>	<b>\$ 5,700</b>

**G. B. COOLEY HOSPITAL SERVICE DISTRICT**

Monroe, Louisiana

**Schedule of Compensation, Benefits and Other Payments To  
Agency Head or Chief Executive Officer**

For the Years Ended

**Benjamin Pitts, Executive Director**

<u>Purpose</u>	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Salary	\$ 141,330	\$ 141,061
Benefits-		
Health insurance	22,505	19,598
Life insurance	66	62
Retirement	1,248	1,300
Vehicle provided by government	9,334	5,701
Other		
Vacation time cash-in	7,874	14,066

**REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS**



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Keeping you on course!

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

**Board of Commissioners  
G. B. Cooley Hospital Service District  
Monroe, Louisiana**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, of **G. B. Cooley Hospital Service District** (the Hospital), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements and have issued our report thereon dated January 7, 2021.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Hospital's internal control over financial reporting (internal control) 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 the Hospital's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hospital's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify 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 deficiencies described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002 to be material weaknesses.

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 deficiencies described in the accompany schedule of findings

and questioned costs as items 2020-001 and 2020-002 to be significant deficiencies.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Hospital's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described and the accompanying schedule of finding and questioned costs as Finding 2020-001 and 2020-002.

***The Hospital's Response to Findings***

The Hospital's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Hospital'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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Woodard & Associates*

**(A Professional Accounting Corporation)**  
Monroe, Louisiana

January 7, 2021

**G. B. COOLEY HOSPITAL SERVICE HOSPITAL**

Monroe, Louisiana

**Schedule of Findings and Questioned Costs**

For the Year Ended June 30, 2020

**2020-001 Misappropriation of Assets**

**First reported in 2019**

**Criteria or Specific Requirement**

Louisiana Constitution of 1974 Article VII Section 14(A) prohibits the donation of public funds to any person. This would be interpreted to include theft of public funds by public servants. Additionally, internal controls should be operating to ensure timely detection and reporting of fraud and/or misappropriation.

**Condition Found**

The Finance Director while managing the Accounting department fraudulently misappropriated Hospital resources by redirecting cash received to personal bank accounts. The level of unpredictability incorporated in the audit and the material amount misappropriated during the year ended June 30, 2019 led the Finance Director, Edward E. Calloway, to turn himself in to the Ouachita Parish Sheriff's Office on October 25, 2019 and confess to misappropriation of Hospital funds prior to discovery. He was arrested, bonded out and the case has not been adjudicated as of the date of the Auditors' report. The Hospital's Executive Director notified the Louisiana Legislative Auditor on October 28, 2019 in accordance with Louisiana Revised Statute 24:523.

For the year ended June 30, 2020, \$44,065 was identified as being transferred to the prior Finance Director's personal bank accounts and was recorded as a loss. A review of records supported the Finance Director's statements that he falsified documents provided to management, governance, and auditors to hide the transfer of monies, primarily from Medicaid revenue, to his personal bank accounts.

**Cause**

Internal controls were overridden by the Finance Director. The Finance Director falsified documents provided to management, governance, and auditors to hide the transfer of monies, primarily from Medicaid revenue, to his personal bank accounts. Internal controls provided for the Accounting Assistant to retrieve statements from online and the Senior Accountant or Accounting Assistant, depending upon which account, was to reconcile the accounts. The Finance Director was then supposed to review all reconciliations. However, the Finance Director was charismatic and volunteered to take care of these duties without the knowledge of upper management.

**Effect**

A loss of \$44,065 was recorded for the year ended June 30, 2020.

**Recommendations to Prevent Future Occurrences**

Immediately upon learning of the embezzlement, the Executive Director took actions to strengthen internal controls making it even more difficult to override the internal controls in the future. We identified no further recommendations necessary.

**Management's Response**

Management made the following changes to accounting procedures to strengthen internal controls:

**G. B. COOLEY HOSPITAL SERVICE HOSPITAL**

Monroe, Louisiana

**Schedule of Findings and Questioned Costs**

For the Year Ended June 30, 2020

1. *Immediate changes were made to on-line banking settings, security controls and cross controls for the creation and approval of all ACHs, especially free form ACHs and any manipulation of funds.*
2. *Professional accounting firm (other than contracted Auditing firm) was obtained to provide monthly bank account reconciliations and general ledger review*
3. *Bank Statements for reconciliation and review are generated and stamped to authenticate document and protect from false replication and unauthorized modification. Only authenticated statement is used for reconciliation to ledger*
4. *Additional accounting staff was added to ensure separation of duties*
5. *Dishonest CFO was replaced with an honest professional.*
6. *Accounting staff were trained to recognize and report any deviations from internal controls and procedures.*



**G. B. COOLEY HOSPITAL SERVICE HOSPITAL**

Monroe, Louisiana

**Summary Status of Prior Year Findings**

For the Year Ended June 30, 2020

The following is a summary of the status of the prior year findings included in Woodard & Associates' audit report dated May 8, 2020, of the audit of the financial statements of G.B. Cooley Hospital Service District (the Hospital) as of and for the year ended June 30, 2019.

**2019-001 Misappropriation of Assets**

**First reported in 2019**

**Criteria or Specific Requirement**

Louisiana Constitution of 1974 Article VII Section 14(A) prohibits the donation of public funds to any person. This would be interpreted to include theft of public funds by public servants. Additionally, internal controls should be operating to ensure timely detection and reporting of fraud and/or misappropriation.

**Condition Found**

The Finance Director while managing the Accounting department fraudulently misappropriated Hospital resources by redirecting cash received to personal bank accounts. The level of unpredictability incorporated in the audit and the material amount misappropriated during the year ended June 30, 2019 led the Finance Director, Edward E. Calloway, to turn himself in to the Ouachita Parish Sheriff's Office on October 25, 2019 and confess to misappropriation of Hospital funds prior to discovery. He was arrested, bonded out and the case has not been adjudicated as of the date of the Auditors' report.

The confession identified misappropriation more than \$400,000 over the period of 2012 to 2019. Mr. Calloway had resigned his position with the Hospital at the time of the confession. The Hospital's Executive Director notified the Louisiana Legislative Auditor on October 28, 2020 in accordance with Louisiana Revised Statute 24:523.

For the year ended June 30, 2019, \$209,506 was identified as being moved from Hospital accounts to the prior Finance Director's personal bank accounts. An insurance claim was filed, and a receivable was recorded for the amount to be reimbursed by insurance, \$150,000. The remaining \$69,506 was recorded as a loss on the June 30, 2019 financial statements. An additional \$44,065 was identified as being transferred to the prior Finance Director's personal bank accounts and will be recorded as a loss for the year ended June 30, 2020.

A review of records supported the Finance Director's statements that he falsified documents provided to management, governance, and auditors to hide the transfer of monies, primarily from Medicaid revenue, to his personal bank accounts.

**Status**

Completed with this filing. See current year finding 2020-001.

**G. B. COOLEY HOSPITAL SERVICE HOSPITAL**

Monroe, Louisiana

**Summary Status of Prior Year Findings**

For the Year Ended June 30, 2020

**2019-002 Noncompliance with State Law**

**First reported in 2018**

**Criteria or Specific Requirement**

Louisiana Revised Statute 24:513 requires that the Hospital prepare and submit its audited financial statements to the Louisiana Legislative Auditor no later than six months after the end of the most recent fiscal year.

**Condition Found**

The audited financial statements were not able to be submitted within the time frame prescribed by law. Therefore, the Hospital was not in compliance with state law.

**Status**

This finding has been resolved.