

**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**Annual Financial Report
As of and For the Year Ended
September 30, 2023**

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**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

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Independent Auditor's Report

Board of Commissioners
Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana

Report on the Financial Statements

Opinions

We have audited the financial statements of the Hospital Service District Number One of the Parish of LaSalle, State of Louisiana, (the District), a component unit of the LaSalle Parish Police Jury as of and for the years ended September 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Hospital Service District Number One of the Parish of LaSalle, State of Louisiana, (the District), a component unit of the LaSalle Parish Police Jury, as of September 30, 2023 and 2022, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibility of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, as listed in the table of contents, and Schedule of Expenditures of Federal Awards as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information, as listed in the table of contents, and Schedule of Expenditures of Federal Awards as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit requirements for Federal Awards* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2024, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

ALLEN, GREEN & WILLIAMSON, LLP

Allen, Green & Williamson, LLP

Monroe, Louisiana
March 31, 2024

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**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**Management's Discussion and Analysis
September 30, 2023 and 2022**

As management of the District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2023.

FINANCIAL HIGHLIGHTS

The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$29,771,244 (*net position*). The District reported a decrease in net position of \$(2,709,506).

Issues with the district's existing electronic medical records (EMR) led to the decision to implement a new EMR. Beginning in early 2023, the district began building the new system and is subsequently being billed for two EMR's as the new system has been implemented and the prior EMR is being archived and closed out. The implementation of this system has required additional equipment upgrades, a new payroll and accounting system, archival costs and additional one-time costs associated with this type of project.

OVERVIEW OF THE FINANCIAL STATEMENTS This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise two components: 1) fund financial statements, and 2) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The District is a special-purpose government engaged only in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements.

FUND FINANCIAL STATEMENTS A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one fund which is reported as a proprietary fund type.

**Hospital Service District Number One
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Olla, Louisiana**

**Management's Discussion and Analysis
September 30, 2023 and 2022**

USING THIS ANNUAL REPORT The District's annual report consists of financial statements that show information about the District's enterprise fund.

Financial Section

**Required Supplementary Information
Management's Discussion & Analysis (MD&A)**

Basic Financial Statements

**Fund Financial Statements
Notes to the Basic Financial Statements**

<u>Supplementary Information</u> Schedule of Compensation Paid Board Members Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer
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Our auditor has provided assurance in the independent auditors' report, located immediately preceding this Management's Discussion and Analysis, that the basic financial statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Reporting the District's Fund The District's financial statements provide detailed information about the enterprise fund. The District's enterprise fund uses the following accounting approach:

Proprietary funds - all of the District's services are reported in enterprise funds. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

**Hospital Service District Number One
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Olla, Louisiana**

**Management's Discussion and Analysis
September 30, 2023 and 2022**

FINANCIAL ANALYSIS The District's net position was \$29,771,244 at September 30, 2023. Our analysis below focuses on the net position and the change in net position of the District as a whole.

**Table 1
Net Position**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Other assets	\$ 26,003,606	\$ 30,202,885	\$ 28,646,358
Capital assets, net	18,796,338	15,313,415	15,455,264
Total assets	<u>44,799,944</u>	<u>45,516,300</u>	<u>44,101,622</u>
Other liabilities	4,915,410	5,808,583	8,508,539
Long-term liabilities	10,113,290	7,226,967	6,808,061
Total liabilities	<u>15,028,700</u>	<u>13,035,550</u>	<u>15,316,600</u>
Net position			
Net investment in capital assets	7,769,081	7,348,354	7,930,788
Restricted	1,185,202	1,155,481	1,023,305
Unrestricted	20,816,961	23,976,915	19,830,929
Total net position	<u>\$ 29,771,244</u>	<u>\$ 32,480,750</u>	<u>\$ 28,785,022</u>

**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**Management's Discussion and Analysis
September 30, 2023 and 2022**

**Table 2
Changes in Net Position**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenues:			
Operating revenues:			
Net patient service revenues	\$ 36,353,243	\$ 33,717,074	\$ 37,032,821
Contributions from Ambulance Service District	-	204,125	203,457
Operating Grants	7,078,305	6,494,128	4,323,477
Property taxes	261,278	236,821	238,633
Other	995,027	5,430,975	3,399,503
Total operating revenues	<u>44,687,853</u>	<u>46,083,123</u>	<u>45,197,891</u>
Expenses:			
Operating expenses:			
Daily patient services	6,254,347	4,448,715	4,659,707
Nursing services	7,455,406	7,158,336	7,287,072
Other professional services	15,916,346	15,125,024	14,178,420
General services	5,934,441	3,801,419	3,355,035
Administrative and fiscal services	3,291,144	4,991,395	3,889,815
Employee benefits	6,411,815	5,541,619	5,551,038
Depreciation/amortization	1,924,752	1,944,933	1,954,771
Total operating expenses	<u>47,188,251</u>	<u>43,011,441</u>	<u>40,875,858</u>
Operating Income (Loss)	<u>(2,500,398)</u>	<u>3,071,682</u>	<u>4,322,033</u>
Nonoperating Revenues (Expenses)			
Grant Revenue	7,000	1,409,852	477,708
Interest Revenue	266,073	(408,948)	79,508
Interest Expense	(482,181)	(376,858)	(436,691)
Total nonoperating revenues (expenses)	<u>(209,108)</u>	<u>624,046</u>	<u>120,525</u>
Change in Net position	(2,709,506)	3,695,728	4,442,558
Net position, beginning of year	<u>32,480,750</u>	<u>28,785,022</u>	<u>24,342,464</u>
Net position, end of year	<u>\$ 29,771,244</u>	<u>\$ 32,480,750</u>	<u>\$ 28,785,022</u>

Total operating revenues decreased by \$1,395,270 due mainly to the loss of a full-time primary care provider at the beginning of September 2022.

Total operating expenses increased \$4,176,810 due mainly to increased costs associated with implementation of a new EMR and maintaining dual EMR systems.

**Hospital Service District Number One
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Olla, Louisiana**

**Management's Discussion and Analysis
September 30, 2023 and 2022**

CAPITAL ASSET, LEASED ASSETS AND DEBT ADMINISTRATION

Capital Assets and Leased Assets

At September 30, 2023, the District had \$18,796,338 invested in capital assets and leased assets, including land, buildings, site improvements, furniture and equipment. This amount represents a net increase (including additions, deductions, and depreciation/amortization) of \$3,482,923 or 22.7% from last year due mainly to an increase in construction in progress.

See Note 6 for further details on capital assets.

	2023	2022	2021
Land	\$ 304,226	\$ 294,226	\$ 294,226
Construction In Progress	6,267,473	1,845,771	309,673
Land improvements	5,223,442	4,930,970	4,856,572
Building	14,981,551	14,789,768	14,816,768
Equipment, furniture and fixtures	11,953,781	11,462,062	11,269,138
Leased equipment, intangible asset	936,658	936,658	936,658
Less accumulated depreciation/amortization	(20,870,793)	(18,946,040)	(17,027,771)
Totals	<u>\$ 18,796,338</u>	<u>\$ 15,313,415</u>	<u>\$ 15,455,264</u>

Debt

At September 30, 2023, the District has \$11,027,257 in outstanding long-term debt, which includes certificate of indebtedness, revenue bonds and lease liabilities. See Note 9 and Note 10 for further details on debt.

ECONOMIC FACTORS Staffing issues continue across many departments of the hospitals as the workforce demands higher wages due to inflation and more flexible hours. Payers remain an issue as many commercial payers continue to offer lower reimbursement for services while denying care. The district continues to see a growing need in specialty care for rural areas and seeks to expand the offering of outpatient services. Increased revenue is expected in the coming year due to the addition of a primary care provider.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Mr. Paul Mathews, 1102 North Pine Road, Olla, Louisiana 71465, telephone number (318) 495-3131.

**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

BASIC FINANCIAL STATEMENTS

**HOSPITAL SERVICE DISTRICT NUMBER ONE
PARISH OF LaSALLE, STATE OF LOUISIANA
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**ENTERPRISE FUND
STATEMENT OF NET POSITION
September 30, 2023 and 2022**

	<u>General Fund</u>	
	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 18,073	\$ 109,442
Investments	6,755,409	9,739,056
Restricted assets		
Restricted cash	157,107	1,155,481
Restricted investments	1,028,095	-
Receivables		
Patient services, net of allowances of \$11,538,603 and \$16,735,518	4,575,431	5,295,296
Estimated third-party payor settlements	6,620,277	4,016,473
Other	5,892,084	8,885,246
Supplies	839,722	786,690
Prepaid expenses	117,408	215,201
TOTAL CURRENT ASSETS	<u>26,003,606</u>	<u>30,202,885</u>
CAPITAL ASSETS		
Land	304,226	294,226
Land improvements	5,223,442	4,930,970
Construction in progress	6,267,473	1,845,771
Buildings	14,981,551	14,789,768
Equipment, furniture and fixtures, leased equipment	12,890,439	12,398,720
Less accumulated depreciation/amortization	<u>(20,870,793)</u>	<u>(18,946,040)</u>
TOTAL CAPITAL ASSETS	<u>18,796,338</u>	<u>15,313,415</u>
TOTAL ASSETS	<u>\$ 44,799,944</u>	<u>\$ 45,516,300</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement A

	General Fund	
	2023	2022
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 2,360,667	\$ 2,042,480
Salaries payable	284,492	150,121
Group insurance payable	259,863	259,863
Current portion of leases	67,967	294,094
Certificates and revenue bonds payable	846,000	444,000
Accelerated and advance payments	-	1,725,068
Accrued vacation payable	753,481	702,023
Accrued bond interest payable	342,940	190,934
TOTAL CURRENT LIABILITIES	4,915,410	5,808,583
NONCURRENT LIABILITIES		
Certificates and revenue bonds payable	10,113,290	7,159,000
Leases	-	67,967
TOTAL NONCURRENT LIABILITIES	10,113,290	7,226,967
TOTAL LIABILITIES	15,028,700	13,035,550
NET POSITION		
Investment in capital assets	7,769,081	7,348,354
Restricted for debt service	1,185,202	1,155,481
Unrestricted	20,816,961	23,976,915
TOTAL NET POSITION	\$ 29,771,244	\$ 32,480,750

**HOSPITAL SERVICE DISTRICT NUMBER ONE
PARISH OF LaSALLE, STATE OF LOUISIANA
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**ENTERPRISE FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ended September 30, 2023 and 2022**

Statement B

	<u>General Fund</u>	
	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Net patient service revenues	\$ 36,353,243	\$ 33,717,074
Contributions from Ambulance Service District	-	204,125
Operating grants	7,078,305	6,494,128
Cafeteria sales	209,028	232,484
Property taxes	261,278	236,821
Other	785,999	5,198,491
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	44,687,853	46,083,123
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OPERATING EXPENSES		
Daily patient services	6,254,347	4,448,715
Nursing services	7,455,406	7,158,336
Other professional services	15,916,346	15,125,024
General services	5,934,441	3,801,419
Administrative and fiscal services	3,291,144	4,991,395
Employee benefits	6,411,815	5,541,619
Depreciation/ amortization	1,924,752	1,944,933
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	47,188,251	43,011,441
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(2,500,398)	3,071,682
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES)		
Grant revenue	7,000	1,409,852
Interest revenue	266,073	(408,948)
Interest expense	(482,181)	(376,858)
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	(209,108)	624,046
	<hr/>	<hr/>
Change in net position	(2,709,506)	3,695,728
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NET POSITION, BEGINNING OF YEAR	32,480,750	28,785,022
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 29,771,244	\$ 32,480,750
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THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**HOSPITAL SERVICE DISTRICT NUMBER ONE
PARISH OF LaSALLE, STATE OF LOUISIANA
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
For the Years Ended September 30, 2023 and 2022**

Statement C

	General Fund	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net receipts from patient services	\$ 34,469,304	\$ 32,812,507
Operating grants	10,071,467	(49,361)
Other receipts	(468,763)	2,485,101
Payments to vendors	(27,324,131)	(22,672,325)
Payments to employees	(17,390,591)	(18,150,027)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(642,714)	(5,574,105)
CASH FLOWS (USED) FROM NONCAPITAL FINANCING ACTIVITIES		
Grants	7,000	1,409,852
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	7,000	1,409,852
CASH FLOWS (USED) FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of property, plant and equipment	(5,407,676)	(1,803,420)
Sale of capital assets	-	336
Certificate of indebtedness and revenue bonds:		
Proceeds	3,800,290	865,000
Principal	(444,000)	(139,000)
Lease obligations:		
Principal	(294,094)	(285,415)
Interest paid	(330,175)	(201,138)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$ (2,675,655)	\$ (1,563,637)

(Continued)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**HOSPITAL SERVICE DISTRICT NUMBER ONE
PARISH OF LaSALLE, STATE OF LOUISIANA
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
For the Years Ended September 30, 2023 and 2022**

Statement C

	General Fund	
	2023	2022
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	\$ 266,074	\$ (408,948)
Purchase of investments	(1,028,095)	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(762,021)	(408,948)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,073,390)	(6,136,838)
CASH AND CASH EQUIVALENTS - BEGINNING	11,003,979	17,140,817
CASH AND CASH EQUIVALENTS - ENDING	6,930,589	11,003,979
RECONCILIATION TO THE BALANCE SHEET		
Cash and cash equivalents	18,073	109,442
Restricted cash	157,107	1,155,481
Investments	6,755,409	9,739,056
	6,930,589	11,003,979
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	(2,500,398)	3,071,682
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation/ amortization expense	1,924,752	1,944,933
(Increase) decrease in:		
Accounts receivable: Patient services, net	719,865	531,294
Accounts receivable: Estimated third-party payor settlements	(2,603,804)	(1,435,861)
Accounts receivable: Other	2,993,162	(6,543,489)
Supplies	(53,032)	(147,115)
Prepaid expenses	97,793	(98,194)
(Increase) decrease in:		
Accounts payable, trade	318,187	1,063,072
Salaries payable	134,371	(582,611)
Accelerated and advance payments	(1,725,068)	(3,386,820)
Accrued vacation payable	51,458	9,004
TOTAL ADJUSTMENTS	1,857,684	(8,645,787)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (642,714)	\$ (5,574,105)

(Concluded)

**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**Notes to the Financial Statements
As of and for the Years Ended September 30, 2023 and 2022**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The Hospital Service District Number One of the Parish of LaSalle, State of Louisiana, (the District), was created by the LaSalle Parish Police Jury, and operates Hardtner Medical Center through its Board of Commissioners. Hardtner Medical Center is a 35-bed hospital located in Olla, Louisiana, providing health care services to residents of Olla and the surrounding communities.

The District is governed by a Board of Commissioners composed of five members. The Chief Executive Officer serves as secretary and treasurer of the Board.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body establishing governmental accounting and financial reporting principles. The more significant of the Hospital Service District's accounting policies are described below.

The District is a special purpose government engaged only in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements.

A. REPORTING ENTITY The District is a component unit of the LaSalle Parish Police Jury, the reporting entity. The LaSalle Parish Police Jury is the governing authority of the parish of LaSalle, Louisiana, and is governed by a board of police jurors elected by the public. Under the provisions granted by the Louisiana statutes, the police jury created the District and appoints the members of its Board of Commissioners. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the LaSalle Parish Police Jury, or other governmental units that comprise the financial reporting entities.

B. ENTERPRISE FUND An enterprise fund is a proprietary fund type that accounts for activities similar to those found in the private sector, where the determination of net income is necessary and useful to sound financial administration.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Proprietary Funds The proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. With this measurement focus, all assets, liabilities, and outflows/inflows of resources associated with the operation of these funds are included on the statement of net position. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary funds principal ongoing operations. The principal operating revenue of the District is patient related revenue. Operating expenses include the costs of providing this service. All revenues and expenses not meeting this definition are reported as non-operating.

Net Patient Service Revenue Net patient service revenue is patient revenue reported at Hardtner Medical Center's established rates less contractual adjustments, bad debt expense, and policy discounts. Retroactive adjustments arising under reimbursement agreements with third-party payers are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Bad debt allowance is determined as a percentage of gross revenue.

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The District has agreements with third-party payers that provide for reimbursement to the District at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the District's established rates for services and amounts reimbursed by third-party payers. A summary of the basis of reimbursement with major third-party payers follows:

Medicare On October 1, 2004, the District converted to a Critical Access Hospital (CAH) with a Distinct Part Psychiatric Unit. Inpatient acute care services and swing bed services rendered to Medicare program beneficiaries are reimbursed at cost plus 1%. Outpatient services are reimbursed at cost plus 1% (subject to limits and rules), while other outpatient laboratory services are reimbursed on a fee schedule. Inpatient Psychiatric services are reimbursed using a prospective methodology based upon length of stay, diagnosis, and other factors. Rural health clinic services are reimbursed based on a cost per visit methodology.

The District is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicare fiscal intermediary. The District's Medicare cost reports have been settled by the Medicare fiscal intermediary through September 30, 2013.

Medicaid Inpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates. Most outpatient services rendered to Medicaid program beneficiaries are reimbursed based upon a cost reimbursement methodology. The District is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicaid fiscal intermediary. The District's Medicaid cost reports have been audited by the Medicaid fiscal intermediary through September 30, 2013.

Blue Cross Inpatient and outpatient services rendered to Blue Cross subscribers are reimbursed using prospectively determined rates that are not relative to costs or charges.

Civilian Health and Medical Program of the Uniformed Services (Tricare) Inpatient and outpatient services rendered are reimbursed using prospectively determined rates.

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Net patient service revenue Following is a summary of contractual and other adjustments to arrive at net patient service revenues for the years ended September 30:

	<u>2023</u>	<u>2022</u>
Gross patient service revenue	\$ 87,562,626	\$ 89,757,343
Less bad debt expense	(4,096,653)	(6,343,109)
Less contractual adjustments:		
Medicare	(15,107,715)	(14,983,005)
Medicaid	(19,493,938)	(20,921,231)
Other third parties	(12,511,077)	(13,792,924)
Total contractual adjustments	<u>(47,112,730)</u>	<u>(49,697,160)</u>
Net patient service revenue	<u>\$ 36,353,243</u>	<u>\$ 33,717,074</u>

Approximately sixty-five to seventy percent of the net patient service revenue comes from Medicare and Medicaid billings.

Ad Valorem Taxes are susceptible to accrual.

Contributions Contributions from the LaSalle Parish Ambulance Service District for operation of the ambulances are treated as operating revenues. Unrestricted donations are treated as nonoperating revenues when received.

Operating Grants The District (Grantee) entered into a cooperative endeavor agreement (CEA) with a regional public rural hospital (Grantor) whereby the Grantor awards as an intergovernmental transfer grant (ITG) to be used solely to provide adequate and essential medically necessary and available healthcare services to Grantee's service population subject to the availability of such grant funds. The aggregate ITG grant income is \$7,078,305 and \$6,494,128 for fiscal years 2023 and 2022, respectively.

D. BUDGET PRACTICES The District maintains only enterprise funds in its accounting system and is not subject to the Louisiana Local Government Budget Act or the requirements of accounting principles generally accepted in the United States of America that require budget to actual comparisons. Therefore, budget to actual comparisons, usually found in the financial statements of governmental entities, are not included in these statements.

E. ENCUMBRANCES The District does not use a formal system of encumbrance accounting.

F. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. The District deposits its funds in fiscal agent banks organized under the laws of the state of Louisiana, or the laws of the United States of America.

G. INVESTMENTS Investments are limited by LA R.S. 46:1073.1, R.S. 11:263, R.S. 33:2955 and the District's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

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The investments are reflected at fair value except for the following which are permitted per GASB Statement No. 31:

1. Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. Money market investments and *participating* interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost.

Definitions:

Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

The District participates in the Louisiana Asset Management Pool, Inc. (LAMP) which is an external investment pool that is not SEC-registered. Because the LAMP is an arrangement sponsored by a type of governmental entity, it is exempt by statute from regulation by the SEC.

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

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

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

- Credit risk: Lamp is rated AAAm by Standard & Poor's
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

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- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investment is 54 days as of September 30, 2023.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

LAMP issues financial reports. These financial reports can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

H. SUPPLIES AND INVENTORY Inventories of supplies and minor equipment are valued at lower of cost (first-in, first-out) or latest invoice price.

I. ASSETS WHOSE USE IS LIMITED Assets whose use is limited include funds set aside in accordance with agreements with third-party payers and funds held in accordance with the provisions of debt agreements.

J. PREPAID ITEMS Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

K. PROPERTY, PLANT, AND EQUIPMENT Property and equipment acquisitions are recorded at cost. Property and equipment donated for the District's operations are valued at their fair market value on the date received. The threshold for capitalization is \$5,000 for individual items and \$5,000 for aggregate.

All exhaustible property and equipment are shown in the accompanying balance sheet at their original costs, less accumulated depreciation. Depreciation is recorded on the straight-line method over the estimated useful lives, as follows:

Land improvements	12-29 years
Buildings	16-40 years
Fixed equipment	5-20 years
Major moveable equipment	3-20 years

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Leased assets are initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the commencement of the lease term (including incentives received), plus applicable initial direct costs. Subsequently, the lease asset is amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the underlying asset, unless the lease contains a purchase option that is determined to be reasonably certain to be exercised, in which case the lease asset is amortized over the estimated useful life of the underlying asset.

L. RESTRICTED NET POSITION Net position is reported as restricted when constraints placed on net position use is either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. It is the Districts policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

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

N. VACATION In lieu of vacation, holiday, and sick time, a paid time off (PTO) plan is the policy at Hardtner Medical Center. PTO is granted to all full-time employees after completion of ninety (90) days of continuous service. The employee will be allowed to accumulate PTO to a maximum of one and a half (1½) years accruals. The following is a table of accrual rates per pay period and maximum accruals based on continuous years of full-time employment:

<u>Length of Service</u>	<u>Accrual Rate</u>	<u>Maximum Accrual</u>
1 day to 5 years	6.15 hours per 80 hrs. paid	240 hours
5 to 10 years	7.69 hours per 80 hrs. paid	300 hours
10 + years	9.23 hours per 80 hrs. paid	360 hours

Regular part-time, temporary full-time and temporary part-time employees are not eligible for PTO benefits. Employees are encouraged to take their PTO time off. PTO time cannot be sold and must be taken to be compensated. Exceptions are made by administrative approval only.

O. CHARITY CARE The District provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the District does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as revenue.

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NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits are stated at cost, which approximates fair value. 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 fair 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.

Custodial credit risk- deposits At year end, the District's carrying amount of deposits was \$175,180 which includes \$157,107 of restricted cash and the bank balance was \$629,973. Of the bank balance, \$250,000 was covered by federal depository insurance. For the remaining bank balance, the District had securities held by the pledging financial institution's trust department or agent but not in the District's name. The District's policy does not address custodial credit risk.

Interest rate risk-deposits: The District's policy does not address interest rate risk.

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are quoted prices in the active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investments' fair value measurements are as follows at September 30, 2023:

Description of investment	Fair Value	Fair Market Value Hierarchy	Credit Risk	Interest Rate Risk
U. S. Treasury notes	\$ 3,391,059	Level 1	BBB- (S&P)	< 3 years
Corporate bonds	2,102,244	Level 1	BBB- (S&P)	< 3 years
Corporate bonds	721,383	Level 1	BBB- (S&P)	3-5 years
Asset Backed Securities	25,076	Level 2	Aaa	< 3 years
Asset Backed Securities	97,159	Level 2	Aaa	3-5 years
Asset Backed Securities	238,103	Level 2	Aaa	6+ years
Exchange Traded Funds	-	Level 1	N/A	N/A
UBS Insured Sweep Program	179,735			
Total	<u>6,754,759</u>			
LAMP	<u>1,028,745</u>			
Total investments	<u><u>\$ 7,783,504</u></u>			

Interest rate risk-investments: The District's policy does not address interest rate risk.

Credit rate risk-investments: The District's policy does not address credit rate risk.

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Custodial credit risk- deposits For an investment, this is the risk that, in the event of the failure of the counter party, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments include \$1,028,745 in LAMP and \$6,754,759 in accounts with an investment advisor. Additional disclosure concerning LAMP can be found at note 1(G). The District's policy does not address custodial credit risk.

NOTE 3 - ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS Accounts receivable - patients, include unpaid amounts billed to discharged patients and third-party payers such as insurance companies and the fiscal intermediaries of the Social Security Administration on behalf of patients eligible for benefits under Title XVIII and XIX of the Social Security Act. Also included, are unbilled charges for those patients not discharged at September 30.

Estimated third-party payor settlements are amounts due for cost reports filed with Medicare and Medicaid for the periods 2013 through 2023.

Other accounts receivable as of September 30, 2023 of \$5,892,084 is due to a \$4,228,295 CARES Act Employee Retention Credit, \$1,658,655 from State Direct Payment Program and \$5,134 in miscellaneous accounts receivable.

Other accounts receivable as of September 30, 2022, of \$8,885,246 is for \$3,724,718 from operating grants received through a cooperative endeavor agreement with a regional hospital and due to a \$4,559,098 CARES Act Employee Retention Credit and \$601,430 in miscellaneous accounts receivable.

NOTE 4 - CONTINGENCIES The District evaluates contingencies based upon the best available evidence. The District believes that no allowances for loss contingencies are considered necessary. To the extent that resolution of contingencies results in amounts which vary from the District's estimates, future earnings will be charged or credited.

Third-Party Government-Based Revenues Cost reimbursements are subject to examination by agencies administering the programs. The District is contingently liable for retroactive adjustments made by the Medicare and Medicaid programs as the result of their examinations as well as retroactive changes in interpretations applying statutes, regulations, and general instructions of those programs. The amount of such adjustments cannot be determined.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participating requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the District is in compliance with fraud and abuse statutes, as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

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Risk Management The District is exposed to various risks of loss related to professional and general liability, director's and officer's liability, property damage, equipment breakdown, auto liability, employee theft, and worker's compensation. The District carries commercial insurance for these risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The District became partially self-insured for employees' group and health insurance coverage on June 1, 2002. Claims are funded through employee contributions and operating funds of the District. The District maintains stop-loss coverage with an insurance company for claims in excess of \$60,000 per claim for each participant with an aggregate reimbursement maximum per policy period of \$1,000,000. All known claims filed and an estimate of incurred but not reported claims based on experience of the District are made and accrued as necessary in the financial statements. The estimate of incurred but not reported claims at September 30, 2023 was \$259,863 which is reported on Statement A. This estimate is based on claims filed in the month following the fiscal year end which includes other incremental costs.

The following is a summary of the self-insurance transactions for the year ended September 30, 2023:

Fiscal Year	Balance Beginning	Additions	Payments	Balance Ending
2020-2021	\$ 259,863	\$ 3,885,731	\$ 3,885,731	\$ 259,863
2021-2022	259,863	3,636,576	3,636,576	259,863
2022-2023	259,863	4,477,254	4,477,254	259,863

Litigation At September 30, 2022, the District was involved in one litigation. The claim was settled for \$8,000 in fiscal year 2023. The District was not involved in any litigation at September 30, 2023.

Energy Performance Contract The District entered into an energy performance contract in October 2005. The contract may be terminated by the District at any time by giving 30 days written notice. The contract contains an operational stipulated savings clause. The Louisiana Attorney General issued an opinion (A.G. Opinion No. 07-0002) regarding a similar contract and concluded that some of these contracts may not meet the statutory definition of a performance based energy contract.

The original contract was amended October 5, 2009 to meet the statutory definition of a performance based contract. Per the amendment, there shall be an annual review and disbursement/reconciliation of the energy related cost savings. An energy and operational savings report will be provided to the District within 60 days of each anniversary of the performance commitment date or within 30 days of receiving from the local utility provider a final utility bill for the annual reporting period.

In the event the Energy and Operational Savings achieved during any twelve-month period is less than the Energy and Operational Savings Guaranteed during the years the guarantee is in effect, the District will be paid an amount equal to the deficiency within 60 days of the annual reconciliation. If during any twelve month period the savings are greater than the guaranteed amount, the District may apply the excess savings to either additional energy savings projects pursuant to the terms of the original contract or expansion of services or to the principal debt service payment obligation.

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NOTE 5 - PENSION PLAN The District implemented a retirement plan for employees during 2008 consisting of a 401a plan and 457b plan. The District contributes 3% to the 401a plan and a 50% matching contribution (up to 6%) is also added to the 401a plan. The defined contributions plan is administered by Principal Life.

Employees covered by the plan are eligible to participate after 1 year of service. Employees must be 21 to participate. Contribution rates are determined and may be changed by the employer. Participants are fully vested after 5 years of service. The normal retirement date is 65 years of age. On a participant's retirement date, his/her vested account shall be distributed based on the distribution provisions of the Plan.

Forfeitures may first be used to pay administrative expenses. Forfeitures of matching contributions that have not been used to pay administrative expenses shall be applied to reduce employer contributions made after the forfeitures are determined. The amount of forfeitures in the fiscal year 2023 was \$0. The amount recognized as pension expense was \$598,800 in the 2023 fiscal year and \$591,396 for the 2022 fiscal year.

The District's contributions to the plans for 2023 as follows:

	<u>401a Plan</u>
Employer 3 %	\$ 402,953
Employer Match	199,518
	<u>457b Plan</u>
Employee	\$ 614,204

The District's contributions to the plans for 2022 as follows:

	<u>401a Plan</u>
Employer 3 %	\$ 378,258
Employer Match	205,474
	<u>457b Plan</u>
Employee	\$ 650,780

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NOTE 6 - PROPERTY PLANT AND EQUIPMENT The balances and changes in property, plant and equipment as of and for the year ended September 30, 2023 are as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Nondepreciable assets:				
Land	\$ 294,226	\$ 10,000	\$ -	\$ 304,226
Construction in progress	1,845,771	4,739,073	317,371	6,267,473
	<u>2,139,997</u>	<u>4,749,073</u>	<u>317,371</u>	<u>6,571,699</u>
Depreciable assets:				
Land improvements	4,930,970	292,472	-	5,223,442
Buildings	14,789,768	191,783	-	14,981,551
Fixed equipment	1,308,478	12,803	-	1,321,281
Electronic health record equipment	2,453,596	69,796	-	2,523,392
Moveable equipment, furniture and fixtures	7,699,988	409,120	-	8,109,108
Total depreciable assets	<u>31,182,800</u>	<u>975,974</u>	<u>-</u>	<u>32,158,774</u>
Right to use assets:				
Moveable equipment, furniture and fixtures	936,658	-	-	936,658
Total depreciable and right to use assets	<u>32,119,458</u>	<u>975,974</u>	<u>-</u>	<u>33,095,432</u>
 Total	 <u>34,259,455</u>	 <u>5,725,047</u>	 <u>317,371</u>	 <u>39,667,131</u>
Less accumulated depreciation:				
Land improvements	1,320,158	343,859	-	1,664,017
Buildings	7,878,188	682,120	-	8,560,308
Fixed equipment	974,614	76,634	-	1,051,248
Electronic health record equipment	2,289,673	106,412	-	2,396,085
Moveable equipment, furniture and fixtures	5,882,899	455,122	-	6,338,021
Total accumulated depreciation	<u>18,345,532</u>	<u>1,664,147</u>	<u>-</u>	<u>20,009,679</u>
Less accumulated amortization:				
Right to use assets:				
Moveable equipment, furniture and fixtures	600,508	260,606	-	861,114
Total accumulated depreciation/amortization	<u>18,946,040</u>	<u>1,924,753</u>	<u>-</u>	<u>20,870,793</u>
Property, plant and equipment, net	<u>\$ 15,313,415</u>	<u>\$ 3,800,294</u>	<u>\$ 317,371</u>	<u>\$ 18,796,338</u>

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The balances and changes in property, plant, and equipment as of and for the year ended September 30, 2022 are as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Nondepreciable assets:				
Land	\$ 294,226	\$ -	\$ -	\$ 294,226
Construction in progress	309,673	1,536,098	-	1,845,771
	<u>603,899</u>	<u>1,536,098</u>	<u>-</u>	<u>2,139,997</u>
Depreciable assets:				
Land improvements	4,856,572	74,398	-	4,930,970
Buildings	14,816,768	-	27,000	14,789,768
Fixed equipment	1,280,175	28,303	-	1,308,478
Electronic health record equipment	2,453,596	-	-	2,453,596
Moveable equipment, furniture and fixtures	7,535,367	164,621	-	7,699,988
Total depreciable assets	<u>30,942,478</u>	<u>267,322</u>	<u>27,000</u>	<u>31,182,800</u>
Right to use assets:				
Moveable equipment, furniture and fixtures	936,658	-	-	936,658
Total depreciable and right to use assets	<u>31,879,136</u>	<u>267,322</u>	<u>27,000</u>	<u>32,119,458</u>
Total	<u>32,483,035</u>	<u>1,803,420</u>	<u>27,000</u>	<u>34,259,455</u>
Less accumulated depreciation:				
Land improvements	988,636	331,522	-	1,320,158
Buildings	7,231,360	673,491	26,663	7,878,188
Fixed equipment	903,914	70,700	-	974,614
Electronic health record equipment	2,155,164	134,509	-	2,289,673
Moveable equipment, furniture and fixtures	5,408,878	474,021	-	5,882,899
Total accumulated depreciation	<u>16,687,952</u>	<u>1,684,243</u>	<u>26,663</u>	<u>18,345,532</u>
Less accumulated amortization:				
Right to use assets:				
Moveable equipment, furniture and fixtures	339,819	260,689	-	600,508
Total accumulated depreciation/amortization	<u>17,027,771</u>	<u>1,944,932</u>	<u>26,663</u>	<u>18,946,040</u>
Property, plant and equipment, net	<u>\$ 15,455,264</u>	<u>\$ (141,512)</u>	<u>\$ 337</u>	<u>\$ 15,313,415</u>

**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**Notes to the Basic Financial Statements
As of and for the Years Ended September 30, 2023 and 2022**

NOTE 7 - ACCELERATED AND ADVANCE PAYMENT PROGRAM

In order to provide necessary funds for disruptions in claims submissions and or processing due to the impact of the 2019 Novel Coronavirus (COVID-19) pandemic, the Centers for Medicare & Medicaid Services (CMS) accelerated Medicare payments to hospitals and providers to help minimize the effect of revenue shortfalls. The Medicare Accelerated and Advance Payment Program, which existed prior to the pandemic, is designed to help hospitals and other providers facing cash flow disruptions during the emergency. As a response to the pandemic, the CARES Act and CMS expanded the current Accelerated and Advance Payment Program to a broader group of Medicare Part A providers and Part B suppliers. The expansion of this program is only for the duration of the public health emergency. CMS extended the repayment of these accelerated payments to begin one year from the issuance date of the accelerated or advance payments. During the first eleven months after repayment begins, repayment will occur through an automatic recoupment of twenty-five percent of Medicare payments otherwise owed to the District. During the succeeding six months, repayment will occur through an automatic recoupment of fifty percent of Medicare payments otherwise owed to the District. If the District is unable to repay the total amount of the accelerated or advance payment through recoupment within twenty-nine months, the District will receive a demand letter requiring repayment of any outstanding balance, subject to an interest rate of four percent. Repayment started April 14, 2021 and repayment was completed by September 30, 2023.

NOTE 8 - PROVIDER RELIEF FUND

The District suspended non-emergent or noncritical surgeries, procedures, and appointments beginning in mid-March through early May in 2020 due to COVID-19. Under certain provisions of the CARES Act, the District received Provider Relief Fund funding of \$1,135,418 in fiscal year 2022. Utilizing the guidelines for reporting of use of those funds as provided by the Consolidated Appropriations Act, 2021, the District recognized grant revenue related to the Provider Relief Fund of \$1,135,418 in its statement of revenues, expenses, and changes in net position for the year ended September 30, 2022 for COVID-19 related expenses and lost revenue. In accordance with requirements of the program, the PRF award is reported in the September 30, 2023 schedule of expenditures of federal awards.

NOTE 9 - LONG-TERM DEBT

The District issued Certificate of Indebtedness, Series 2006 in the amount of \$1,660,000 with a stated interest rate of 5.75% and a maturity date of November 1, 2024. The proceeds were used for capital improvement costs and is repaid with service revenues of the District. The annual debt service requirements are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 165,000	\$ 15,036	\$ 180,036
2025	179,000	5,146	184,146
Total	<u>\$ 344,000</u>	<u>\$ 20,182</u>	<u>\$ 364,182</u>

In 2013, the District issued Hospital Revenue Bonds, Series 2012, in the amount of \$1,285,000 with a stated interest rate of 4.50% with a maturity date of October 1, 2027. These bonds are related to the renovation of patient rooms in the hospital and are repaid with service revenues of the District. The District issued Hospital Revenue Bonds, Series 2018 dated October 1, 2018 for \$6,000,000 with a stated interest rate of 4.95% with a maturity date of October 1,

**Hospital Service District Number One
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A Component Unit of the LaSalle Parish Police Jury
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2039 for construction of a family clinic. The District issued Hospital Revenue Bonds, Series 2021 dated October 1, 2021 for \$5,000,000 for construction of an outpatient building. The proceeds of the bonds are being advanced on an "as needed" basis, and interest shall accrue only on such advances of proceeds from the respective dates of such advances. At September 30, 2023, \$4,665,290 of the \$5,000,000 had been drawn down. Debt service requirements for the bonds began October 1, 2022 and the full \$5,000,000 is included in the principal and interest debt service requirements below.

In the event that the District defaults on the payment of interest or principal, the owner of the bonds shall be entitled to appoint a receiver of the District in an appropriate judicial proceeding in a court of competent jurisdiction.

The annual debt service requirements are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 681,000	\$ 542,797	\$ 1,223,797
2025	515,000	405,577	920,577
2026	545,000	383,704	928,704
2027	565,000	360,761	925,761
2028	584,000	336,971	920,971
2029-2033	2,660,000	1,361,880	4,021,880
2034-2038	3,255,000	756,440	4,011,440
2039-2042	2,145,000	121,121	2,266,121
Total	<u>\$ 10,950,000</u>	<u>\$ 4,269,251</u>	<u>\$ 15,219,251</u>

Following is a schedule of changes in long term debt for the year ended September 30, 2023:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>	<u>Due in One Year</u>
Direct Borrowings:					
Certificates of indebtedness, Series 2006	\$ 496,000	\$ -	\$ 152,000	\$ 344,000	\$ 165,000
Revenue Bonds Payable	7,107,000	3,800,290	292,000	10,615,290	681,000
Lease liability	362,061	-	294,094	67,967	67,967
Compensated absences	702,023	938,168	886,710	753,481	753,481
	<u>\$ 8,667,084</u>	<u>\$ 4,738,458</u>	<u>\$ 1,624,804</u>	<u>\$ 11,780,738</u>	<u>\$ 1,667,448</u>

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Olla, Louisiana**

**Notes to the Basic Financial Statements
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Following is a schedule of changes in long term debt for the year ended September 30, 2022:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Due in One Year
Direct Borrowings:					
Certificates of indebtedness, Series 2006	\$ 635,000	\$ -	\$ 139,000	\$ 496,000	\$ 152,000
Revenue Bonds Payable	6,242,000	865,000	-	7,107,000	292,000
Lease liability	647,476	-	285,415	362,061	294,094
Compensated absences	693,019	2,090,947	2,081,943	702,023	702,023
	<u>\$ 8,217,495</u>	<u>\$ 2,955,947</u>	<u>\$ 2,506,358</u>	<u>\$ 8,667,084</u>	<u>\$ 1,440,117</u>

Sinking Fund Requirements:

Under the terms of the series 2012, 2018 and 2021 hospital revenue bonds, the following requirements are stated:

Sinking Fund-A monthly payment of 1/12 of the current year principal and interest installment must be made into the Sinking Fund account which will be used to make the payments on the bonds. The amount to be on deposit in the Sinking Fund was \$932,612. The amount on deposit in the Sinking Fund account at September 30, 2023 was \$947,832.

Reserve Fund-The Reserve Fund is required to be funded to an amount equal to the highest scheduled principal and interest falling due in any year on all bonds payable from the Sinking Fund. Pursuant to the Bond Resolution, the District is to deposit monthly or before the 20th of each month a sum at least equal to 5% of the amount to be paid into the Sinking Fund, to continue until such time there has been accumulated therein a sum equal to the Reserve Fund requirement. The amount required to be on deposit at September 30, 2023 was \$118,685 and the amount on deposit in the Reserve Fund account was \$118,685.

Depreciation and Contingency Fund-A Depreciation and Contingency Fund is required to be created for extensions, renewals and replacements. The District is required to deposit monthly in this fund an amount equal to 5% of the amount to be paid into the Sinking Fund. The payments are to continue until an amount equal to the Reserve Fund requirement is on deposit in the Reserve Fund, then each month a sum equal to 10% of the Sinking Fund payment is to be made into the Contingency Fund. These deposits are to be made before the 20th of each month. The amount required to be on deposit at September 30, 2023 was \$118,685 and the amount on deposit in the Depreciation and Contingency Fund account was \$118,685.

Restricted cash of \$157,107 and restricted investments of \$1,028,095 is the total of these three funds.

NOTE 10 - LEASE LIABILITY The District has two lease liabilities for moveable equipment. The mammogram machine lease began in May 2019. The lease is a 60-month lease with monthly payments of \$9,078 and an imputed interest rate of 3%. The right to use the equipment has a 5-year estimated useful life and a value of \$386,475 with accumulated amortization of \$264,285 at September 30, 2022 and accumulated amortization of \$341,497 at September 30, 2023. The MRI/Trailer lease is a 36-month lease which began in December 2020 with monthly payments of \$16,000 and an imputed interest rate of 3%. The right to use the equipment has a 3-year estimated useful life and a value of \$550,183 with accumulated amortization of \$336,223 at September 30, 2022 and accumulated amortization of \$519,617 at September 30, 2023.

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The lease liabilities are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 67,967	\$ 345	\$ 68,312
Present value of net minimum lease payments	<u>\$ 67,967</u>	<u>\$ 345</u>	<u>\$ 68,312</u>

NOTE 11 - INCOME TAXES The District is a governmental entity and is not subject to federal and state income taxes.

NOTE 12 - BEHAVIORAL HEALTH UNIT The District established a Behavioral Health Unit (BHU) in 1996. The BHU provides programs for the treatment of emotional problems and psychiatric disorders and operates out of a ten-bed wing in the Hospital.

NOTE 13 - AD VALOREM TAX The District levies taxes on real and business personal property located within LaSalle Parish's boundaries. Property taxes are levied by the District on property values assessed by the LaSalle Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The LaSalle Parish Sheriff's Office bills and collects property taxes for the District. Collections are remitted to the District monthly.

Property Tax Calendar

Millage rates adopted	May 31, 2022
Levy date	July 31, 2022
Tax bills mailed	December 1, 2022
Total taxes are due	December 31, 2022
Lien date	January 1, 2023
Tax sale - 2022 delinquent property	May 31, 2023

Assessed values are established by the LaSalle Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value.

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2020. Total gross assessed value was \$34,876,520 in calendar year 2022. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$5,235,079 of the assessed value in calendar year 2022.

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is

**Hospital Service District Number One
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**Notes to the Basic Financial Statements
As of and for the Years Ended September 30, 2023 and 2022**

required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the enterprise fund on the basis explained in Note 1. Revenues in this fund are recognized in the accounting period in which they become measurable and when there exists an enforceable legal claim. The District considers January 1 the lien date, as the date that an enforceable legal claim exists. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll.

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

The following is a summary of authorized and levied (tax rate per \$1,000 assessed value) ad valorem tax:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide tax:			
Operations and maintenance	9.33	8.91	2025

NOTE 14 - CHARITY CARE The District provides charity care to patients who are financially unable to pay for part or all of the healthcare services they receive. The District determines the cost associated with providing charity care by aggregating the applicable direct and indirect costs, including wage and related benefits, supplies, and other operating expenses. The District had \$48,705 in charity care write offs for the year ended September 30, 2023, and \$30,211 for the year ended September 30, 2022.

NOTE 15 - SUBSEQUENT EVENTS The District established a Behavioral Health Unit (BHU) in 1996. The BHU provides programs for the treatment of emotional problems and psychiatric disorders and operates out of a ten-bed wing in the Hospital. The BHU is scheduled to be closed on April 30, 2024 and transformed into a medical surgery wing.

NOTE 16 - NEW GASB STANDARD The District implemented GASB Statement No. 96 – *Subscription-Based Technology Arrangements (SBITAs)*. This statement provides guidance on the accounting and financial reporting for SBITAs for governments. The statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosure regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of this standard had no effect on the District’s financial statements or notes to the financial statements.

**Hospital Service District Number One
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Olla, Louisiana**

SUPPLEMENTARY INFORMATION

**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**Schedule of Compensation Paid Board Members
For the Year Ended September 30, 2023**

Board members who served during the fiscal year and the amount of compensation received by each are presented below in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Lee Richardel, Chairman	\$480
Mike Duke, Vice Chairman	480
Steve Tannehill	480
Rick Smotherman	480
Steve Richardson	<u>480</u>
Total	<u>\$2,400</u>

**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
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Olla, Louisiana**

**Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer
For the Year Ended September 30, 2023**

Agency Head: Paul Mathews, Chief Executive Officer

<u>Purpose</u>	<u>Amount</u>
Salary	\$401,370
Benefits-insurance	5,664
Benefits-retirement	11,668
Benefits-Life Ins & LTD	1,885
Deferred compensation	27,377
Cell phone/Internet	3,090
Dues (not paid directly to agency head)	700
Travel	13,559
Registration fees (not paid directly to agency head)	3,154
Conference travel (not paid directly to agency head)	7,557



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Sandra Harper, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

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*

Independent Auditor's Report

Board of Commissioners
Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, 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 (*Government Auditing Standards*), the financial statements of the Hospital Service District Number One of the Parish of LaSalle, State of Louisiana, (the District) a component unit of the LaSalle Parish Police Jury as of and for the years ended September 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 31, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

ALLEN, GREEN & WILLIAMSON, LLP

Allen, Green & Williamson, LLP

Monroe, Louisiana

March 31, 2024



ALLEN, GREEN & WILLIAMSON, LLP

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Report on Compliance For Each Major Federal Program And Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's Report

Board of Commissioners
Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Hospital Service District Number One of the Parish of LaSalle, State of Louisiana, (the District) a component unit of the LaSalle Parish Police Jury's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended September 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgement and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control

over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

ALLEN, GREEN & WILLIAMSON, LLP

Allen, Green & Williamson, LLP

Monroe, Louisiana

March 31, 2024

**Hospital Service District Number One
Of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023**

Federal Grantor/ Pass-Through Grantor/Program Name	AL Number	Pass-Through Grantor No.	Expenditures
United States Department of Health and Human Services			
Direct Programs:			
COVID-19 Provider Relief Fund	93.498		\$ 1,135,418
Total Federal Awards			<u>\$ 1,135,418</u>

The accompanying notes are an integral part of this schedule.

**Hospital Service District Number One
Of the Parish of LaSalle, State of Louisiana
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Olla, Louisiana**

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023**

NOTE 1 - BASIS OF PRESENTATION The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the Hospital Service District Number One of the Parish of LaSalle, State of Louisiana, (the District) a component unit of the LaSalle Parish Police Jury, under programs of the federal government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or change in net position of the District.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 of the Notes to the Basic Financial Statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - RELATIONSHIP TO THE BASIC FINANCIAL STATEMENTS AND FEDERAL FINANCIAL REPORTS Schedule of Expenditures of Federal Awards (SEFA) reporting amounts for the Provider Relief Fund (PRF), including both expenditures and lost revenues are based upon the PRF report that is required to be submitted to the HRSA report portal. Payments received between July 1, 2021 and December 31, 2021 are required to be reported in the HRSA portal as period 4 (HRSA portal reporting time period January 1, 2023 to March 31, 2023) and are included in the September 30, 2023 SEFA. PRF revenue was recognized in the September 30, 2022 financial statements.

NOTE 4 - INDIRECT COST RATE The District has elected not to use the 10-percent de-minimis indirect cost rate allowed under the Uniform Guidance.

**Hospital Service District Number One
Of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2023**

PART I - Summary of the Auditor's Results

Financial Statement Audit

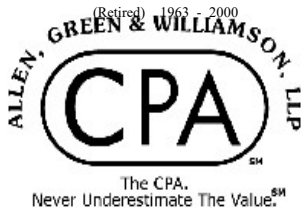
- i. The type of audit report issued was unmodified.
- ii. There were no significant deficiencies identified that are required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America.
- iii. There were no instances of noncompliance identified that would be considered material to the financial statements, as defined by the Government Auditing Standards

Audit of Federal Awards

- iv. There were no significant deficiencies identified that are required to be disclosed by the Uniform Guidance (2 CFR 200).
- v. The type of report the auditor issued on compliance of major federal awards was unmodified.
- vi. The audit disclosed no audit findings which the auditor is required to report under the Uniform Guidance.
- vii. The major federal awards are:
 - AL #93.498 COVID-19 Provider Relief Fund
- viii. The dollar threshold used to distinguish between Type A and Type B programs as defined in the Uniform Guidance was \$750,000.
- ix. The auditee does not qualify as a low-risk auditee under the Uniform Guidance.

**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

AGREED-UPON PROCEDURES



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

Board Members
Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year ended September 30, 2023. The Hospital Service District Number One of the Parish of LaSalle, State of Louisiana, (the District), a component unit of the LaSalle Parish Police Jury's management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal year ended September 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.

- d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior

year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit findings, according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Bank Reconciliations

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

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Comment: There were two exceptions noted where unable to observe if deposit was made within one business day due to no record of receipt date of checks.

Management’s Response: Payments for concessions are hand delivered from the vendor to administration. Although administration records the payments and makes deposits within one day of receipt, there was no record of when payment was received. Effective immediately, all payments received for concessions will be documented with the date received by administration.

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

8. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- [Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]
10. For each location selected under #8 above, obtain the entity’s non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management’s representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

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

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

Comment: Finance charge and late fee were assessed on one statement.

Management's Response: Receipts for verification of VISA payments were not submitted timely due to staff absences. This resulted in late submission of payment. This is not a regular occurrence as all credit card receipt information is due before end of month.

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

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Contracts

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

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Payroll and Personnel

17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Debt Service

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and

payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Fraud Notice

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
26. Observe the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures,
 - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Comment: We performed the procedures and discussed results with management.

Sexual Harassment

29. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

30. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
31. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
 - a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

We were engaged by the Hospital Service District Number One of the Parish of LaSalle, State of Louisiana, (the District), a component unit of the LaSalle Parish Police Jury, to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

ALLEN, GREEN & WILLIAMSON, LLP

Allen, Green & Williamson, LLP

Monroe, Louisiana
March 31, 2024