

Financial Report

Lafourche Parish Hospital Service

District No. 2

Raceland, Louisiana

September 30, 2025



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Raceland, Louisiana

September 30, 2025 and 2024

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FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT

To the Board of Commissioners,
Lafourche Parish Hospital Service District No. 2,
Raceland, Louisiana.

Report on the Audits of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Lafourche Parish Hospital Service District No. 2 (the “District”), a component unit of the Lafourche Parish Council, as of and for the years ended September 30, 2025 and 2024 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 financial statements referred to above present fairly, in all material respects, the financial position for the governmental activities of Lafourche Parish Hospital Service District No. 2 as of September 30, 2025 and 2024, and the respective changes in financial position and cash flows, thereof, and for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 related to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Audits of the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Audits of the Financial Statements

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

In performing audits in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 judgment, 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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 5 through 12, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits 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 audits were conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying supplementary information, on page 29, is presented for purposes of additional analysis and is required by Louisiana Revised Statute 24:513 (A)(3) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information 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 February 6, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
February 6, 2026.

MANAGEMENT’S DISCUSSION AND ANALYSIS

Lafourche Parish Hospital Service District No. 2

Raceland, Louisiana

For the years ended September 30, 2025 and 2024

The accounting staff of the Lafourche Parish Hospital Service District No. 2 (the “District”) is responsible for the overview and analysis of the financial activities of the District for the years ended September 30, 2025 and 2024. The explanations provided are designed to introduce the financial highlights and offer an overview of the financial statements.

Management’s Discussion and Analysis (MD&A) is designed to focus on the current year’s activities, resulting changes, and facts known to date. This narrative includes financial analysis of revenues, expenses, and changes in the net assets. Further detail offers readers a financial analysis of the District’s funds. We encourage readers to consider the information presented here in conjunction with the financial statements presented in this report.

REQUIRED FINANCIAL STATEMENTS

The basic financial statements contained in this report are presented using Governmental Accounting Standards Board (GASB) accounting principles. These financial statements offer short-term and long-term financial information about the District’s activities.

The Balance Sheets include all of the District’s assets and liabilities and provide information about the nature and amounts of assets and the obligations as of the balance sheet dates. They also provide the basis for evaluating the capital structure of the District and assessing the liquidity of the District.

All of the current year’s revenues and expenses are accounted for in the Statements of Revenues, Expenses, and Changes in Net Position. This statement measures changes in the District’s operations over the past year and can be used to determine whether the District has been able to recover all of its costs through its rent revenue and other revenue sources.

The final required financial statement is the Statements of Cash Flows. The primary purpose of these statements is to provide information about the District’s cash from operating, investing, and financing activities and to provide information as where the inflows of cash are derived from, what were the outflows of cash used for, and what the change in the cash balance was during the fiscal year.

CAPITAL ASSETS

Capital assets include land, improvements to land, buildings, furniture, fixtures, and equipment used in operations and exceeds the District's capitalization threshold explained in Note 1f, Exhibit D. The District has capitalized all general capital assets.

OTHER INFORMATION

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements are a required part of the basic financial statements and can be found in Exhibit D of this report.

FINANCIAL ANALYSIS OF THE DISTRICT

The Balance Sheets and the Statements of Revenues, Expenses, and Changes in Net Position report information about the District's activities. Increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, other nonfinancial factors such as changes in the healthcare industry and general economic conditions should also be considered.

2025 FINANCIAL HIGHLIGHTS

The following summarizes the District's financial highlights for the years ended September 30, 2025 and 2024.

The District recognized operating revenues of \$2,500,000 in both 2025 and 2024, for lease related revenue from Ochsner.

Total operating expenses were \$2,549,625 for 2025 as compared to \$2,570,405 for 2024, which included \$151,938 of depreciation in 2025 and \$176,896 of depreciation for 2024. Operating expenses also included \$2,350,000 for both 2025 and 2024 of Medicaid supplemental payments associated with the Low Income and Needy Care Collaboration Agreement.

Non-operating revenues were \$269,563 for 2025 as compared to \$270,224 for 2024, which included \$267,204 of interest income on the notes receivable for 2025 and \$267,542 of interest income on the notes receivable for 2024. The decrease in interest income was due to a decrease in the variable interest rate.

The District recognized a change in net position of \$219,938 in 2025 as compared to \$199,819 in 2024.

2024 FINANCIAL HIGHLIGHTS

The following summarizes the District's financial highlights for the years ended September 30, 2024 and 2023.

The District recognized operating revenues of \$2,500,000 in both 2024 and 2023 for lease related revenue from Ochsner.

Total operating expenses were \$2,570,405 for 2024 as compared to \$2,624,099 for 2023, which included \$176,896 of depreciation in 2024 and \$201,535 of depreciation for 2023. Operating expenses also included \$2,350,000 for both 2024 and 2023 of Medicaid supplemental payments associated with the Low Income and Needy Care Collaboration Agreement.

Non-operating revenues were \$270,224 for 2024 as compared to \$248,533 for 2023, which included \$267,542 of interest income on the notes receivable for 2024 and \$247,178 of interest income on the notes receivable for 2023. The increase in interest income was due to an increase in the variable interest rate.

The District recognized a change in net position of \$199,819 in 2024 as compared to \$124,434 in 2023.

BALANCE SHEETS

The District's condensed Balance Sheets as of September 30, 2025, 2024, and 2023 consist of the following:

	<u>September 30,</u>		<u>Dollar</u>	<u>Percent</u>
	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>Change</u>
Total current assets	\$ 3,466,219	\$ 3,465,854	\$ 365	0.01%
Capital assets, net	578,285	550,223	28,062	5.10%
Other assets	<u>20,890,933</u>	<u>22,639,288</u>	<u>(1,748,355)</u>	-7.72%
Total assets	<u>\$ 24,935,437</u>	<u>\$ 26,655,365</u>	<u>\$ (1,719,928)</u>	-6.45%
Deferred inflow of resources	\$ 12,784,889	\$ 14,724,755	\$ (1,939,866)	-13.17%
Net position	<u>12,150,548</u>	<u>11,930,610</u>	<u>219,938</u>	1.84%
Total liabilities and net position	<u>\$ 24,935,437</u>	<u>\$ 26,655,365</u>	<u>\$ (1,719,928)</u>	-6.45%

As shown above, for the year ended September 30, 2025, total assets decreased by \$1,719,928, or 6.45%, to \$24,935,437 as of September 30, 2025 from \$26,655,365 as of September 30, 2024.

BALANCE SHEETS (Continued)

	<u>September 30,</u>		<u>Dollar</u>	<u>Percent</u>
	<u>2024</u>	<u>2023</u>		
Total current assets	\$ 3,465,854	\$ 3,286,045	\$ 179,809	5.47%
Capital assets	550,223	727,122	(176,899)	-24.33%
Other assets	<u>22,639,288</u>	<u>24,308,656</u>	<u>(1,669,368)</u>	-6.87%
Total assets	<u>\$ 26,655,365</u>	<u>\$ 28,321,823</u>	<u>\$ (1,666,458)</u>	-5.88%
Total current liabilities	\$ -	\$ 2,104	\$ (2,104)	-100.00%
Deferred inflow of resources	14,724,755	16,588,928	(1,864,173)	-11.24%
Net position	<u>11,930,610</u>	<u>11,730,791</u>	<u>199,819</u>	1.70%
Total liabilities and net position	<u>\$ 26,655,365</u>	<u>\$ 28,321,823</u>	<u>\$ (1,666,458)</u>	-5.88%

As shown above, for the year ended September 30, 2024 total assets decreased by \$1,666,458, or 5.58%, to \$26,655,365 as of September 30, 2024 from \$28,321,823 as of September 30, 2023.

CURRENT ASSETS**2025**

The increase in total current assets of \$365 resulted from decreases in cash of \$80,328 offset by an increase in lease receivable of \$75,693 and an increase in other receivables of \$5,000.

2024

The increase in total current assets of \$179,809 resulted from increases in cash of \$257,069 and lease receivable of \$72,740, offset by a decrease in other receivables of \$150,000.

CAPITAL ASSETS

The components of the District's capital assets as of September 30, 2025, 2024, and 2023 consist of the following:

	September 30,		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Land	\$ 248,523	\$ 68,523	\$ 68,523
Land improvements	301,188	301,188	301,188
Buildings and improvements	11,364,534	11,364,534	11,364,534
Furniture and equipment	<u>153,377</u>	<u>153,377</u>	<u>153,377</u>
Subtotal	12,067,622	11,887,622	11,887,622
Less accumulated depreciation	<u>(11,489,337)</u>	<u>(11,337,399)</u>	<u>(11,160,500)</u>
Net capital assets	<u>\$ 578,285</u>	<u>\$ 550,223</u>	<u>\$ 727,122</u>

2025

Capital assets increased due to the purchase of land of \$180,000. Annual depreciation expense for 2025 and 2024 was \$151,938 and \$176,896, respectively.

2024

Annual depreciation expense for 2024 and 2023 was \$176,896 and \$201,535, respectively.

More information about the District's capital assets is presented in Note 3 to the financial statements.

OTHER ASSETS**2025 and 2024**

The decrease in other assets was principally the result of payments being made on the lease receivable, offset by an increase in the interest receivable resulting from the accrual of interest on the note receivable.

NET POSITION

The components of the District's net position as of September 30, 2025, 2024, and 2023 consist of the following:

	September 30,		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Net investment in capital assets	\$ 578,285	\$ 550,223	\$ 727,122
Unrestricted	<u>11,572,263</u>	<u>11,380,387</u>	<u>11,003,669</u>
Totals	<u>\$ 12,150,548</u>	<u>\$ 11,930,610</u>	<u>\$ 11,730,791</u>

NET POSITION (Continued)**2025**

For the year ended September 30, 2025, total net position increased \$219,938, or 1.84%, as a result of total revenues exceeding total expenses. Of the District's \$12,150,548 and \$11,930,610 in net position as of September 30, 2025 and 2024, respectively, \$578,285 and \$550,223, respectively, were not spendable because these amounts are invested in capital assets.

2024

For the year ended September 30, 2024, total net position increased \$199,819, or 1.70%, as a result of total revenues exceeding total expenses. Of the District's \$11,930,610 and \$11,730,791 in net position as of September 30, 2024 and 2023, respectively, \$550,223 and \$727,122, respectively, were not spendable because these amounts are invested in capital assets.

STATEMENTS OF REVENUE AND EXPENSES

A summary of the District's revenues and expenses for the years ended September 30, 2025, 2024, and 2023 consist of the following:

	<u>September 30,</u>		<u>Dollar</u>	<u>Percent</u>
	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>Change</u>
Operating revenues:				
Lease related revenue	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ -</u>	<u>0.00%</u>
Operating expenses:				
Medicaid supplemental payments	2,350,000	2,350,000	-	0.00%
Depreciation	151,938	176,896	(24,958)	-14.11%
Insurance	7,248	7,229	19	0.26%
Legal and professional fees	28,415	23,500	4,915	20.91%
Supplies and other	6,226	6,587	(361)	-5.48%
Travel	<u>5,798</u>	<u>6,193</u>	<u>(395)</u>	<u>-6.38%</u>
Total operating expenses	<u>2,549,625</u>	<u>2,570,405</u>	<u>(20,780)</u>	<u>-0.81%</u>
Loss from operations	(49,625)	(70,405)	20,780	-29.51%
Non-operating income	<u>269,563</u>	<u>270,224</u>	<u>(661)</u>	<u>-0.24%</u>
Revenue in excess of expenses	<u>\$ 219,938</u>	<u>\$ 199,819</u>	<u>\$ 20,119</u>	<u>10.07%</u>

STATEMENTS OF REVENUE AND EXPENSES (Continued)

	<u>September 30,</u>		<u>Dollar</u>	<u>Percent</u>
	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>Change</u>
Operating revenues:				
Lease related revenue	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ -</u>	0.00%
Operating expenses:				
Medicaid supplemental payments	2,350,000	2,350,000	-	0.00%
Depreciation	176,896	201,535	(24,639)	-12.23%
Insurance	7,229	7,177	52	0.72%
Legal and professional fees	23,500	22,500	1,000	4.44%
Supplies and other	6,587	34,963	(28,376)	-81.16%
Travel	<u>6,193</u>	<u>7,924</u>	<u>(1,731)</u>	-21.85%
Total operating expenses	<u>2,570,405</u>	<u>2,624,099</u>	<u>(53,694)</u>	-2.05%
Loss from operations	(70,405)	(124,099)	53,694	-43.27%
Non-operating income	<u>270,224</u>	<u>248,533</u>	<u>21,691</u>	8.73%
Expenses in excess of revenues	<u>\$ 199,819</u>	<u>\$ 124,434</u>	<u>\$ 75,385</u>	60.58%

OPERATING REVENUE**2025 and 2024**

During 2025 and 2024, the District earned operating revenue of \$2,500,000 from the rental of building space to Ochsner St. Anne.

OPERATING EXPENSES**2025**

During 2025, the District incurred operating expenses of \$2,549,625 which was a decrease of \$20,780 from the prior year total of \$2,570,405. The majority of the decrease is the result of a decrease in depreciation of \$24,958 offset by an increase in legal and professional fees.

2024

During 2024, the District incurred operating expenses of \$2,570,405 which was a decrease of \$53,694 from the prior year total of \$2,624,099. The majority of the decrease is the result of a decrease in supplies and other expenses of \$28,376, plus a decrease in depreciation of \$24,639.

NON-OPERATING INCOME

2025

Non-operating income consists of interest income. Interest income is earned on the note receivable and operating account. The overall decrease includes a decrease in interest income on the note receivable of \$338 due to an decrease in effective interest rates of the note receivable.

2024

Non-operating income consists of interest income. Interest income is earned on the note receivable and operating account. The overall increase includes an increase in interest income on the note receivable of \$20,364 due to an increase in effective interest rates of the note receivable.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

While the 2025 annual budget of the District is not presented within these financial statements, the District's management considered many factors when setting the fiscal year budgets. Although the financial outlook for the District appears to be positive, the primary areas of importance in setting the 2025 budget are the status of the leases, healthcare environment, and other environmental factors such as:

- Anticipated payments for Medicaid supplemental payments
- Cost of supplies
- Cost of legal and professional fees
- Cost of insurance
- Interest rate fluctuations

CONTACTING THE DISTRICT'S FINANCIAL MANAGER

This financial report is designated to provide citizens, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact the District's administration.

BALANCE SHEETS**Lafourche Parish Hospital Service District No. 2**
Raceland, Louisiana

September 30, 2025 and 2024

ASSETS

	<u>2025</u>	<u>2024</u>
Current Assets		
Cash	\$ 1,521,352	\$ 1,601,680
Other receivable	5,000	-
Lease receivable	<u>1,939,867</u>	<u>1,864,174</u>
Total current assets	<u>3,466,219</u>	<u>3,465,854</u>
Capital Assets, net	<u>578,285</u>	<u>550,223</u>
Other Assets		
Note receivable	8,440,517	8,440,517
Lease receivable	10,845,022	12,860,581
Interest receivable	<u>1,605,394</u>	<u>1,338,190</u>
Total other assets	<u>20,890,933</u>	<u>22,639,288</u>
Total assets	<u><u>\$ 24,935,437</u></u>	<u><u>\$ 26,655,365</u></u>

LIABILITIES AND NET POSITION

Deferred Inflow of Resources		
Deferred inflows relating to leases	<u>12,784,889</u>	<u>14,724,755</u>
Net Position		
Net investment in capital assets	578,285	550,223
Unrestricted	<u>11,572,263</u>	<u>11,380,387</u>
Total net position	<u>12,150,548</u>	<u>11,930,610</u>
Total liabilities and net position	<u><u>\$ 24,935,437</u></u>	<u><u>\$ 26,655,365</u></u>

See notes to financial statements.

**STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION**

**Lafourche Parish Hospital Service District No. 2
Raceland, Louisiana**

For the years ended September 30, 2025 and 2024

	2025	2024
Operating Revenues		
Lease related revenue (Note 7)	\$ 2,500,000	\$ 2,500,000
Operating Expenses		
Medicaid supplemental payments	2,350,000	2,350,000
Depreciation	151,938	176,896
Insurance	7,248	7,229
Legal and professional fees	28,415	23,500
Supplies and other	6,226	6,587
Travel	5,798	6,193
Total operating expenses	2,549,625	2,570,405
Loss from operations	(49,625)	(70,405)
Non-Operating Revenues		
Interest income	2,359	2,682
Interest income - note receivable	267,204	267,542
Total non-operating revenues	269,563	270,224
Change in Net Position	219,938	199,819
Net Position		
Beginning of year	11,930,610	11,730,791
End of year	\$ 12,150,548	\$ 11,930,610

See notes to financial statements.

STATEMENTS OF CASH FLOWS**Lafourche Parish Hospital Service District No. 2**
Raceland, Louisiana

For the years ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Receipts from operating activities	\$ 2,500,000	\$ 2,500,000
Payments to suppliers	<u>(2,402,687)</u>	<u>(2,245,613)</u>
Net cash provided by operating activities	<u>97,313</u>	<u>254,387</u>
Cash Flows From Investing Activities		
Purchases of property and equipment	(180,000)	-
Investment income	<u>2,359</u>	<u>2,682</u>
Net cash provided by (used in) investing activities	<u>(177,641)</u>	<u>2,682</u>
Net Increase (Decrease) in Cash	(80,328)	257,069
Cash		
Beginning of year	<u>1,601,680</u>	<u>1,344,611</u>
End of year	<u><u>\$ 1,521,352</u></u>	<u><u>\$ 1,601,680</u></u>
Supplemental Disclosure of Non-Cash Investing Activities		
Accrued interest on note receivable	<u>\$ 267,204</u>	<u>\$ 267,542</u>
Reconciliation of Loss From Operations to Net Cash Provided by Operating Activities		
Loss from operations	\$ (49,625)	\$ (70,405)
Adjustments to reconcile loss from operations to net cash provided by operating activities:		
Depreciation	151,938	176,896
(Increase) decrease in other receivables	(5,000)	150,000
Decrease in accounts payable	<u>-</u>	<u>(2,104)</u>
Net cash provided by operating activities	<u><u>\$ 97,313</u></u>	<u><u>\$ 254,387</u></u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Lafourche Parish Hospital Service District No. 2**

Raceland, Louisiana

September 30, 2025 and 2024

Note 1 - DESCRIPTION OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a. Reporting Entity**

Lafourche Parish Hospital Service District No. 2 (the “District”), is an acute care facility created pursuant to Louisiana Revised Statutes. Effective May 1, 2006, the District and Ochsner Bayou L.L.C. (“Ochsner”) entered into a Special Services Agreement as more fully described in Note 5.

The administration of the District is governed by a Board of Commissioners consisting of five members appointed by the Lafourche Parish Council in accordance with the terms of office set forth in Louisiana Revised Statute 46:1053 and in Section 24:300 (C) of Sub-Chapter “G” of the Code of Ordinance of the Lafourche Parish Council.

As the governing authority of Lafourche Parish (the “Parish”), for reporting purposes, the Lafourche Parish Council (the “Council”) is the financial reporting entity for the Parish. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14, “*The Financial Reporting Entity*” and Statement No. 39, “*Determining Whether Certain Organizations Are a Component Unit - an Amendment of GASB Statement No. 14 and GASB Statement No. 61, The Financial Reporting Entity: omnibus an amendment of GASB Statements No. 14 and No. 34*”, established criteria for determining which component units should be considered part of the reporting entity for financial reporting purposes. The criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

Note 1 - DESCRIPTION OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell, and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the governmental entity and the potential component unit.
4. Imposition of will by the governmental entity on the potential component unit.
5. Financial benefit/burden relationship between the governmental entity and the potential component unit.

Because the Lafourche Parish Council appoints all of the members of the District's governing board and has the ability to impose its will on the District, the District was determined to be a component unit of the Lafourche Parish Council. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Lafourche Parish Council, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

Based on the criteria described above, the District has no component units.

b. Accounting Standards

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 is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

c. 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 statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Note 1 - DESCRIPTION OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Proprietary Fund Accounting

The District utilizes the proprietary fund method of accounting whereby the activity is accounted for on a flow of economic resources measurement focus. Revenue and expenses are recognized on the accrual basis wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable. Revenues resulting from transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Substantially all revenues and expenses are subject to accrual.

e. Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with a maturity of three months or less, excluding amounts whose use is limited by Board designation, other arrangements under trust agreements, or with third-party payors. There were no cash equivalents as of September 30, 2025 and 2024.

f. Capital Assets, Net

The District records all capital asset acquisitions at cost, except for assets donated to the District. Donated assets are recorded at fair value at the date of donation. The District provides for depreciation using the straight-line method over the estimated useful lives of the assets. The District’s policy is to capitalize acquisitions over \$500.

Maintenance, repairs and minor replacements, and improvements are expensed as incurred. Major replacements and improvements are capitalized at cost.

In accordance with GASB Statement No. 42, “*Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Reserves*”, management evaluates assets for potential impairment when a significant, unexpected decline in the service utility of a capital asset occurs.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

	Estimated Lives
Buildings and building improvements	5 - 40 years
Land improvements	15 - 20 years
Furniture and equipment	5 - 7 years

Note 1 - DESCRIPTION OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Deferred Inflows of Resources

Deferred inflows of resources represent an increase in net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The deferred inflows of resources reported in the financial statements are deferred lease revenue.

h. Net Position

Net position represents the difference between assets and liabilities. Net position classifications are defined as follows:

Net Investment in Capital Assets - Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets.

Restricted Net Position - Net position is reported as restricted when there are limitations imposed on their use either through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There were no restrictions as of September 30, 2025 and 2024.

Unrestricted Net Position - This component of net position reports the net position that does not meet the definition of “restricted” or “net investment in capital assets”, as described above. Unrestricted resources are for the use of the District’s operations.

The District first applies restricted resources when expenditure is incurred for purposes for which both restricted and unrestricted resources are available.

i. Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through February 6, 2026, which is the date the financial statements were available to be issued.

Note 1 - DESCRIPTION OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. New Pronouncements

During the year ended September 30, 2025, the District implemented the following GASB Statements:

Statement No. 101, “*Compensated Absences*” provides guidance to better meet the information needs of financial statements users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement did not affect the financial statements for the year ended September 30, 2025.

Statement No. 102, “*Certain Risk Disclosures*” defines concentrations and constraints. The Statement also requires governments to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact and whether an event or events associated with a concentration of constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Additional disclosures are to be included if reporting criteria is met which will provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. This Statement did not affect the financial statements for the year ended September 30, 2025.

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 103, “*Financial Reporting Model Improvements*” provides guidance to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The Statement establishes new or modifies existing requirements related to Management’s Discussion and Analysis (MD&A), unusual or infrequent items, presentation of proprietary fund statement of revenues, expenses, and changes in fund net position, information about major component units in basic financial statements, and budgetary comparison information. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has yet to determine the effect of this Statement on the financial statements.

Note 1 - DESCRIPTION OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. New Pronouncements (Continued)

Statement No. 104, “*Disclosure of Certain Capital Assets*” provides guidance on the requirements of certain types of capital assets disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosure. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for all fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has yet to determine the effect of this Statement on the financial statements.

Note 2 - CASH AND INVESTMENTS

The District reports cash and investments utilizing GASB Statement No. 40, “*Deposit and Investment Risk Disclosures*”, which requires certain disclosures of investment risks related to credit risk, concentration of credit risk and interest rate risk associated with interest-bearing investments. Such disclosures required by GASB Statement No. 40 and applicable to the District are as follows:

Note 2 - CASH AND INVESTMENTS (Continued)

Bank Deposits:

Louisiana State Law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes Federal Deposits Insurance Corporation (FDIC) insurance and securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision, or with an unaffiliated bank or a trust company for the account of the political subdivision.

The balances of deposits as of September 30, 2025 and 2024 are as follows:

	2025		2024	
	Bank Balances	Reported Amount	Bank Balances	Reported Amount
Cash	\$ 1,522,372	\$ 1,521,352	\$ 1,602,503	\$ 1,601,680

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a written deposit policy for custodial credit risk beyond the requirements of the state statute. As of September 30, 2025 and 2024, \$1,022,372 and \$1,102,503 of the District’s bank balance of \$1,522,372 and \$1,602,503, respectively, was exposed to custodial credit risk. As of September 30, 2025 and 2024, these deposits were uninsured and collateralized with securities held by the pledging financial institution’s trust department in the District’s name.

As of September 30, 2025 and 2024, cash in excess of FDIC insurance was collateralized by securities held by unaffiliated banks for the account of the depositors. The GASB, which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 - CAPITAL ASSETS

Capital asset activity as of and for the years ended September 30, 2025 and 2024 is as follows:

	September 30, 2024	Additions	Transfers and Disposals	September 30, 2025
Capital assets, not being depreciated:				
Land	\$ 68,523	\$ 180,000	\$ -	\$ 248,523
Capital assets, being depreciated:				
Land improvements	301,188	-	-	301,188
Buildings and building improvements	11,364,534	-	-	11,364,534
Furniture and equipment	153,377	-	-	153,377
Total capital assets, being depreciated	11,819,099	-	-	11,819,099
Less accumulated depreciation for:				
Land improvements	301,188	-	-	301,188
Buildings and building improvements	10,890,885	149,013	-	11,039,898
Furniture and equipment	145,326	2,925	-	148,251
Total accumulated depreciation	11,337,399	151,938	-	11,489,337
Total capital assets, being depreciated, net	481,700	(151,938)	-	329,762
Capital assets, net	\$ 550,223	\$ 28,062	\$ -	\$ 578,285

Note 3 - CAPITAL ASSETS (Continued)

	<u>September 30, 2023</u>	<u>Additions</u>	<u>Transfers and Disposals</u>	<u>September 30, 2024</u>
Capital assets, not being depreciated:				
Land	\$ 68,523	\$ -	\$ -	\$ 68,523
Capital assets, being depreciated:				
Land improvements	301,188	-	-	301,188
Buildings and building improvements	11,364,534	-	-	11,364,534
Furniture and equipment	<u>153,377</u>	<u>-</u>	<u>-</u>	<u>153,377</u>
Total capital assets, being depreciated	<u>11,819,099</u>	<u>-</u>	<u>-</u>	<u>11,819,099</u>
Less accumulated depreciation for:				
Land improvements	301,183	5	-	301,188
Buildings and building improvements	10,716,916	173,969	-	10,890,885
Furniture and equipment	<u>142,401</u>	<u>2,925</u>	<u>-</u>	<u>145,326</u>
Total accumulated depreciation	<u>11,160,500</u>	<u>176,899</u>	<u>-</u>	<u>11,337,399</u>
Total capital assets, being depreciated, net	<u>658,599</u>	<u>(176,899)</u>	<u>-</u>	<u>481,700</u>
Capital assets, net	<u>\$ 727,122</u>	<u>\$ (176,899)</u>	<u>\$ -</u>	<u>\$ 550,223</u>

Note 4 - INCOME TAXES

The District is a governmental unit, registered as a not-for-profit corporation and is exempt from Federal income taxes on related income.

Note 5 - SPECIAL SERVICES AGREEMENT

Effective May 1, 2006, the District entered into a Special Services Agreement (SSA) with Ochsner. On March 9, 2021, the SSA was amended to extend the term of the SSA to the same term as the lease agreement. The SSA provides that the District retains certain powers incident to its purposes as a hospital service district; that Ochsner shall at all times operate the facilities in conformity with the standards performance of the Joint Commission for the Accreditation of Healthcare Organizations; that Ochsner shall provide various management services; that Ochsner cannot discontinue services without the approval of the District; that Ochsner and the District must agree on the hospital's strategic plan; and, that Ochsner shall be entitled to bill and collect for all services performed at the hospital facilities.

Note 5 - SPECIAL SERVICES AGREEMENT (Continued)

In accordance with the SSA, the District and Ochsner entered into a lease agreement to facilitate the continuation of the provision of high quality health care services to residents of its district. The District leases (i) tracts of land; (ii) all buildings, structures, fixtures, and improvements; (iii) servitudes; and (iv) all equipment, machinery, fixtures, and other items of property to Ochsner.

Under the third amendment to the lease agreement dated June 1, 2015, the initial lease term is for 20 years and can be renewed six additional five year terms. The lease was subsequently amended on March 9, 2021 to extend the lease to April 30, 2031. Under the agreement, Ochsner shall pay to the District a base rent in the amount of \$2,500,000 per year for the use of premises, which shall be due and payable in quarterly installments in the amount of \$625,000 due on June 1st, September 1st, December 1st, and March 1st of each year. In addition to the base rent, Ochsner shall pay for the following: (i) all expenditures related to the routine repair and maintenance of the facilities; (ii) all expenditures related to tenant improvements; and (iii) expenditures for necessary permanent capital improvements to the facilities up to \$1,000,000 during the remainder of the initial lease term.

If by the end of the initial term or any successive term, Ochsner has not expended amounts at least equal to the initial rent or any successive term rent, respectively, Ochsner shall pay to the District at such time cash in the amount of the shortfall. If by the end of the initial term or any successive term, Ochsner has expended amounts on excess permanent capital improvements such excess shall be carried forward as a potential credit against any rent owed by Ochsner to the District during such successive term.

Upon termination of the lease agreement, if Ochsner has expended amounts of excess permanent capital improvements approved by the respective governing boards of both Ochsner and the District which have not been applied as a credit against rent owed by Ochsner as of the date of termination, Ochsner shall be entitled to reimbursement from the District for the net present value of such expenditures, to the extent such expenditures are permitted to be capitalized and have not been fully depreciated in accordance with accounting principles generally accepted in the United States of America.

During the term of the lease agreement, the District shall utilize its best efforts to cooperate with Ochsner to address any issues related to the operation of facilities and conduct quarterly reviews to evaluate whether additional funding is needed to support Ochsner's continued ability to operate the facilities and provide healthcare services to the residents in the community in accordance with the standards set forth in the lease agreement. In the event the District elects to use its Available Tax and Operating Revenue for a purpose other than support for the hospital and/or the delivery of healthcare services for the low-income and needy population, either party shall have the right to terminate the lease agreement. "Available Tax and Operating Revenue" shall be defined as the sum of the District's annual proceeds from any tax millage it levies and the District's operating revenue, less \$150,000

Note 5 - SPECIAL SERVICES AGREEMENT (Continued)

per year to be retained by the District to cover the costs of its reasonable operating expenses and maintain any required budgetary reserves.

As additional consideration for the amendments to the lease agreement, the District agrees to assign to Ochsner any and all of the rights under any facilities lease agreement between the District and LHC Group, Inc.

Note 6 - WORKING CAPITAL NOTE

As part of the initial SSA dated May 1, 2006, the District received a working capital note from Ochsner. The principal balance on the note as of September 30, 2010 was \$7,054,945. On December 31, 2010, the note was amended, and the note balance was increased to \$8,028,777 which included the original principal balance plus all accrued unpaid interest of \$973,832. On June 1, 2015, the note was again amended, and the note balance was increased to \$8,440,517 which included the original principal balance plus all accrued unpaid interest of \$411,740. The aggregate principal amount of the working capital note outstanding bears interest at a rate per annum equal to the 5 Year Yield Tax Exempt Insured Revenue Bond Rate published by Bloomberg on the first day of the calendar month. The principal amount of this working capital note, together with all interest then accrued hereon, is due and payable in full on April 30, 2031. As of September 30, 2025 and 2024, accrued interest totaled \$1,605,394 and \$1,338,190, respectively.

Note 7 - LESSOR LEASES

As discussed in Note 5, the District entered into a lease agreement with Ochsner on June 1, 2015. Ochsner shall pay annual rent of \$2,500,000 in quarterly installments of \$625,000 through May 2031. It is anticipated that the District will use the rental income to make the \$2,350,000 of annual Medicaid supplemental payments associated with the Low Income and Needy Care Collaboration Agreement with area healthcare partners. Income arising from leases as a lessor is included as a receivable and deferred inflow of resources at the commencement of the lease and revenue is recognized on a straight line basis over the lease term.

Note 7 - LESSOR LEASES (Continued)

The following is a schedule of the District's lease related revenues for the years ended September 30, 2025 and 2024:

	2025	2024
Lease revenue	\$ 1,939,867	\$ 1,791,434
Interest revenue	560,133	708,566
Total lease related revenues	\$ 2,500,000	\$ 2,500,000

Variable revenues are based on future performance or usage and are not included in the measurement of the lease receivable or deferred inflows. The following is a schedule of the District's other lease related revenues for the years ended September 30, 2025 and 2024:

	2025	2024
Variable revenues	NONE	NONE
Residual value guarantees	NONE	NONE
Termination penalties	NONE	NONE
Total variable and other revenues	\$ -	\$ -

Future minimum lease payments are as follows:

Years Ending September 30,	Amounts
2026	\$ 2,500,000
2027	2,500,000
2028	2,500,000
2029	2,500,000
2030	2,500,000
Thereafter	1,875,000
Total	\$ 14,375,000

Deferred inflows of resources related to these leases as of September 30, 2025 and 2024 total \$12,784,889 and \$14,724,755, respectively. The inflows of resources are recognized ratably over the terms of the lease using the net present value at the inception of the lease at a 4% discount rate which approximated the ten year treasury rate.

Note 8 - RISK MANAGEMENT

The District is exposed to various risks of loss from torts; theft of damage to and destruction of assets; business interruption; errors and omissions; and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

Lafourche Parish Hospital Service District No. 2

Raceland, Louisiana

For the year ended September 30, 2025

Agency Head Name: Mr. Leonard St. Pierre, Board Chairman *

Purpose

Salary	\$0
Benefits - insurance	0
Benefits - retirement	0
Benefits - other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
	<hr/>
	\$0

* During the year ended September 30, 2025, the District did not have compensation, benefits, or other payments to its agency head.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Commissioners,
Lafourche Parish Hospital Service District No. 2,
Raceland, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Lafourche Parish Hospital Service District No. 2 (the “District”) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated February 6, 2026.

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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants.

New Orleans, Louisiana,
February 6, 2026.

SCHEDULE OF FINDINGS AND RESPONSES

Lafourche Parish Hospital Service District No. 2
Raceland, Louisiana

For the year ended September 30, 2025

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency (ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

b) Federal Awards

Lafourche Parish Hospital Service District No. 2 did not expend federal awards in excess of \$750,000 during the year ended September 30, 2025 and, therefore, is exempt from the audit requirements under Title 2 U.S. Code of Federal regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**Section II - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements**

Internal Control Over Financial Reporting

There were no findings reported during the audit for the year ended September 30, 2025 related to internal control over financial reporting.

**Section II - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements (Continued)**

Compliance and Other Matters

There were no findings reported during the audit for the year ended September 30, 2025 related to compliance and other matters.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Lafourche Parish Hospital Service District No. 2

Raceland, Louisiana

For the year ended September 30, 2025

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

There were no findings reported during the audit for the year ended September 30, 2024 related to internal control over financial reporting.

Compliance and Other Matters

There were no findings reported during the audit for the year ended September 30, 2024 related to compliance and other matters.

Section II - Internal Control and Compliance Material to Federal Awards

Lafourche Parish Hospital Service District No. 2 did not expend federal awards in excess of \$750,000 during the year ended September 30, 2024, and therefore, was exempt from the audit requirements under Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended September 30, 2024.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Lafourche Parish Hospital Service District No. 2

Raceland, Louisiana

For the year ended September 30, 2025

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

There were no findings reported during the audit for the year ended September 30, 2025 related to internal control over financial reporting.

Compliance and Other Matters

There were no findings reported during the audit for the year ended September 30, 2025 related to compliance and other matters.

Section II - Internal Control and Compliance Material to Federal Awards

Lafourche Parish Hospital Service District No. 2 did not expend federal awards in excess of \$750,000 during the year ended September 30, 2025, and therefore, was exempt from the audit requirements under Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended September 30, 2025.