

HOSPITAL SERVICE DISTRICT NO. 1
PARISH OF POINTE COUPEE

MANAGEMENT'S DISCUSSION AND ANALYSIS
AND
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

FOR THE YEARS ENDED
OCTOBER 31, 2025 AND 2024



LESTER, MILLER & WELLS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Years Ended October 31, 2025 and 2024

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Hospital Service District No. 1 of the Parish of Pointe Coupee and Affiliate Management's Discussion and Analysis

This section of the Hospital Service District's annual financial report presents background information and management's analysis of the District's financial performance during the fiscal year that ended on October 31, 2025. Please read it in conjunction with the financial statements in this report.

Financial Highlights

- The District's total assets increased by \$6,208,591, or roughly 9.15%. The increase in assets results from an increase in investments and an increase in net pension asset.
- The District's total liabilities decreased by \$1,413,478, or roughly 24.10%. The decrease in liabilities results from a decrease in net pension liability.
- The District's total assets exceeded its total liabilities by approximately \$70 million, \$62 million, \$51 million at October 31, 2025, 2024, and 2023, respectively.
- During the year, the District's operating revenue decreased by \$1,684,889, or 5.23%. Operating expenses increased by \$617,749, or 2.12%. The District had income from operations of \$784,149, \$3,086,787, and \$1,433,752 in 2025, 2024, and 2023, respectively.
- Nonoperating income and expenses contributed to an overall positive change in net position over the past three years. Net position increased by \$5,372,166, \$7,615,453, and \$5,384,483 in 2025, 2024, and 2023, respectively.
- The District received sales tax revenues of \$2,788,530 in fiscal year 2025, \$2,965,950 in fiscal year 2024, and \$2,861,606 in fiscal year 2023.

Required Financial Statements

The Financial Statements of the District report information about the District using Governmental Accounting Standards Board (GASB) accounting principles. These statements offer short-term and long-term financial information about its activities. The Statements of Net Position include all of the District's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the Statements of Revenue, Expenses, and Changes in Net Position. This statement measures improvements in the District's operations over the past two years and can be used to determine whether the District has been able to recover all of its costs through its patient service revenue and other revenue sources. The final required financial statement is the Statements of Cash Flows. The primary purpose of this statement is to provide information about the District's cash from operations, investing, and financing activities, and to provide answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Financial Analysis of the Hospital Service District

The Statements of Net Position and the Statements of Revenue, Expenses, and Changes in Net Position report information about the Hospital Service District's activities. These two statements report the net position of the District and changes in them. 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 health care industry, changes in Medicare and Medicaid regulations, and changes in managed care contracting should also be considered.

Hospital Service District No. 1 of the Parish of Pointe Coupee and Affiliate
Management's Discussion and Analysis (Continued)

Net Position

The District's net position is the difference between its assets, deferred outflows, liabilities, and deferred inflows reported in the statement of net position. As discussed in the financial highlights, the District's net position increased by \$5,372,166. The financial highlights also discuss the changes in assets and liabilities as presented in Table 1 below:

TABLE 1
Condensed Statements of Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Total current assets	\$ 8,897,470	\$ 9,458,297	\$ 9,667,336
Land and depreciable assets - net	14,300,146	14,764,591	15,058,958
Other assets	<u>50,898,153</u>	<u>43,664,290</u>	<u>37,220,206</u>
 Total Assets	 <u>74,095,769</u>	 <u>67,887,178</u>	 <u>61,946,500</u>
 Deferred outflows of resources	 <u>2,042,822</u>	 <u>3,987,284</u>	 <u>7,710,474</u>
 Total Assets and Deferred Outflows of Resources	 \$ <u>76,138,591</u>	 \$ <u>71,874,462</u>	 \$ <u>69,656,974</u>
 Current liabilities	 \$ 3,502,366	 \$ 3,504,539	 \$ 3,818,108
Long-term liabilities	<u>949,223</u>	<u>2,360,528</u>	<u>7,078,441</u>
 Total Liabilities	 <u>4,451,589</u>	 <u>5,865,067</u>	 <u>10,896,549</u>
 Deferred inflows of resources	 <u>1,531,083</u>	 <u>1,225,642</u>	 <u>1,592,125</u>
 Invested in capital assets, net of related debt	 13,284,270	 13,626,597	 13,701,823
Restricted	847,862	847,862	847,862
Unrestricted	<u>56,023,787</u>	<u>50,309,294</u>	<u>42,618,615</u>
 Net position	 <u>70,155,919</u>	 <u>64,783,753</u>	 <u>57,168,300</u>
 Total Liabilities, Deferred Inflows of Resources, and Net Position	 \$ <u>76,138,591</u>	 \$ <u>71,874,462</u>	 \$ <u>69,656,974</u>

Hospital Service District No. 1 of the Parish of Pointe Coupee and Affiliate
Management's Discussion and Analysis (Continued)

Summary of Revenue, Expenses, and Changes in Net Position

The following table presents a summary of the District's historical revenues and expenses for each of the fiscal years ended October 31, 2025, 2024, and 2023.

TABLE 2
Condensed Statements of Revenue, Expenses, and
Changes in Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Revenue:			
Net patient service revenue	\$ 23,592,714	\$ 23,765,519	\$ 21,893,616
Medicaid supplemental payments	5,598,036	7,038,013	8,113,232
Other revenues	<u>1,314,527</u>	<u>1,386,634</u>	<u>1,149,268</u>
 Total revenue	 <u>30,505,277</u>	 <u>32,190,166</u>	 <u>31,156,116</u>
 Expenses:			
Salaries and benefits	16,897,151	15,670,630	16,957,883
Medical supplies and drugs	1,608,466	1,845,369	1,588,500
Insurance	558,250	509,392	471,163
Professional fees	4,555,143	4,500,834	4,104,753
Depreciation	1,257,523	1,300,662	1,331,322
Other expenses	<u>4,844,595</u>	<u>5,276,492</u>	<u>5,268,743</u>
 Total expenses	 <u>29,721,128</u>	 <u>29,103,379</u>	 <u>29,722,364</u>
 Operating income (loss)	 \$ <u>784,149</u>	 \$ <u>3,086,787</u>	 \$ <u>1,433,752</u>

Hospital Service District No. 1 of the Parish of Pointe Coupee and Affiliate
Management's Discussion and Analysis (Continued)

Summary of Revenue, Expenses, and Changes in Net Position (Continued)

TABLE 2 (Continued)
Condensed Statements of Revenue, Expenses, and
Changes in Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Nonoperating income (loss):			
Interest income and expense, net	\$ 1,275,512	\$ 1,113,224	\$ 839,543
Sales tax revenue	2,788,530	2,965,950	2,861,606
Non-employer pension contributions	152,711	148,217	144,121
Gain (loss) on disposal of assets	32,225	(310,104)	84,600
Payments to Police Jury	<u>(452,000)</u>	<u>(412,000)</u>	<u>(392,000)</u>
Nonoperating income, net	<u>3,796,978</u>	<u>3,505,287</u>	<u>3,537,870</u>
Excess of revenues (expenses)	4,581,127	6,592,074	4,971,622
Unrealized investment gains (losses)	<u>791,039</u>	<u>1,117,259</u>	<u>412,861</u>
Changes in net position	5,372,166	7,709,333	5,384,483
Beginning net position	64,783,753	57,168,300	51,783,817
Prior period adjustment	<u>-0-</u>	<u>(93,880)</u>	<u>-0-</u>
Ending net position	\$ <u>70,155,919</u>	\$ <u>64,783,753</u>	\$ <u>57,168,300</u>

Sources of Revenue

Operating Income

During fiscal year 2025, the District derived the majority of its total revenue from patient service revenue. Patient service revenue includes revenue from the Medicare and Medicaid programs and patients or their third-party payers, who receive care in the Hospital's facilities.

The Hospital became a Critical Access Hospital (CAH) on November 1, 2004. This changed the method of payment for most Medicare charges from prospective payment to cost based reimbursement. Swing bed services for Medicare patients also began in fiscal year 2005. Reimbursement for the Medicare and Medicaid programs and the third-party payers is based upon established contracts. The difference between the covered charges and the established contract is recognized as a contractual allowance.

Hospital Service District No. 1 of the Parish of Pointe Coupee and Affiliate
Management's Discussion and Analysis (Continued)

Operating Income (Continued)

Other revenue includes cafeteria sales, rental income, Medicaid managed care incentive payments, physician supplement payments, and other miscellaneous services.

Table 3 presents the relative percentages of gross charges billed for patient services by payer for the fiscal years ended October 31, 2025, 2024, and 2023.

TABLE 3
Payer Mix by Percentage

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Medicare	21%	22%	21%
Medicaid	16%	18%	21%
Blue Cross Blue Shield	12%	12%	14%
Commercial Insurance	47%	44%	42%
Self Pay	4%	4%	3%

Nonoperating Revenues

Nonoperating revenues typically consist of interest income and sales tax revenue. Nonoperating revenues increased by \$291,691 during the current year. This increase is a due to a gain on disposal of assets. Investment income totaled approximately \$1,299,000, \$1,152,000, and \$886,000 in 2025, 2024, and 2023, respectively.

The District holds designated and restricted funds in its Statements of Net Position that are invested primarily in the Louisiana Asset Management Pool and Merrill Lynch. Total investments in fiscal years 2025, 2024, and 2023, respectively, were \$48,760,921, \$42,929,329, and \$36,163,616.

A 1% sales tax was approved for an indefinite term with 50% of the tax dedicated to District operations and the remainder for Hospital operations. In 2016, a ¼% sales tax with a ten-year term was approved.

Hospital Service District No. 1 of the Parish of Pointe Coupee and Affiliate
Management's Discussion and Analysis (Continued)

Operating and Financial Performance

The following summarizes the Hospital's statistical data for the years ended October 31, 2025, 2024, and 2023.

**TABLE 4
Hospital Statistical Data**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Discharges:			
Acute care	69	81	73
Swing bed	84	76	63
Patient days:			
Acute care	245	341	397
Swing bed	746	820	660
Average daily census:			
Acute care	0.7	0.9	1.1
Swing bed	2.0	2.2	1.8
Average length of stay:			
Acute care	3.6	4.2	5.4
Swing bed	8.9	10.8	10.5

Overall activity at the Hospital, as measured by patient discharges, decreased by 4 during fiscal year 2025, compared to an increase of 21 during fiscal year 2024, and a decrease of 29 during fiscal year 2023. Patient days decreased by 170 in 2025, compared to an increase of 104 in 2024, and a decrease of 154 in 2023.

In 2025, total net patient service revenue decreased by 0.73% or \$172,805. Total net patient service revenue increased by 8.55% or \$1,871,903 in fiscal year 2024 and increased by 1.14% or \$246,626 in fiscal year 2023.

Average days in net accounts receivable increased to 36.86 in 2025 compared to 33.73 days in 2024, and 36.25 days in 2023. The Hospital continues to exert every effort to assist patients in finding funding sources for health care.

The provision for bad debts increased by \$116,593, \$699,298, and \$233,582 in 2025, 2024, and 2023, respectively.

Salaries increased in 2025, 2024, and 2023, respectively, by \$661,704, \$657,661, and \$383,217. Benefits increased in 2025 by \$564,817, compared to a decrease of \$1,944,914 in 2024, and an increase of \$3,727,950 in 2023. Benefits fluctuate primarily due to recognition of non-cash pension expense in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*.

Medical professional fees increased by \$54,309 and \$396,081 in 2025 and 2024, respectively, compared to a decrease of \$1,047 in 2023.

The cost of medical supplies decreased by \$236,903 in 2025, compared to an increase of \$256,869 in 2024, and a decrease of \$87,757 in 2023.

Hospital Service District No. 1 of the Parish of Pointe Coupee and Affiliate
Management's Discussion and Analysis (Continued)

Land & Depreciable Assets

At the end of 2025, the District had \$14.3 million invested in land, depreciable assets, right-of-use lease assets, and subscription assets, net of accumulated depreciation and amortization, as detailed in Note 7 and Note 8 to the financial statements. In 2025, the District invested approximately \$712,820 in depreciable assets and construction costs compared to approximately \$1.5 million in 2024. Net capital assets decreased by \$351,317 in 2025, compared to an increase of \$2,327,059 in 2024 and a decrease of \$499,826 in 2023. The District recognized \$81,471, \$0, and \$165,705 of subscription assets in 2025, 2024, and 2023, respectively.

**TABLE 5
Capital Assets**

	October 31, <u>2025</u>	October 31, <u>2024</u>	October 31, <u>2023</u>
Land	\$ 1,845,398	\$ 1,875,398	\$ 1,885,398
Construction in progress	<u>-0-</u>	<u>-0-</u>	<u>2,391,400</u>
 Total nondepreciable capital assets	 <u>\$ 1,845,398</u>	 <u>\$ 1,875,398</u>	 <u>\$ 4,276,798</u>
 Land improvements	 \$ 140,411	 \$ 163,850	 \$ 215,001
Buildings & improvements	24,624,548	26,095,214	23,602,417
Equipment	<u>5,374,505</u>	<u>9,002,431</u>	<u>8,916,692</u>
 Total depreciable capital assets	 30,139,464	 35,261,495	 32,734,110
Less: accumulated depreciation	<u>17,842,909</u>	<u>22,613,623</u>	<u>22,413,297</u>
 Total depreciable capital assets, net	 <u>\$ 12,296,555</u>	 <u>\$ 12,647,872</u>	 <u>\$ 10,320,813</u>
 Right-of-use assets, equipment	 \$ 130,080	 \$ 621,982	 \$ 637,649
Less: accumulated amortization	<u>65,355</u>	<u>479,987</u>	<u>370,362</u>
 Total right-of-use capital assets, net	 <u>\$ 64,725</u>	 <u>\$ 141,995</u>	 <u>\$ 267,287</u>
 Subscription assets	 \$ 258,532	 \$ 329,184	 \$ 329,184
Less: accumulated amortization	<u>165,064</u>	<u>229,858</u>	<u>135,124</u>
 Total subscription assets, net	 <u>\$ 93,468</u>	 <u>\$ 99,326</u>	 <u>\$ 194,060</u>

Long-Term Debt

As of October 31, 2025, the District had \$849,621 in short-term and long-term debt. Long-term debt decreased by \$24,939 in fiscal year 2025. Total debt outstanding represents approximately 1.15% of the District's total assets as of October 31, 2025, versus prior years of 1.29% and 1.41% for 2024 and 2023, respectively.

Hospital Service District No. 1 of the Parish of Pointe Coupee and Affiliate
Management's Discussion and Analysis (Continued)

Contacting the Hospital Service District's Financial Manager

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



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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Hospital Service District No. 1
Parish of Pointe Coupee, State of Louisiana
New Roads, Louisiana

Report on the Financial Statements

Opinion

We have audited the accompanying combined financial statements of the Hospital Service District No. 1, Parish of Pointe Coupee, (the "District"), a component unit of the Pointe Coupee Parish Police Jury, New Roads, Louisiana, as of and for the years ended October 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's combined 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 of the District, as of October 31, 2025 and 2024, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Maison Pointe Coupee Apartments, which statements reflect total assets of \$1,392,173 and \$1,413,398 as of December 31, 2025 and 2024, respectively, and total revenues of \$303,118 and \$299,084, respectively, for the years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Maison Pointe Coupee Apartments, is based solely on the report of the other auditors.

Basis for Opinion

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 Auditors' 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 opinion.

Responsibilities of Management for the Financial Statements

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

Auditors' 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 auditors' 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 an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

Emphasis of Matter

As discussed in Note 1, the combined financial statements present only the financial information of Pointe Coupee Hospital Service District No. 1 and do not purport to, and do not, present fairly the financial position of the Pointe Coupee Parish Police Jury as of October 31, 2025 and 2024, and the changes in its financial position, or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages i through viii, Schedule of Proportionate Share of Net Pension Liability on page 42, and Schedule of Employer Contributions to Pension Plan on page 44 be presented to supplement the combined financial statements. Such information is the responsibility of management and, although not a part of the combined financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the combined 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 combined financial statements, and other knowledge we obtained during our audit of the combined 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 an opinion on the financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.



Board of Commissioners
Hospital Service District No. 1
Parish of Pointe Coupee, State of Louisiana
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2026, on our consideration of the District's internal control over financial reporting and 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.



Certified Public Accountants
Alexandria, Louisiana

April 28, 2026



Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Combined Statements of Net Position
October 31,

<u>ASSETS</u>	<u>2025</u>	<u>2024</u>
Current		
Cash and cash equivalents (Notes 2 & 3)	\$ 1,262,149	\$ 1,900,278
Patient accounts receivable, net of estimated uncollectibles (Note 6)	2,382,456	2,196,111
Estimated third-party payor settlements	1,375,091	1,323,445
Other receivables	2,911,858	3,004,979
Inventory	639,145	557,498
Prepaid expenses	267,682	168,026
Current portion of lease receivable	<u>59,089</u>	<u>307,960</u>
 Total Current Assets	 <u>8,897,470</u>	 <u>9,458,297</u>
 Assets limited as to use (Note 4)	 8,059,479	 7,735,937
Nondepreciable capital assets (Note 7)	1,845,398	1,875,398
Depreciable capital assets, net (Note 7)	12,296,555	12,647,872
Right-of-use capital assets, net (Note 7)	64,725	141,995
Subscription assets, net (Note 8)	93,468	99,326
Other assets		
Investments	41,161,061	35,662,333
Net pension asset (Note 14)	1,470,683	-0-
Lease receivable	<u>206,930</u>	<u>266,020</u>
 Total Assets	 <u>74,095,769</u>	 <u>67,887,178</u>
 Deferred outflows related to net pension liability	 <u>2,042,822</u>	 <u>3,987,284</u>
 Total Assets and Deferred Outflows of Resources	 <u>\$ 76,138,591</u>	 <u>\$ 71,874,462</u>

See accompanying notes to financial statements.

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Combined Statements of Net Position (Continued)
October 31,

<u>LIABILITIES AND NET POSITION</u>	<u>2025</u>	<u>2024</u>
Current		
Accounts payable	\$ 1,172,171	\$ 755,169
Accrued expenses and withholdings payable (Note 9)	427,561	429,320
Compensated absences (Note 13)	1,108,894	1,044,044
Estimated third-party payor settlements	727,087	1,071,471
Current portion of lease liability (Note 11)	16,882	113,410
Current portion of subscription liability (Note 12)	36,335	73,622
Current portion of long-term debt (Note 10)	<u>13,436</u>	<u>17,503</u>
 Total Current Liabilities	 3,502,366	 3,504,539
Long-term		
Net pension liability (Note 14)	-0-	1,427,069
Lease liability (Note 11)	52,261	40,973
Subscription liability (Note 12)	60,777	35,429
Long-term debt (Note 10)	<u>836,185</u>	<u>857,057</u>
 Total Liabilities	 <u>4,451,589</u>	 <u>5,865,067</u>
 Deferred inflows related to net pension liability	 1,284,915	 697,831
Deferred inflows related to lease receivable	<u>246,168</u>	<u>527,811</u>
 Total Deferred Inflows of Resources	 <u>1,531,083</u>	 <u>1,225,642</u>
Net Position		
Invested in capital assets, net of related debt	13,284,270	13,626,597
Restricted - Donor capital	847,862	847,862
Unrestricted	<u>56,023,787</u>	<u>50,309,294</u>
 Total Net Position	 <u>70,155,919</u>	 <u>64,783,753</u>
 Total Liabilities, Deferred Inflows of Resources, and Net Position	 \$ <u>76,138,591</u>	 \$ <u>71,874,462</u>

See accompanying notes to financial statements.

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Combined Statements of Revenue, Expenses, and Changes in Net Position
Years Ended October 31,

	<u>2025</u>	<u>2024</u>
Revenue		
Net patient service revenue (Note 16)	\$ 23,592,714	\$ 23,765,519
Medicaid supplemental payments	5,598,036	7,038,013
Grants	37,978	17,778
Other operating revenue	<u>1,276,549</u>	<u>1,368,856</u>
Total Revenue	<u>30,505,277</u>	<u>32,190,166</u>
Expenses		
Salaries and benefits	16,897,151	15,670,630
Medical supplies and drugs	1,608,466	1,845,369
Insurance	558,250	509,392
Professional fees	4,555,143	4,500,834
Depreciation and amortization	1,257,523	1,300,662
Other expenses	<u>4,844,595</u>	<u>5,276,492</u>
Total Expenses	<u>29,721,128</u>	<u>29,103,379</u>
Operating Income (Loss)	<u>784,149</u>	<u>3,086,787</u>
Nonoperating Income (Loss)		
Investment income	1,299,391	1,152,476
Interest expense	(23,879)	(39,252)
Sales tax revenue	2,788,530	2,965,950
Non-employer pension contributions	152,711	148,217
Gain (loss) on disposal of assets	32,225	(310,104)
Payments to Police Jury	<u>(452,000)</u>	<u>(412,000)</u>
Nonoperating Income (Loss), net	<u>3,796,978</u>	<u>3,505,287</u>
Excess of Revenue (Expenses)	4,581,127	6,592,074
Other Comprehensive Income		
Unrealized investment gains (losses)	<u>791,039</u>	<u>1,117,259</u>
Changes in net position	5,372,166	7,709,333
Beginning Net Position	<u>64,783,753</u>	<u>57,074,420</u>
Ending Net Position	\$ <u>70,155,919</u>	\$ <u>64,783,753</u>

See accompanying notes to financial statements.

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Combined Statements of Cash Flows
Years Ended October 31,

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash receipts from patients and third-party payors	\$ 23,010,339	\$ 24,133,022
Cash receipts from other operating revenues	7,032,002	6,706,028
Cash payments to employees and for employee-related cost	(17,047,554)	(16,706,587)
Cash payments for other operating expenses	<u>(11,298,531)</u>	<u>(12,686,682)</u>
Net cash provided (used) by operating activities	<u>1,696,256</u>	<u>1,445,781</u>
Cash flows from investing activities:		
Other investment income	1,299,391	1,152,476
Assets limited as to use	(323,542)	(382,581)
Unrestricted investments	<u>(4,707,689)</u>	<u>(5,252,204)</u>
Net cash provided (used) by investing activities	<u>(3,731,840)</u>	<u>(4,482,309)</u>
Cash flows from non-capital financing activities:		
Proceeds from sales tax	2,788,530	2,965,950
Payments to Police Jury	<u>(452,000)</u>	<u>(412,000)</u>
Net cash provided (used) by non-capital financing activities	<u>2,336,530</u>	<u>2,553,950</u>
Cash flows from capital and related financing activities:		
Purchases of property, plant, and equipment	(712,820)	(1,130,986)
Proceeds from the sale of property	33,992	139,564
Principal payments on lease liability	(118,019)	(130,691)
Principal payments on subscription liability	(93,410)	(89,129)
Principal payments on long-term debt	(24,939)	(14,194)
Interest expense	<u>(23,879)</u>	<u>(39,252)</u>
Net cash provided (used) by capital and related financing activities	\$ <u>(939,075)</u>	\$ <u>(1,264,688)</u>

See accompanying notes to financial statements.

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Combined Statements of Cash Flows (Continued)
Years Ended October 31,

	<u>2025</u>	<u>2024</u>
Net increase (decrease) in cash and cash equivalents	\$ (638,129)	\$ (1,747,266)
Beginning cash and cash equivalents	<u>1,900,278</u>	<u>3,647,544</u>
Ending cash and cash equivalents	\$ <u>1,262,149</u>	\$ <u>1,900,278</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ <u>(23,879)</u>	\$ <u>(39,252)</u>
Right-of-use assets acquired under leases	\$ <u>32,779</u>	\$ <u>-0-</u>
Subscription assets acquired under agreements	\$ <u>81,471</u>	\$ <u>-0-</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Operating income (loss)	\$ 784,149	\$ 3,086,787
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	1,257,523	1,300,662
Gain (loss) on sale of property	32,225	(310,104)
Amortization of lease income	(281,643)	(301,677)
Increase (decrease) in:		
Patient accounts receivable, net	(186,345)	(22,026)
Estimated third-party payor settlements	(51,646)	94,311
Other receivables	93,121	(1,731,131)
Inventory	(81,647)	126,690
Prepaid expenses	(99,656)	(12,300)
Lease receivable	307,961	314,189
Increase (decrease) in:		
Accounts payable	417,002	(358,880)
Accrued expenses and withholdings payable	(1,759)	(371,341)
Compensated absences	64,850	54,553
Estimated third-party payor settlements	(344,384)	295,218
Pension liability (asset)	<u>(213,495)</u>	<u>(719,170)</u>
Net cash provided (used) by operating activities	\$ <u>1,696,256</u>	\$ <u>1,445,781</u>

See accompanying notes to financial statements.

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Notes to Combined Financial Statements
Years Ended October 31, 2025 and 2024

NOTE 1 - ORGANIZATION AND OPERATIONS

Legal Organization

Pointe Coupee Hospital Service District No. 1 (referred to herein as "Pointe Coupee General Hospital" or the "District") was created by an ordinance of the Pointe Coupee Parish Police Jury on June 5, 1979. The District's area includes all of Pointe Coupee Parish, Louisiana.

The District is a political subdivision of the Pointe Coupee Parish Police Jury whose jurors are elected officials. The District's nine commissioners are appointed by the Pointe Coupee Parish Police Jury. As the governing authority of the Parish, for reporting purposes, the Pointe Coupee Parish Police Jury is the financial reporting entity for the District. Accordingly, the District was determined to be a component unit of the Pointe Coupee Parish Police Jury based on Statement No. 14 of the National Committee on Governmental Accounting. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general governmental services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

An affiliate, Hospital Service District No. 1 of Pointe Coupee, Louisiana, Inc. (dba Maison Pointe Coupee Apartments) was incorporated as a Louisiana nonprofit corporation on July 21, 1999. On November 1, 2004, Pointe Coupee Homebound Health and Hospice (PCHHH) was transferred from the Hospital enterprise fund and became a separate enterprise fund of the District.

Nature of Business

The District provides outpatient, emergency, inpatient acute hospital services, skilled nursing (through "swing-beds"), as well as home health care and hospice services. It also provides services to the parish ambulance service, health unit, mental health unit, substance abuse unit, and the Council on Aging. Its affiliate began providing elderly housing to local residents on April 5, 2002. On November 1, 2004, the Hospital converted to a 25 bed critical access hospital (CAH).

Principles of Combination

The accompanying combined financial statements include the accounts of the Hospital Service District No. 1, Parish of Pointe Coupee as well as Maison Pointe Coupee Apartments. A separate enterprise fund was created November 1, 2004 for Pointe Coupee Homebound Health and Hospice. The District has control of its affiliate through common board members. All intercompany transactions and balances have been eliminated.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Enterprise Fund

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Notes to Combined Financial Statements
Years Ended October 31, 2025 and 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

The District uses the enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic measurement focus.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of deposits in checking and money market accounts and certificates of deposit with original maturities of 90 days or less. Certificates of deposit with original maturities over 90 days are classified as short-term investments. Cash and cash equivalents and short-term investments are stated at cost, which approximates market value. The caption "cash and cash equivalents" does not include amounts whose use is limited or temporary cash investments.

Income Taxes

The entity is a political subdivision and exempt from taxation.

Credit Risk

The District provides medical care primarily to Pointe Coupee Parish residents and grants credit to patients, substantially all of whom are local residents.

The District's estimate of collectability is based on an evaluation of historical collections compared to gross revenues and an analysis of aged accounts receivable to establish an allowance for uncollectible accounts.

Significant Concentration of Economic Dependence

The District has an economic dependence on a small number of staff physicians who admit over 90% of the District's patients. The District also has an economic dependence on Medicare and Medicaid as sources of payments as shown in the table in Note 16. Accordingly, changes in federal or state legislation or interpretations of rules have a significant impact on the District.

Net Patient Service Revenue

The District has entered into agreements with third-party payors, including government programs, health insurance companies, and managed care health plans, under which the Hospital is paid based upon established charges, the cost of providing services, predetermined rates per diagnosis, fixed per diem rates, or discounts from established charges.

Revenues are recorded at estimated amounts due from patients and third-party payors for the Hospital services provided. Settlements under reimbursement agreements with third-party payors are estimated and recorded in the period the related services are rendered and are adjusted in future periods as final settlements are determined.

Inventory

Inventories are stated at the lower of cost determined by the first-in, first-out method, or net realizable value.

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Notes to Combined Financial Statements
Years Ended October 31, 2025 and 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

The District classifies its investments as available-for-sale in response to changes in interest rates, liquidity needs and for other purposes. Available-for-sale securities are reported at fair value. Unrealized holding gains and losses are reported as other comprehensive income.

Capital Assets

Capital assets are recorded at cost for purchased assets or at fair market value on the date of any donation. The District uses straight-line method of determining depreciation for financial reporting and third-party reimbursement. The following estimated useful lives are generally used.

Buildings and Improvements	25 to 40 years
Machinery and Equipment	5 to 20 years
Furniture and Fixtures	5 to 15 years

Expenditures for additions, major renewals, and betterments are capitalized and expenditures for maintenance and repairs are charged to operations as incurred.

The cost of assets retired or otherwise disposed of and related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses resulting from property disposals are credited or charged to operations currently.

Subscription Assets and Liabilities

The District determines if an arrangement is a Subscription-Based Information Technology Arrangement ("SBITA") at inception. Subscription assets, net, current maturities of subscription liabilities, and subscription liabilities, net of current maturities are included in the statements of net position.

Subscription assets represent the District's control of the right to use a subscription-based information technology for the arrangement term, as specified in the contract, in an exchange or exchange-like transaction. Subscription assets are recognized at the commencement date based on initial measurement of the subscription liability, adjusted for payments made to the vendor at or before the commencement of the SBITA term and certain initial direct costs. Subscription assets are amortized in a systematic and rational manner over the shorter of the arrangement term or the useful life of the underlying asset.

Subscription liabilities represent the District's obligation to make payments arising from the SBITA. Subscription liabilities are initially recognized at the commencement date based on the present value of expected payments over the lease term, adjusted for SBITA incentives. Subsequently, the subscription liability is reduced by the principal portion of the payments made. Interest expense is recognized ratably over the term of the arrangement.

The District has elected to recognize payments for short-term SBITAs with an arrangement term of 12 months or less as expenses as incurred, and these SBITAs are not included as subscription liabilities or right-to-use subscription assets on the statements of net position.

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Notes to Combined Financial Statements
Years Ended October 31, 2025 and 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The individual SBITA contracts do not provide information about the discount rate implicit in the arrangement. Therefore, the District has elected to use its incremental borrowing rate to calculate the present value of expected lease payments.

Net Position

The District classifies net position into three components: invested in capital assets, net of related debt; restricted and unrestricted. Invested in capital assets, net of related debt consists of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Restricted consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Unrestricted are remaining net assets that do not meet the definition of invested in capital assets net of related debt or restricted. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Revenue and Expenses

The District's statements of revenue, expenses, and changes in net assets distinguish between operating and nonoperating revenue and expenses. Operating revenues result from exchange transactions associated with providing health care services – the District's principal activity. Nonexchange revenues are reported as nonoperating revenues. Nonoperating revenue also includes sales taxes passed to provide the District with revenue to operate and maintain the District. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

Patient Accounts Receivable

Patient accounts receivable are carried at a net amount determined by the original charges for the services provided, less an estimate made for contractual adjustments or discounts provided to the third-party payors, less any payments received and less an estimated allowance for doubtful accounts. Management determines that allowance for doubtful accounts by utilizing a historical experience applied to an aging of accounts. Patient accounts receivable are written off as bad debt expense when deemed uncollectible. Recoveries of receivables previously written off as bad debt expense are recorded as a reduction of bad debt expense when received.

Grants and Contributions

From time to time, the District receives grants and contributions from the State of Louisiana, individuals or private and public organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as operating revenues. Amounts restricted to capital acquisitions are reported after nonoperating revenues and expenses.

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Notes to Combined Financial Statements
Years Ended October 31, 2025 and 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Resources

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

Use of Estimates

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

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year classifications.

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, they are not reported as revenue.

Risk Management

The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

Advertising

The District expenses advertising cost as incurred. Advertising expense for the years ended October 31, 2025 and 2024 totaled \$49,858 and \$58,319, respectively.

Environmental Matters

The District is subject to laws and regulations relating to the protection of the environment. The District's policy is to accrue environmental and cleanup related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty, the potential financial impact of the District's continuing compliance efforts, management believes any future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of the District. At October 31, 2025 and 2024, management is not aware of any liability resulting from environmental matters.

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Notes to Combined Financial Statements
Years Ended October 31, 2025 and 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense item until then. The District has one item that meets this criterion, deferrals of pension expense. In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District has two items that meet the criterion for this category, deferrals of pension expense and deferrals of lease revenue.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees' Retirement System of Louisiana (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value within each plan.

Recently Adopted Accounting Pronouncements

The District implemented GASB Statement No. 101, *Compensated Absences* in fiscal year 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The new standard is to be applied to all compensated absences as of the beginning of the earliest period presented; and therefore, the October 31, 2024 financial statements have been restated, as discussed in Note 25.

The District implemented GASB Statement No. 102, *Certain Risk Disclosures* in fiscal year 2025. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations of constraints and enhance transparency by requiring disclosures about these risks.

Recently Issued Accounting Pronouncements – Not Yet Adopted

The GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is 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 is effective for fiscal years beginning after June 15, 2025.

The GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of the Statement is to provide users of government financial statements with essential information about certain types of capital assets. The Statement is effective for fiscal years beginning after June 15, 2025.

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Notes to Combined Financial Statements
Years Ended October 31, 2025 and 2024

NOTE 3 - DEPOSITS AND INVESTMENTS

Louisiana state statutes authorize the District to invest in direct obligations of the U.S. Treasury and other federal agencies, time deposits with state banks and national banks having their principal office in the State of Louisiana, guaranteed investment contracts issued by highly rated financial institutions, and certain investments with qualifying mutual or trust institutions. Louisiana statutes also require that all of the deposits of the District be protected by insurance or collateral. The market value of collateral pledged must equal or exceed 100% of the deposits not covered by insurance.

Custodial Credit Risks – Custodial credit risk for deposits is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. Louisiana state statutes require that all of the deposits of the District be protected by insurance or collateral. The fair value of the collateral pledged must equal 100% of the deposits not covered by insurance. The District’s deposits were entirely insured or entirely collateralized by securities held by the pledging bank’s trust department in the District’s name at October 31, 2025 and 2024.

Interest Rate Risks – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. The Hospital does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates.

Concentration of Credit Risks – The District has 14.41% in Federal Farm Credit Bank, 17.39% in Federal National Mortgage Association, 8.93% in U.S. Treasury Strips, and 5.22% in Resolution Funding Corp.

The carrying amounts of deposits and investments are included in the Hospital’s balance sheets as follows:

	<u>2025</u>	<u>2024</u>
Carrying amount		
Deposits	\$ 9,321,628	\$ 9,636,215
Investments	<u>41,161,061</u>	<u>35,662,333</u>
	<u>\$ 50,482,689</u>	<u>\$ 45,298,548</u>
 Included in the following balance sheet captions		
Cash and cash equivalents	\$ 1,262,149	\$ 1,900,278
Assets whose use is limited	8,059,479	7,735,937
Investments	<u>41,161,061</u>	<u>35,662,333</u>
	<u>\$ 50,482,689</u>	<u>\$ 45,298,548</u>

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Notes to Combined Financial Statements
Years Ended October 31, 2025 and 2024

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Account balances according to banks' records at October 31, 2025, for the Hospital are as follows:

	<u>Regions Bank</u>	<u>First Guaranty</u>	<u>U.S. Bank</u>
Cash in bank	\$ <u>1,267,927</u>	\$ <u>1,500</u>	\$ <u>1,562</u>
Insured by FDIC	\$ <u>352,017</u>	\$ <u>1,500</u>	\$ <u>1,562</u>
Collateralization by fair market value	\$ <u>915,910</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
Uncollateralized	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

The District has 41.72% of its investments invested in the Louisiana Asset Management Pool, Inc. (LAMP), which is a local government investment pool established as a cooperative effort to enable public entities of the State of Louisiana to aggregate funds for investment. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana and 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.

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.

LAMP is designed to be highly liquid to give 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. 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 pool shares.

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Notes to Combined Financial Statements
Years Ended October 31, 2025 and 2024

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

At October 31, 2025 and 2024, the District had the following investments and maturities, all of which were held in the District's name by a custodial bank that is an agent of the District.

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Less Than 1</u>	<u>Investment Maturities (In Years)</u>		
			<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>
Money Market	\$ 2,858,746	\$ 2,858,746	\$ -0-	\$ -0-	\$ -0-
LAMP	20,345,463	20,345,463	-0-	-0-	-0-
Federal National Mortgage Association	8,481,035	-0-	7,656,405	824,630	-0-
Federal Home Loan Bank	2,245,866	-0-	2,245,866	-0-	-0-
Federal Home Loan Mortgage	901,404	-0-	901,404	-0-	-0-
Federal Farm Credit Bank	7,028,864	6,128,063	900,801	-0-	-0-
Resolution Funding Corp	2,543,860	-0-	2,543,860	-0-	-0-
U.S. Treasury Strips	<u>4,355,683</u>	<u>-0-</u>	<u>4,355,683</u>	<u>-0-</u>	<u>-0-</u>
Total	\$ <u>48,760,921</u>	\$ <u>29,332,272</u>	\$ <u>18,604,019</u>	\$ <u>824,630</u>	\$ <u>-0-</u>

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Less Than 1</u>	<u>Investment Maturities (In Years)</u>		
			<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>
Money Market	\$ 491,815	\$ 491,815	\$ -0-	\$ -0-	\$ -0-
LAMP	15,769,047	15,769,047	-0-	-0-	-0-
Federal National Mortgage Association	7,552,734	-0-	7,552,734	-0-	-0-
Federal Home Loan Bank	245,076	-0-	245,076	-0-	-0-
Federal Home Loan Mortgage	-0-	-0-	-0-	-0-	-0-
Federal Farm Credit Bank	15,484,870	9,434,761	6,050,109	-0-	-0-
U.S. Treasury Strips	<u>3,385,787</u>	<u>-0-</u>	<u>2,100,321</u>	<u>1,285,466</u>	<u>-0-</u>
Total	\$ <u>42,929,329</u>	\$ <u>25,695,623</u>	\$ <u>15,948,240</u>	\$ <u>1,285,466</u>	\$ <u>-0-</u>

The District's investments are recorded at fair value as of October 31, 2025 and 2024 in accordance with GASB Statement No. 72, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement establishes a three-level hierarchy of inputs to valuation techniques used to measure fair value. Level 1 inputs are accessible quoted prices in active markets for identical assets at the measurement date; Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset, either directly or indirectly; Level 3 inputs are unobservable inputs. The fair value of U. S. Treasury Strips was determined using Level 1 inputs. The fair value of municipal and government bonds was determined using Level 2 inputs.

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NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

As of October 31, 2025, the District's investments were rated as follows:

Investment Type	<u>Moody's</u>	<u>S&P</u>
LAMP	Not Rated	AAAm
Federal National Mortgage Association	AA1	AA+
Federal Home Loan Bank	AA1	AA+
Federal Home Loan Mortgage	AA1	AA+
Federal Farm Credit Bank	AA1	AA+
Resolution Funding Corp	Not Rated	Not Rated
U.S. Treasury Strips	Not Rated	Not Rated

NOTE 4 - ASSETS LIMITED AS TO USE

Assets limited as to use are summarized below. Investments are stated at cost that approximates market value.

	<u>2025</u>	<u>2024</u>
Limited by board for capital improvements	\$ 7,067,280	\$ 6,765,054
Limited by board for third-party payor contingencies	597,936	572,366
Limited by board for tenant deposits	8,550	9,475
Limited by USDA for elderly housing project	<u>385,713</u>	<u>389,042</u>
Total	<u>\$ 8,059,479</u>	<u>\$ 7,735,937</u>

NOTE 5 - LEASE RECEIVABLE

The District has entered into multiple agreements to lease medical office space to local healthcare providers. Monthly lease payments under these agreements range from \$1,775 to \$2,126, with terms ending between August 2026 and December 2032. For the years ended October 31, 2025 and 2024, the District recognized lease revenue of \$281,643 and \$301,678, respectively, and interest income related to the leases in the amounts of \$24,221 and \$13,756, respectively.

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NOTE 6 - ACCOUNTS RECEIVABLE

A summary of patient accounts receivable is presented below.

	<u>2025</u>	<u>2024</u>
Hospital patient receivables	\$ 3,614,441	\$ 3,021,485
Home Health patient receivables	431,923	343,533
Hospice patient receivables	<u>166,689</u>	<u>198,186</u>
	4,213,053	3,563,204
Estimated uncollectibles	<u>(1,830,597)</u>	<u>(1,367,093)</u>
Net patient accounts receivable	\$ <u>2,382,456</u>	\$ <u>2,196,111</u>

The following is a summary of the mix of receivables from patients and third-party payors at October 31:

	<u>2025</u>	<u>2024</u>
Medicare	15%	22%
Medicaid	7%	8%
Blue Cross Blue Shield of Louisiana	3%	4%
Commercial and other third-party payors	26%	21%
Patients	<u>49%</u>	<u>45%</u>
Total	<u>100%</u>	<u>100%</u>

The Medicare, Medicaid and third-party payors are shown net of contractual allowances.

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NOTE 7 - CAPITAL ASSETS

The following is a summary of capital assets and related accumulated depreciation and amortization at October 31:

	<u>2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers</u>	<u>2025</u>
Nondepreciable capital assets					
Land	\$ 1,875,398	\$ -0-	\$ 30,000	\$ -0-	\$ 1,845,398
Construction in progress	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total nondepreciable capital assets	<u>\$ 1,875,398</u>	<u>\$ -0-</u>	<u>\$ 30,000</u>	<u>\$ -0-</u>	<u>\$ 1,845,398</u>
Depreciable capital assets					
Land improvements	\$ 163,850	\$ -0-	\$ 23,439	\$ -0-	\$ 140,411
Buildings & improvements	26,095,214	195,729	1,666,395	-0-	24,624,548
Equipment	<u>9,002,431</u>	<u>517,091</u>	<u>4,145,017</u>	<u>-0-</u>	<u>5,374,505</u>
Total depreciable capital assets	35,261,495	712,820	5,834,851	-0-	30,139,464
Accumulated depreciation	<u>22,613,623</u>	<u>1,064,137</u>	<u>5,834,851</u>	<u>-0-</u>	<u>17,842,909</u>
Total depreciable capital assets, net	<u>\$ 12,647,872</u>	<u>\$ (351,317)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 12,296,555</u>
Right-of-use capital assets					
Equipment	\$ 621,982	\$ 32,779	\$ 524,681	\$ -0-	\$ 130,080
Accumulated amortization	<u>479,987</u>	<u>110,049</u>	<u>524,681</u>	<u>-0-</u>	<u>65,355</u>
Total right-of-use capital assets, net	<u>\$ 141,995</u>	<u>\$ (77,270)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 64,725</u>

Hospital Service District No. 1
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Notes to Combined Financial Statements
Years Ended October 31, 2025 and 2024

NOTE 7 - CAPITAL ASSETS (Continued)

	<u>2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers</u>	<u>2024</u>
Nondepreciable capital assets					
Land	\$ 1,885,398	\$ -0-	\$ 10,000	\$ -0-	\$ 1,875,398
Construction in progress	<u>2,391,400</u>	<u>1,011,280</u>	<u>-0-</u>	<u>(3,402,680)</u>	<u>-0-</u>
Total nondepreciable capital assets	<u>\$ 4,276,798</u>	<u>\$ 1,011,280</u>	<u>\$ 10,000</u>	<u>\$ (3,402,680)</u>	<u>\$ 1,875,398</u>
Depreciable capital assets					
Land improvements	\$ 215,001	\$ -0-	\$ 51,151	\$ -0-	\$ 163,850
Buildings & improvements	23,602,417	342,651	1,252,534	3,402,680	26,095,214
Equipment	<u>8,916,692</u>	<u>102,918</u>	<u>17,179</u>	<u>-0-</u>	<u>9,002,431</u>
Total depreciable capital assets	32,734,110	445,569	1,320,864	3,402,680	35,261,495
Accumulated depreciation	<u>22,413,297</u>	<u>1,080,636</u>	<u>880,310</u>	<u>-0-</u>	<u>22,613,623</u>
Total depreciable capital assets, net	<u>\$ 10,320,813</u>	<u>\$ (635,067)</u>	<u>\$ 440,554</u>	<u>\$ 3,402,680</u>	<u>\$ 12,647,872</u>
Right-of-use capital assets					
Equipment	\$ 637,649	\$ -0-	\$ 15,667	\$ -0-	\$ 621,982
Accumulated amortization	<u>370,362</u>	<u>125,292</u>	<u>15,667</u>	<u>-0-</u>	<u>479,987</u>
Total right-of-use capital assets, net	<u>\$ 267,287</u>	<u>\$ (125,292)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 141,995</u>

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Notes to Combined Financial Statements
Years Ended October 31, 2025 and 2024

NOTE 8 - SUBSCRIPTION ASSETS

The following is a summary of subscription-based information technology arrangement for intangible assets and related accumulated amortization for the year ended:

	<u>2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers</u>	<u>2025</u>
Subscription-based assets	\$ 329,184	\$ 81,471	\$ 152,123	\$ -0-	\$ 258,532
Accumulated amortization	<u>229,858</u>	<u>83,337</u>	<u>148,131</u>	<u>-0-</u>	<u>165,064</u>
Total subscription-based assets, net	<u>\$ 99,326</u>	<u>\$ (1,866)</u>	<u>\$ 3,992</u>	<u>\$ -0-</u>	<u>\$ 93,468</u>
	<u>2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers</u>	<u>2024</u>
Subscription-based assets	\$ 329,184	\$ -0-	\$ -0-	\$ -0-	\$ 329,184
Accumulated amortization	<u>135,124</u>	<u>94,734</u>	<u>-0-</u>	<u>-0-</u>	<u>229,858</u>
Total subscription-based assets, net	<u>\$ 194,060</u>	<u>\$ (94,734)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 99,326</u>

NOTE 9 - ACCRUED EXPENSES AND WITHHOLDINGS PAYABLE

A summary of accrued expenses follows:

	<u>2025</u>	<u>2024</u>
Salaries and wages	\$ 230,762	\$ 177,050
Payroll taxes and withholdings	187,099	241,598
Other accrued expenses	<u>9,700</u>	<u>10,672</u>
Total accrued expenses	<u>\$ 427,561</u>	<u>\$ 429,320</u>

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NOTE 10 - LONG-TERM DEBT

The following is a summary of the changes in long-term debt as of October 31:

	<u>2024</u>		<u>Additions</u>		<u>Payments</u>		<u>2025</u>		<u>Due Within One Year</u>
USDA note payable	\$ 862,166	\$	-0-	\$	12,545	\$	849,621	\$	13,436
Note payable	<u>12,394</u>		<u>-0-</u>		<u>12,394</u>		<u>-0-</u>		<u>-0-</u>
Total	\$ <u>874,560</u>	\$	<u>-0-</u>	\$	<u>24,939</u>	\$	<u>849,621</u>	\$	<u>13,436</u>

	<u>2023</u>		<u>Additions</u>		<u>Payments</u>		<u>2024</u>		<u>Due Within One Year</u>
USDA note payable	\$ 873,881	\$	-0-	\$	11,715	\$	862,166	\$	12,545
Note payable	<u>-0-</u>		<u>14,873</u>		<u>2,479</u>		<u>12,394</u>		<u>4,958</u>
Total	\$ <u>873,881</u>	\$	<u>14,873</u>	\$	<u>14,194</u>	\$	<u>874,560</u>	\$	<u>17,503</u>

The following are the terms and due dates of the District's long-term debt at October 31, 2025:

- USDA note payable at 6.875% with a term of 50 years, due in monthly installments of \$5,952 maturing in the year 2050. The loan is collateralized by two parcels of land owned by the District.
- Note payable for equipment at an imputed interest rate of 7.00% with a term of 3 years, due in monthly installments of \$413 maturing in the year 2027.

Scheduled principal and interest payments on long-term debt obligations are as follows:

<u>October 31,</u>		<u>Principal</u>		<u>Interest</u>		<u>Total</u>
2026	\$	13,436	\$	57,993	\$	71,429
2027		14,389		57,040		71,429
2028		15,410		56,019		71,429
2029		16,504		54,925		71,429
2030		17,675		53,754		71,429
2031-2035		109,063		248,082		357,145
2036-2040		153,653		203,491		357,144
2041-2045		216,473		140,673		357,146
2046-2050		<u>293,018</u>		<u>52,204</u>		<u>345,222</u>
Totals	\$	<u>849,621</u>	\$	<u>924,181</u>	\$	<u>1,773,802</u>

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Years Ended October 31, 2025 and 2024

NOTE 11 - LEASE LIABILITY

The following is a summary of the changes in lease liability obligations as of October 31:

	<u>October 31,</u> <u>2024</u>	<u>Additions</u>	<u>Payments</u>	<u>October 31,</u> <u>2025</u>	<u>Due Within</u> <u>One Year</u>
Equipment	\$ <u>154,383</u>	\$ <u>32,779</u>	\$ <u>118,019</u>	\$ <u>69,143</u>	\$ <u>16,882</u>
Total	\$ <u>154,383</u>	\$ <u>32,779</u>	\$ <u>118,019</u>	\$ <u>69,143</u>	\$ <u>16,882</u>
	<u>October 31,</u> <u>2023</u>	<u>Additions</u>	<u>Payments</u>	<u>October 31,</u> <u>2024</u>	<u>Due Within</u> <u>One Year</u>
Equipment	\$ <u>285,074</u>	\$ <u>-0-</u>	\$ <u>130,691</u>	\$ <u>154,383</u>	\$ <u>113,410</u>
Total	\$ <u>285,074</u>	\$ <u>-0-</u>	\$ <u>130,691</u>	\$ <u>154,383</u>	\$ <u>113,410</u>

The following are the terms and due dates of the District's lease obligations:

- Various lease liability obligation for equipment at imputed interest rates ranging from 3.00% to 5.25% with total monthly payments ranging from \$128 to \$589 through September 30, 2034.

Scheduled principal and interest payments on lease liability obligations are as follows:

	<u>October 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$	16,882	\$ 2,508	\$ 19,390
2027		10,779	2,035	12,814
2028		9,916	1,664	11,580
2029		10,293	1,287	11,580
2030		5,331	948	6,279
2031-2035		<u>15,942</u>	<u>1,731</u>	<u>17,673</u>
Totals	\$	<u>69,143</u>	\$ <u>10,173</u>	\$ <u>79,316</u>

Hospital Service District No. 1
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Years Ended October 31, 2025 and 2024

NOTE 12 - SUBSCRIPTION LIABILITY

The following is a summary of the changes in subscription liabilities as of October 31:

	<u>2024</u>	<u>Additions</u>	<u>Payments</u>	<u>2025</u>	<u>Due Within One Year</u>
Totals	\$ <u>109,051</u>	\$ <u>81,471</u>	\$ <u>93,410</u>	\$ <u>97,112</u>	\$ <u>36,335</u>
	<u>2023</u>	<u>Additions</u>	<u>Payments</u>	<u>2024</u>	<u>Due Within One Year</u>
Totals	\$ <u>198,180</u>	\$ <u>-0-</u>	\$ <u>89,129</u>	\$ <u>109,051</u>	\$ <u>73,622</u>

Scheduled principal and interest payments on subscription liabilities are as follows:

	<u>October 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$	36,335	\$ 8,233	\$ 44,568
2027		25,245	5,827	31,072
2028		16,673	3,376	20,049
2029		18,859	1,792	20,651
2030		<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Totals	\$	<u>97,112</u>	\$ <u>19,228</u>	\$ <u>116,340</u>

NOTE 13 - COMPENSATED ABSENCES

Upon completion of six months of employment, employees are eligible for paid time off (PTO), which combines vacation and sick leave into a single pool of paid leave. The amount in which each employee is entitled varies depending upon the job classification, length of service, number of hours worked each week, and other factors. The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability for compensated absences includes salary-related benefits.

A summary of compensated absences as of October 31, follows:

	<u>2024</u>	<u>Net Change</u>	<u>2025</u>	<u>Current Portion</u>
Paid Time Off (PTO)	\$ <u>1,044,044</u>	\$ <u>64,850</u>	\$ <u>1,108,894</u>	\$ <u>1,108,894</u>

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NOTE 14 - PENSION PLAN

Plan Description - Substantially all Hospital employees are eligible for participation in the Parochial Employees' Retirement System of Louisiana (the "Plan"), a cost-sharing multiple-employer defined benefit pension plan administered by a board of trustees and established by Act 205 of the 1952 regular session of the Louisiana Legislature. The Plan is governed by Louisiana Revised Statutes, Title 11, Sections 1901 through 2025, specifically, and other general laws of the State of Louisiana. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The District participates in Plan A.

The Plan provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the state of Louisiana which does not have their own retirement system and which elects to become a member of the system. All permanent parish government employees (except those employed by Orleans, Lafourche, and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the Plan.

The Plan issues a publicly available financial statement report that includes financial statements and required supplementary information. That report may be obtained at www.PERSLA.org or by writing to the board of trustees at 7905 Wrenwood Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 928-1361.

Retirement Benefits - Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

Generally, retirement benefits are determined as an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

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Years Ended October 31, 2025 and 2024

NOTE 14 - PENSION PLAN (Continued)

Disability Benefits - For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

Survivor Benefits - Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes. A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Deferred Retirement Option Plan (DROP) - Act 338 of 1990 established the deferred retirement option plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Cost of Living Adjustments - The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older (LRS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

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Years Ended October 31, 2025 and 2024

NOTE 14 - PENSION PLAN (Continued)

Contributions - According to state statute, contributions for all employers are actuarially determined each year. For the years ended December 31, 2024 and 2023, the actuarially determined contribution rate was 7.34% and 7.49% of member's compensation for Plan A. The actual contribution rate for the years ending December 31, 2024 and 2023 was 11.50% and 11.50% for Plan A.

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

The following is a schedule that summarizes information regarding contributions to the Plan for the years ended October 31:

	<u>2025</u>	<u>2024</u>
Total District payroll	\$ 14,219,837	\$ 13,558,133
Total covered payroll	13,024,929	11,215,496
Employee contributions	1,144,898	997,800
Employer contributions	1,447,022	1,289,786

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At October 31, 2025 and 2024, the District reported an asset of \$1,470,683 and a liability of \$1,427,069, respectively, for its proportionate share of the net pension liability (asset). The net pension liability (asset) for the System was measured as of December 31, 2024 and 2023, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined based on an actuarial valuation as of those dates. The District's proportion of the net pension liability (asset) was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined.

As of the most recent measurement dates, the District's proportionate shares were:

	<u>2024</u>	<u>2023</u>
District's proportionate share	1.462453%	1.497885%
Increase (Decrease) from prior year	-0.035432%	-0.048793%

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NOTE 14 - PENSION PLAN (Continued)

For the years ended October 31, 2025 and 2024, the District recognized a total pension expense of \$1,233,526 and a total pension benefit of \$570,618, respectively. The amounts are made up of the following:

<u>Components of Pension Expense</u>	<u>2025</u>	<u>2024</u>
District's pension expense per the pension plan	\$ 1,235,831	\$ 572,048
District's amortization of actual contributions over its proportionate share of contributions	<u>(2,305)</u>	<u>(1,430)</u>
Total pension expense (benefit) recognized by district	\$ <u>1,233,526</u>	\$ <u>570,618</u>

The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 897,491	\$ (127,843)
Net difference between projected and actual earnings on pension plan investments	-0-	(968,443)
Changes in proportion to NPL	-0-	(161,829)
Differences between the District's contributions and its proportionate share of contributions	24,793	(26,800)
The District's contributions subsequent to the December 31, 2024 measurement date	<u>1,120,538</u>	<u>-0-</u>
Total - October 31, 2025	\$ <u>2,042,822</u>	\$ <u>(1,284,915)</u>

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 675,761	\$ (383,053)
Net difference between projected and actual earnings on pension plan investments	2,299,928	-0-
Changes in proportion to NPL	-0-	(248,625)
Differences between the District's contributions and its proportionate share of contributions	37,134	(66,153)
The District's contributions subsequent to the December 31, 2023 measurement date	<u>974,461</u>	<u>-0-</u>
Total - October 31, 2024	\$ <u>3,987,284</u>	\$ <u>(697,831)</u>

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Notes to Combined Financial Statements
Years Ended October 31, 2025 and 2024

NOTE 14 - PENSION PLAN (Continued)

Deferred outflows of resources resulting from the District's contributions subsequent to the measurement date totaled \$1,120,538 at October 31, 2025. This amount will be recognized as a reduction of the net pension liability (asset) in the year ending October 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ending October 31,</u>	<u>Amount of Amortization</u>
2026	\$ 353,489
2027	1,317,311
2028	(1,485,634)
2029	(729,797)

Actuarial Assumptions - The total pension liability in the Plan's December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal cost
Inflation rate	2.30%
Investment rate of return	6.40% (net of investment expense)
Expected remaining service lives	4 years
Projected salary increases	4.75% (2.45% merit / 2.30% inflation)
Cost of living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Plan and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Plan's Board of Trustees.
Mortality rates	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2021 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2021 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2021 scale for disabled annuitants.

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
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Years Ended October 31, 2025 and 2024

NOTE 14 - PENSION PLAN (Continued)

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.13% and 7.0% for the years ended December 31, 2024 and 2023, respectively.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2024 and 2023, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed income	37%	1.08%
Equity	47%	2.82%
Alternatives	15%	0.76%
Real assets	1%	0.07%
Totals	100%	4.73%
Inflation		2.40%
Expected arithmetic nominal return - December 31, 2024		7.13%
Fixed income	33%	1.12%
Equity	51%	3.20%
Alternatives	14%	0.67%
Real assets	2%	0.11%
Totals	100%	5.10%
Inflation		2.40%
Expected arithmetic nominal return - December 31, 2023		7.50%

Discount Rate - The discount rate used to measure the total pension liability was 6.40% for each of the years ended December 31, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by Louisiana Public Retirement Systems' Actuarial Committee (PRSAC) taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Notes to Combined Financial Statements
Years Ended October 31, 2025 and 2024

NOTE 14 - PENSION PLAN (Continued)

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate - The following presents the net pension liability (asset) of the District calculated using the discount rates for the years ended December 31, 2024 and 2023, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>Changes in Discount Rate</u>		
	1% Decrease 5.40%	Current Discount Rate 6.40%	1% Increase 7.40%
Net pension liability (asset) - December 31, 2024	\$ <u>513,204,265</u>	\$ <u>(100,562,783)</u>	\$ <u>(615,748,803)</u>
	1% Decrease 5.40%	Current Discount Rate 6.40%	1% Increase 7.40%
Net pension liability (asset) - December 31, 2023	\$ <u>679,784,535</u>	\$ <u>95,272,222</u>	\$ <u>(395,367,826)</u>

Non-Employer Contributing Entities - Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The District recognizes revenue in an amount equal to their proportionate share of total contributions to the pension plan from these non-employer contributing entities. The District recognized revenue as a result of support received from non-employer contributing entities of \$152,711 and \$148,217 for the years ended October 31, 2025 and 2024, respectively.

Payables to the Pension Plan - As of October 31, 2025 and 2024, the District had payables due to the Plan of \$166,439 and \$225,288, respectively. These amounts represent one and a half month's contributions paid in the month following accrual.

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial report.

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Notes to Combined Financial Statements
Years Ended October 31, 2025 and 2024

NOTE 15 - 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 patient will either qualify for 100% of charity care or owe a per-diem based on the patient's level of income. Accordingly, the District does not report the amounts it expects not to collect in net operating revenues or in the allowance for doubtful accounts. The District determines the cost associated with providing charity care by aggregating the applicable direct and indirect costs, including wages and related benefits, supplies and other operating expenses. The cost of caring for charity care patients were approximately \$42,000 and \$53,000 for the years ended October 31, 2025 and 2024, respectively

NOTE 16 - NET PATIENT SERVICE REVENUE

The District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows.

Medicare - Prior to November 1, 2004, inpatient acute care services rendered to Medicare program beneficiaries were paid at prospectively determined rates per discharge. These rates varied according to a patient classification system that was based on clinical, diagnostic, and other factors. Certain outpatient services related to Medicare beneficiaries were paid based on a set fee per diagnosis with a hold harmless provision for cost reimbursement. Effective November 1, 2004, the District became a Medicare "Critical Access Hospital" (CAH). This designation enables the District to receive cost-based reimbursement for most services provided to Medicare beneficiaries on or after this date.

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 classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the District. Home health services are reimbursed based upon a prospectively determined rate per episode. Hospice services are reimbursed based on a prospectively determined rate per day. The District's Medicare cost reports have been settled by the Medicare fiscal intermediary through October 31, 2021. The intermediary may reopen and further adjust any year within three years of the date of a Notice of Program Reimbursement.

Medicaid - Medicaid inpatient services are reimbursed based upon a prospectively determined per diem rate. Some Medicaid outpatient services are reimbursed under a cost reimbursement methodology, while others are paid prospectively based on a fee schedule. The District is reimbursed at a tentative rate for cost-based services 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 settled by the Medicaid fiscal intermediary through October 31, 2019.

Commercial - The District has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the District under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates. Blue Cross Blue Shield "BCBS" is the largest commercial provider. BCBS charges were 14% and 14% of the total charges for the year ended October 31, 2025 and 2024, respectively.

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Notes to Combined Financial Statements
Years Ended October 31, 2025 and 2024

NOTE 16 - NET PATIENT SERVICE REVENUE (Continued)

The following is a summary of the District's net patient service revenue for the years ended October 31:

	<u>2025</u>	<u>2024</u>
Gross charges	\$ 43,839,563	\$ 43,337,719
Less charges associated with charity patients	<u>65,288</u>	<u>83,540</u>
Gross patient service revenue	43,774,275	43,254,179
Less deductions from revenue:		
Contractual adjustments	17,839,813	17,258,182
Discounts	<u>21,300</u>	<u>26,623</u>
Patient service revenue (net of contractual adjustments and discounts)	25,913,162	25,969,374
Less provision for bad debts	<u>2,320,448</u>	<u>2,203,855</u>
Net patient service revenue less provision for bad debts	\$ <u>23,592,714</u>	\$ <u>23,765,519</u>

The District receives a substantial portion of its revenues from the Medicare and Medicaid programs at discounted rates. The following is a summary of Medicare and Medicaid net patient service revenues for the years ended October 31:

	<u>2025</u>	<u>2024</u>
Medicare and Medicaid gross patient charges	\$ 16,317,070	\$ 17,414,817
Contractual adjustments	<u>(2,776,619)</u>	<u>(3,202,051)</u>
Program patient service revenue	\$ <u>13,540,451</u>	\$ <u>14,212,766</u>
Percent of total patient gross charges	<u>37%</u>	<u>40%</u>

The Hospital experienced differences between the amounts initially recorded on its cost settlements with Medicare and Medicaid and the finalized amounts. Adjustments resulted in an increase in net patient service revenue of \$4,071 and \$19,634 during 2025 and 2024, respectively.

The Hospital's previous reimbursements are also subject to secondary review by Medicare and Medicaid representatives. These representatives have several initiatives in progress. No material liabilities have been identified to date under these review programs; however, the potential does exist for future claims. These will be recognized in the year the amounts are determined, if any.

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Notes to Combined Financial Statements
Years Ended October 31, 2025 and 2024

NOTE 17 - EMPLOYEE MEDICAL BENEFIT PLAN

The Hospital is self-insured to provide group medical coverage for its employees. A third-party administers the group medical coverage for the Hospital. The Hospital funds its losses based on actual claims. A stop-loss insurance contract executed with an insurance carrier covers individual claims in excess of \$100,000. A liability is accrued for self-insured employee health claims, including both claims reported and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims' experience, recently settled claims, and frequency of claims. It is reasonably possible that the Hospital's estimate will change by a material amount in the near term.

The following is a summary of changes in the Hospital's claims liability for the year ended October 31:

	<u>2025</u>	<u>2024</u>
Beginning of the Year	\$ -0-	\$ -0-
Plus: Claims incurred and changes in estimate, net of reinsurance	1,093,685	-0-
Less: Claims Paid	<u>927,246</u>	<u>-0-</u>
 End of year, included in accrued expenses	 \$ <u>166,439</u>	 \$ <u>-0-</u>

NOTE 18 - COOPERATIVE ENDEAVOR AGREEMENT

The District has agreed to a cooperative endeavor (CEA) with other like-minded Louisiana hospitals, per Louisiana's Rural Hospital Preservation Act. The intent of this agreement is to pool hospital resources across the State to support access to healthcare in rural Louisiana. Under the CEA, the District deposits an amount, determined annually by the Rural Hospital Coalition (RHC), into an account, from which RHC is permitted to withdraw funds and make distributions to participating hospitals using a predetermined formula. Although the payments are formulaic in nature, they are not guaranteed, nor are they directly related to Medicaid reimbursement for provisions of goods and healthcare services to patients. Accordingly, the deposits made by the District to RHC were less than the amount received by the District under this program, resulting in a net amount of \$423,672 and \$482,560, respectively. This was recorded as other revenue called Access to Care.

NOTE 19 - PROFESSIONAL LIABILITY RISK

The District participates in the Louisiana Patient's Compensation Fund ("PCF") established by the State of Louisiana to provide professional medical liability coverage to health care providers. The fund provides for \$400,000 of coverage per occurrence above the first \$100,000 per occurrence for which the District is at risk. The fund places no limitation on the number of occurrences covered. In connection with the establishment of the Patient's Compensation Fund, the State of Louisiana enacted legislation limiting the amount of settlement for professional liability to \$100,000 per occurrence and limiting the PCF's exposure to \$400,000 per occurrence. Defense costs are not included in these amounts.

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Notes to Combined Financial Statements
Years Ended October 31, 2025 and 2024

NOTE 19 - PROFESSIONAL LIABILITY RISK (Continued)

The District's membership in the Louisiana Hospital Association Trust Fund provides additional coverage for professional medical malpractice liability. The trust fund bills members in advance, based upon an estimate of their exposure. At policy year-end, premiums are redetermined utilizing actual losses of the District. The trust fund presumes to be a "Grantor Trust" and, accordingly, income and expenses are pro-rated to member hospitals. The District has included these allocations and equity in the trust in its financial statements.

NOTE 20 - WORKMEN'S COMPENSATION

The District participates in the Louisiana Hospital Association Self-Insurance Workmen's Compensation Trust Fund. Should the fund's assets not be adequate to cover claims made against it, the District may be assessed its pro-rata share of the resulting deficit. It is not possible to estimate the amount, if any, of additional assessments. The trust fund presumes to be a "Grantor Trust" and accordingly, income and expenses are pro-rated to member hospitals. The District has included these allocations and equity in the trust in its financial statements.

NOTE 21 - CONTINGENCIES

The District evaluates contingencies based upon the best available evidence. The District believes that no allowance for loss contingencies is 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. The principal contingencies are described below:

Governmental Third-Party Reimbursement Programs (Note 16) - 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.

Further, in order to continue receiving reimbursement from the Medicare program, the District entered into an agreement with a government agent allowing the agent access to the District's Medicare patient medical records for purposes of making medical necessity and appropriate level of care determinations. The agent has the ability to deny reimbursement for Medicare patient claims which have already been paid to the District.

The healthcare 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, privacy, 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 Hospital 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.

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Notes to Combined Financial Statements
Years Ended October 31, 2025 and 2024

NOTE 21 - CONTINGENCIES (Continued)

Professional Liability Risk (Note 19) - The District is contingently liable for losses from professional liability not underwritten by the Louisiana Patient's Compensation Fund or the Louisiana Hospital Association Trust Fund as well as for assessments by the Louisiana Hospital Association Trust Fund.

Workmen's Compensation Risk (Note 20) - The District participates in the Louisiana Hospital Association Self-Insurance Workmen's Compensation Trust Fund. Should the fund's assets not be adequate to cover claims made against it, the District may be assessed its pro rata share of the resulting deficit. It is not possible to estimate the amount of additional assessments, if any. Accordingly, the District is contingently liable for assessments by the Louisiana Hospital Association Trust Fund.

Payments to Police Jury - During 2025 and 2024, the District transferred \$452,000 and \$412,000 respectively, to the Police Jury for the District's portion of 911 service. These transfers were funded from interest income.

Litigation and Other Matters - Various claims in the ordinary course of business are pending against the District. In the opinion of management and counsel, insurance is sufficient to cover adverse legal determinations in those cases where a liability can be measured.

NOTE 22 - SALES TAX

On September 29, 1984, a 1% sales tax was renewed by the citizens of the parish for an indefinite term. The resolution provides that 50% of such tax shall be dedicated to the District. The remaining tax revenues are designated by the District to be distributed to hospital operations. On November 8, 2016, a ¼% sales tax was approved by citizens of the parish for a ten (10) year term.

NOTE 23 - RELATED PARTY

The District has engaged in transactions with Innis Community Health Center, Inc., a 501(c)(3) corporation. The District has an economic interest in this entity through common board members. Those transactions consist of various expenses in the amount of \$7,500 and \$10,687 for October 31, 2025 and 2024, respectively.

The District leases medical office space to Innis Community Health Center, Inc. The lease has an effective date of January 1, 2018 for an initial term of five (5) years with an option to extend for an additional ten (10) years. The District received \$16,586 and \$16,056 in rental income for the years ended October 31, 2025 and 2024, respectively. Interest income was \$4,714 and \$5,244 for each respective year.

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Notes to Combined Financial Statements
Years Ended October 31, 2025 and 2024

NOTE 24 - MEDICAID SUPPLEMENTAL PAYMENTS

For state fiscal year (SFY) 2024 and 2025, the Louisiana Department of Health (LDH) obtained a Medicaid State Plan Amendment (SPA) approval from the Centers for Medicare and Medicaid Services (CMS) to make quarterly supplemental payments to hospitals based upon certain assumptions under a directed payment plan (DPP). Annually thereafter, LDH must submit the assumptions to CMS for approval in future years. The basis for interim supplemental payments is the Hospital's historical paid claims and other factors. In future state fiscal years, actual paid claims and other factors will be used to reconcile interim payments to final settled DPP amounts. LDH anticipates increasing or decreasing future DPP payments by the reconciliation amounts. The Hospital has recognized approximately \$2.7 million and \$2.4 million for fiscal year 2025 and 2024, respectively, as Medicaid supplemental income after consideration was given for future adjustments which the Hospital determined necessary. To the extent income recognized in the current period differs from actual results Medicaid supplemental income will be adjusted.

The District entered into an Intergovernmental Transfer Agreement (IGT) with the Louisiana Department of Health (LDH) as part of Louisiana Physician IPA, Inc. which is a physician supplemental program. In fiscal year 2024, the Hospital received approximately \$469,000 in Medicaid supplemental payments of which approximately \$183,000 was submitted to LDH as an IGT. In fiscal year 2024, the District received approximately \$1.4 million in Medicaid supplemental payments of which approximately \$585,000 was submitted to LDH as an IGT.

During 2019, the District began participation in the state's Medicaid Managed Care Incentive Program (MCIP). The program is designed to provide incentive payments to Medicaid Managed Care Plans for achieving quality reforms that increase access to health care and improve the quality of care. The District received \$2,437,216 and \$3,228,440 for the years ended October 31, 2025 and 2024, respectively.

NOTE 25 - CHANGE IN METHOD OF ACCOUNTING

As discussed in Note 2, the Hospital implemented GASB Statement No. 101, *Compensated Absences* on November 1, 2024. In addition to the value of unused vacation time owed to employees upon separation of employment, the Hospital now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized in the "Restatement – GASB 101 Implementation" column in the table below:

	2024 As Previously Reported	Restatement - GASB 101 Implementation	2024 As Restated
Accrued expenses and withholdings payable	\$ 1,373,699	\$ (944,379)	\$ 429,320
Compensated absences	\$ -0-	\$ 1,044,044	\$ 1,044,044
Net position (unrestricted)	\$ 50,408,959	\$ (99,665)	\$ 50,309,294
Salaries	\$ 15,664,845	\$ 5,785	\$ 15,670,630

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Notes to Combined Financial Statements
Years Ended October 31, 2025 and 2024

NOTE 26 - SUBSEQUENT EVENTS

Events have been evaluated through April 28, 2026 for subsequent event disclosure. This date is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

Hospital Service District No.1
Of the Parish of Pointe Coupee and Affiliate
Schedule of Proportionate Share of Net Pension Liability

Fiscal Year*	District's proportion of the net pension liability (asset)	District's proportionate share of the net pension liability (asset)	District's covered payroll	District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
Louisiana Parochial Employees' Retirement System					
2015	1.405866%	\$ 3,700,644	\$ 8,003,102	46.24%	93.50%
2016	1.365762%	2,812,805	8,079,457	34.81%	94.15%
2017	1.327815%	(985,566)	8,172,920	-12.06%	101.98%
2018	1.403537%	6,229,401	8,628,382	72.20%	88.86%
2019	1.416005%	66,658	8,959,238	0.74%	99.89%
2020	1.467518%	(2,573,166)	9,799,208	-26.26%	104.00%
2021	1.474286%	(6,944,527)	9,891,472	-70.21%	110.46%
2022	1.546680%	5,952,840	10,492,419	56.73%	91.74%
2023	1.497890%	1,427,069	10,853,197	13.15%	98.04%
2024	1.462453%	(1,470,683)	11,312,538	-13.00%	102.00%

*Amounts presented were determined as of the measurement date (December 31).

Hospital Service District No.1
Of the Parish of Pointe Coupee and Affiliate
Schedule of Proportionate Share of Net Pension Liability

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes of Benefit Terms

There were no changes of benefit terms for the ten years ended December 31, 2024.

Changes of Assumptions

Year Ended 12/31	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaing Service Lives	Projected Salary Increase
2015	7.00%	7.00%	2.50%	4	5.25%
2016	7.00%	7.00%	2.50%	4	5.25%
2017	6.75%	6.75%	2.50%	4	5.25%
2018	6.50%	6.50%	2.40%	4	4.75%
2019	6.50%	6.50%	2.40%	4	4.75%
2020	6.40%	6.40%	2.30%	4	4.75%
2021	6.40%	6.40%	2.30%	4	4.75%
2022	6.40%	6.40%	2.30%	4	4.75%
2023	6.40%	6.40%	2.30%	4	4.75%
2024	6.40%	6.40%	2.30%	4	4.75%

Mortality rates were based on RP-2000 Sex Distinct Tables in 2015 through 2017.

Mortality rates were based on Pub-2010 Public Retirement Plans Mortality Tables 2018 through 2024.

Hospital Service District No.1
Of the Parish of Pointe Coupee and Affiliate
Schedule of Employer Contributions to Pension Plan

Fiscal Year*	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered payroll	Contributions as a percentage of covered payroll
Louisiana Parochial Employees' Retirement System					
2016	\$ 1,107,839	\$ 1,107,839	\$ -0-	\$ 8,283,695	13.37%
2017	1,024,929	1,024,929	-0-	8,129,939	12.61%
2018	996,789	996,789	-0-	8,512,881	11.71%
2019	1,020,662	1,020,662	-0-	8,875,327	11.50%
2020	1,122,593	1,122,593	-0-	9,285,246	12.09%
2021	1,205,371	1,205,371	-0-	9,839,785	12.25%
2022	1,201,434	1,201,434	-0-	10,281,228	11.69%
2023	1,249,825	1,249,825	-0-	10,868,103	11.50%
2024	1,289,786	1,289,786	-0-	11,215,496	11.50%
2025	1,447,022	1,447,022	-0-	13,024,929	11.11%

*Amounts presented were determined as of the end of the fiscal year.

SUPPLEMENTARY INFORMATION

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Schedules of Net Patient Service Revenue
Years Ended October 31,

	<u>2025</u>	<u>2024</u>
Routine services:		
Adult and pediatric	\$ <u>5,509,700</u>	\$ <u>5,253,900</u>
Total routine services	<u>5,509,700</u>	<u>5,253,900</u>
Other professional services:		
Operating room	33,332	28,500
Anesthesiology	124,425	143,600
Radiology	10,491,730	10,326,482
Laboratory	11,692,132	11,932,953
Cardio pulmonary	920,816	904,301
Physical therapy	2,333,674	2,450,842
Occupational therapy	239,467	274,461
Speech therapy	209,875	250,585
Medical supply	306,044	374,787
Pharmacy	1,246,005	1,221,960
Emergency service	5,625,738	5,426,934
Observation room	339,840	279,835
Hospice	2,089,884	2,099,307
Wound care	253,474	174,441
Chemical dependency services	34,232	42,737
Rural health clinic	7,016	-0-
Home health	<u>2,382,179</u>	<u>2,152,094</u>
Total other professional services	<u>38,329,863</u>	<u>38,083,819</u>
Gross charges	\$ <u>43,839,563</u>	\$ <u>43,337,719</u>

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Schedules of Net Patient Service Revenue (Continued)
Years Ended October 31,

	<u>2025</u>	<u>2024</u>
Less charges associated with charity patients	\$ <u>(65,288)</u>	\$ <u>(83,540)</u>
Gross patient service revenue	43,774,275	43,254,179
Less deductions from revenue:		
Contractual adjustments	(17,839,813)	(17,258,182)
Discounts	<u>(21,300)</u>	<u>(26,623)</u>
Patient service revenue	25,913,162	25,969,374
Less provision for bad debts	<u>(2,320,448)</u>	<u>(2,203,855)</u>
Net patient service revenue	\$ <u>23,592,714</u>	\$ <u>23,765,519</u>

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Schedules of Other Revenue
Years Ended October 31,

	<u>2025</u>	<u>2024</u>
Rent	\$ 723,446	\$ 702,261
Medical record abstracts	3,795	2,517
Cafeteria	109,632	113,220
Access to care payment	423,672	482,560
Miscellaneous revenue	<u>16,004</u>	<u>68,298</u>
 Total other operating revenue	 <u>\$ 1,276,549</u>	 <u>\$ 1,368,856</u>

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Schedules of Expenses – Salaries and Benefits
Years Ended October 31,

	<u>2025</u>	<u>2024</u>
Salaries:		
Administration	\$ 2,182,572	\$ 2,089,786
Plant operations and maintenance	430,080	414,696
Laundry	30,633	35,692
Housekeeping	609,997	549,017
Dietary and cafeteria	396,403	406,396
Nursing administration	180,977	160,534
Medical records	306,035	286,605
Nursing services	2,902,408	2,890,918
Central supply	103,563	101,989
Operating room	119,952	126,417
Radiology	1,167,516	1,140,104
Laboratory	1,391,394	1,308,926
Cardio pulmonary	586,838	551,396
Pharmacy	314,406	345,214
Emergency room	237,131	281,102
Rural health clinic	185,777	18,915
Home health	1,834,273	1,624,596
District	268,148	260,263
Health unit	139,928	158,163
Hospice	<u>831,806</u>	<u>807,404</u>
 Total salaries	 <u>14,219,837</u>	 <u>13,558,133</u>
Benefits:		
Payroll taxes	344,961	338,699
Retirement expense	1,309,239	1,335,828
Retirement actuarial valuation adjustment	(213,495)	(719,170)
Hospitalization insurance	<u>1,236,609</u>	<u>1,157,140</u>
 Total benefits	 <u>2,677,314</u>	 <u>2,112,497</u>
 Total salaries and benefits	 \$ <u>16,897,151</u>	 \$ <u>15,670,630</u>

Hospital Service District No. 1
 Of the Parish of Pointe Coupee and Affiliate
 Schedules of Expenses – Medical Supplies and Drugs
 Years Ended October 31,

	<u>2025</u>	<u>2024</u>
Nursing services	\$ 5,324	\$ 136,238
Operating room	24,314	16,655
Anesthesiology	3,375	3,888
Radiology	31,972	52,032
Laboratory and blood	685,475	732,778
Cardio pulmonary	67,846	82,103
Physical therapy	24,434	92,779
Central supply	116,772	102,932
Pharmacy	409,242	346,478
Emergency room	88,050	104,244
Wound care	1,677	1,141
Rural health clinic	46,852	66,264
Home health	40,371	29,396
Hospice	<u>62,762</u>	<u>78,441</u>
Total medical supplies and drugs	\$ <u>1,608,466</u>	\$ <u>1,845,369</u>

Hospital Service District No. 1
 Of the Parish of Pointe Coupee and Affiliate
 Schedules of Expenses – Professional Fees
 Years Ended October 31,

	<u>2025</u>	<u>2024</u>
Nursing services	\$ 87,310	\$ 101,553
Operating room	-0-	14,011
Anesthesiology	110,770	107,500
Radiology	442,578	368,283
Laboratory and blood	633,139	633,955
Physical therapy	1,391,857	1,443,611
Cardio pulmonary	95,944	92,766
Pharmacy	69,802	61,983
Hospice	75	946
Wound clinic	166,446	121,425
Emergency room	1,418,520	1,337,557
Rural health clinic	24,730	33,192
Ambulance	34,240	47,965
Home health	37,325	87,557
Physician clinic	<u>42,407</u>	<u>48,530</u>
Total professional fees	\$ <u>4,555,143</u>	\$ <u>4,500,834</u>

Hospital Service District No. 1
 Of the Parish of Pointe Coupee and Affiliate
 Schedules of Expenses – Other Expenses
 Years Ended October 31,

	<u>2025</u>	<u>2024</u>
Purchased services	\$ 2,295,530	\$ 2,268,677
Medical specialist	9,350	9,500
Collection fees	21,216	20,642
Supplies	864,086	941,759
Repairs and maintenance	55,457	48,914
Utilities	458,089	428,364
Telephone	53,010	83,390
Travel	135,428	132,416
Rentals	141,396	151,624
Advertising	49,858	58,319
Dues and subscriptions	100,779	123,949
Inter-governmental transfer	191,830	584,507
Miscellaneous	<u>468,566</u>	<u>424,431</u>
 Total other expenses	 \$ <u>4,844,595</u>	 \$ <u>5,276,492</u>

Hospital Service District No.1
Of the Parish of Pointe Coupee and Affiliate
Schedule of Per Diem Amounts Paid to Commissioners
Year Ended October 31, 2025

<u>Board Member</u>	<u>Paid on Behalf of Commissioners</u>
Dr. Carl McLemore, M.D., Chairman	-0-
Mr. Maurice Picard, Vice Chairman	-0-
Ms. Janet Vosburg, Secretary	-0-
Dr. Donald Doucet, M.D., Finance Chair	-0-
Mr. Trohn Blanchard	-0-
Mr. Dustin Boudreaux	-0-
Mr. Scott Devillier	-0-
Ms. Brenda Goode	-0-
Mr. Anthony Hurst	-0-
Mr. William Vercher, Jr.	-0-

Hospital Service District No.1
 Of the Parish of Pointe Coupee and Affiliate
 Schedule of Compensation, Benefits and Other
 Payments to Chief Executive Officer
 Year Ended October 31, 2025

Agency Head Name: Chad Olinde
 Position: Chief Executive Officer - Hospital
 Time Period: November 1, 2024 to October 31, 2025

<u>Purpose</u>	<u>Amount</u>
Salary	293,467
Health insurance	-0-
Retirement	32,507
Car allowance	-0-
Vehicle provided by government	-0-
Reimbursements	-0-
Travel	2,481
Registration fees	-0-
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-

Agency Head Name: Jennifer Settoon
 Position: Administrator - Home Health & Hospice
 Time Period: November 1, 2024 to October 31, 2025

<u>Purpose</u>	<u>Amount</u>
Salary	150,800
Health insurance	-0-
Retirement	16,704
Car allowance	-0-
Vehicle provided by government	-0-
Reimbursements	600
Travel	619
Registration fees	748
Conference travel	972
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Combining Statements of Net Position
October 31, 2025

<u>Assets</u>	<u>Pointe Coupee General Hospital</u>	<u>Pointe Coupee Home Health & Hospice</u>	<u>Maison Pointe Coupee Apartments</u>	<u>Eliminating Entries</u>	<u>Combined</u>
Current assets:					
Cash and cash equivalents (Note 3)	\$ 1,165,467	\$ 75,832	\$ 20,850	\$ -0-	\$ 1,262,149
Patient accounts receivable, net of estimated uncollectibles (Note 6)	1,783,651	598,612	193	-0-	2,382,456
Estimated third-party payor settlements	1,375,091	-0-	-0-	-0-	1,375,091
Other receivables	2,911,858	-0-	-0-	-0-	2,911,858
Inventory	627,168	11,977	-0-	-0-	639,145
Prepaid expenses	231,063	6,254	30,365	-0-	267,682
Current portion of lease receivable	<u>59,089</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>59,089</u>
Total current assets	8,153,387	692,675	51,408	-0-	8,897,470
Assets limited as to use (Note 4)	7,665,216	-0-	394,263	-0-	8,059,479
Nondepreciable capital assets (Note 7)	1,745,398	-0-	100,000	-0-	1,845,398
Depreciable capital assets, net (Note 7)	11,429,962	20,091	846,502	-0-	12,296,555
Right-of-use capital assets, net (Note 7)	64,725	-0-	-0-	-0-	64,725
Subscription assets, net (Note 8)	88,505	4,963	-0-	-0-	93,468
Other assets:					
Investments	41,158,393	2,668	-0-	-0-	41,161,061
Net pension asset (Note 14)	1,470,683	-0-	-0-	-0-	1,470,683
Lease receivable	<u>206,930</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>206,930</u>
Total assets	<u>71,983,199</u>	<u>720,397</u>	<u>1,392,173</u>	<u>-0-</u>	<u>74,095,769</u>
Deferred outflows					
related to net pension liability	<u>2,042,822</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,042,822</u>
Total assets and deferred outflows of resources	\$ <u>74,026,021</u>	\$ <u>720,397</u>	\$ <u>1,392,173</u>	\$ <u>-0-</u>	\$ <u>76,138,591</u>

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Combining Statements of Net Position (Continued)
October 31, 2025

<u>Liabilities and Net Position</u>	Pointe Coupee General <u>Hospital</u>	Pointe Coupee Home Health & Hospice	Maison Pointe Coupee <u>Apartments</u>	Eliminating <u>Entries</u>	<u>Combined</u>
Current liabilities:					
Accounts payable	\$ 1,100,962	\$ 51,973	\$ 19,236	\$ -0-	\$ 1,172,171
Accrued expenses and withholdings payable (Note 9)	375,759	42,102	9,700	-0-	427,561
Compensated absences (Note 13)	963,440	145,454	-0-	-0-	1,108,894
Estimated third-party payor settlements	727,087	-0-	-0-	-0-	727,087
Deferred revenues	-0-	4,167	-0-	(4,167)	-0-
Current portion of lease liability	16,882	-0-	-0-	-0-	16,882
Current portion of subscription liability	22,984	13,351	-0-	-0-	36,335
Current portion of long-term debt (Note 10)	<u>-0-</u>	<u>-0-</u>	<u>13,436</u>	<u>-0-</u>	<u>13,436</u>
Total current liabilities	<u>3,207,114</u>	<u>257,047</u>	<u>42,372</u>	<u>(4,167)</u>	<u>3,502,366</u>
Net pension liability (Note 14)	-0-	-0-	-0-	-0-	-0-
Lease liability (Note 11)	52,261	-0-	-0-	-0-	52,261
Subscription liability (Note 12)	60,777	0	-0-	-0-	60,777
Long-term debt, net of current maturities (Note 10)	<u>-0-</u>	<u>-0-</u>	<u>836,185</u>	<u>-0-</u>	<u>836,185</u>
Total liabilities	<u>3,320,152</u>	<u>257,047</u>	<u>878,557</u>	<u>(4,167)</u>	<u>4,451,589</u>
Deferred inflows - net pension liability	1,284,915	-0-	-0-	-0-	1,284,915
Deferred inflows - lease receivable	<u>246,168</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>246,168</u>
Total deferred inflows of resources	<u>1,531,083</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,531,083</u>
Net position:					
Invested in capital assets, net of related debt	13,175,686	11,703	96,881	-0-	13,284,270
Restricted - Donor capital	-0-	-0-	847,862	-0-	847,862
Unrestricted	<u>55,999,100</u>	<u>451,647</u>	<u>(431,127)</u>	<u>4,167</u>	<u>56,023,787</u>
Total net position	<u>69,174,786</u>	<u>463,350</u>	<u>513,616</u>	<u>4,167</u>	<u>70,155,919</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 74,026,021</u>	<u>\$ 720,397</u>	<u>\$ 1,392,173</u>	<u>\$ -0-</u>	<u>\$ 76,138,591</u>

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Combining Statements of Net Position
October 31, 2024

<u>Assets</u>	Pointe Coupee General <u>Hospital</u>	Pointe Coupee Home Health & Hospice	Maison Pointe Coupee <u>Apartments</u>	Eliminating <u>Entries</u>	<u>Combined</u>
Current assets:					
Cash and cash equivalents (Note 3)	\$ 1,813,050	\$ 79,850	\$ 7,378	\$ -0-	\$ 1,900,278
Patient accounts receivable, net of estimated uncollectibles (Note 6)	1,654,086	541,719	306	-0-	2,196,111
Estimated third-party payor settlements	1,323,445	-0-	-0-	-0-	1,323,445
Other receivables	3,004,979	-0-	-0-	-0-	3,004,979
Inventory	542,236	15,262	-0-	-0-	557,498
Prepaid expenses	136,347	-0-	31,679	-0-	168,026
Current portion of lease receivable	<u>307,960</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>307,960</u>
 Total current assets	 8,782,103	 636,831	 39,363	 -0-	 9,458,297
 Assets limited as to use (Note 4)	 7,337,420	 -0-	 398,517	 -0-	 7,735,937
 Nondepreciable capital assets (Note 7)	 1,775,398	 -0-	 100,000	 -0-	 1,875,398
 Depreciable capital assets, net (Note 7)	 11,746,685	 25,669	 875,518	 -0-	 12,647,872
 Right-of-use capital assets, net (Note 7)	 141,995	 -0-	 -0-	 -0-	 141,995
 Subscription assets, net (Note 8)	 53,850	 45,476	 -0-	 -0-	 99,326
Other assets:					
Investments	35,659,781	2,552	-0-	-0-	35,662,333
Lease receivable	<u>266,020</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>266,020</u>
 Total assets	 <u>65,763,252</u>	 <u>710,528</u>	 <u>1,413,398</u>	 <u>-0-</u>	 <u>67,887,178</u>
Deferred outflows					
related to net pension liability	<u>3,987,284</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>3,987,284</u>
 Total assets and deferred outflows of resources	 \$ <u>69,750,536</u>	 \$ <u>710,528</u>	 \$ <u>1,413,398</u>	 \$ <u>-0-</u>	 \$ <u>71,874,462</u>

Hospital Service District No.1
Of the Parish of Pointe Coupee and Affiliate
Combining Statements of Net Position (Continued)
October 31, 2024

	Pointe Coupee General <u>Hospital</u>	Pointe Coupee Home Health & Hospice	Maison Pointe Coupee <u>Apartments</u>	Eliminating <u>Entries</u>	<u>Combined</u>
<u>Liabilities and Net Position</u>					
Current liabilities:					
Accounts payable	\$ 706,291	\$ 42,063	\$ 6,815	\$ -0-	\$ 755,169
Accrued expenses and withholdings payable (Note 9)	389,440	29,208	10,672	-0-	429,320
Compensated absences (Note 13)	923,345	120,699	-0-	-0-	1,044,044
Estimated third-party payor settlements	1,071,471	-0-	-0-	-0-	1,071,471
Deferred revenues	-0-	4,167	-0-	(4,167)	-0-
Current portion of lease liability	113,410	-0-	-0-	-0-	113,410
Current portion of subscription liability	32,033	41,589	-0-	-0-	73,622
Current portion of long-term debt (Note 10)	<u>-0-</u>	<u>4,958</u>	<u>12,545</u>	<u>-0-</u>	<u>17,503</u>
Total current liabilities	<u>3,235,990</u>	<u>242,684</u>	<u>30,032</u>	<u>(4,167)</u>	<u>3,504,539</u>
Net pension liability (Note 14)	1,427,069	-0-	-0-	-0-	1,427,069
Lease liability (Note 11)	40,973	-0-	-0-	-0-	40,973
Subscription liability (Note 12)	20,637	14,792	-0-	-0-	35,429
Long-term debt, net of current maturities (Note 10)	<u>-0-</u>	<u>7,436</u>	<u>849,621</u>	<u>-0-</u>	<u>857,057</u>
Total liabilities	<u>4,724,669</u>	<u>264,912</u>	<u>879,653</u>	<u>(4,167)</u>	<u>5,865,067</u>
Deferred inflows - net pension liability	697,831	-0-	-0-	-0-	697,831
Deferred inflows - lease receivable	<u>527,811</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>527,811</u>
Total deferred inflows of resources	<u>1,225,642</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,225,642</u>
Net position					
Invested in capital assets, net of related debt	13,510,875	2,370	113,352	-0-	13,626,597
Restricted - Donor capital	-0-	-0-	847,862	-0-	847,862
Unrestricted	<u>50,289,350</u>	<u>443,246</u>	<u>(427,469)</u>	<u>4,167</u>	<u>50,309,294</u>
Total net position	<u>63,800,225</u>	<u>445,616</u>	<u>533,745</u>	<u>4,167</u>	<u>64,783,753</u>
Total liabilities, deferred inflows of resources, and net position	\$ <u>69,750,536</u>	\$ <u>710,528</u>	\$ <u>1,413,398</u>	\$ <u>-0-</u>	\$ <u>71,874,462</u>

Hospital Service District No.1
Of the Parish of Pointe Coupee and Affiliate
Combining Statements of Revenue, Expenses, and Changes in Net Position
Year Ended October 31, 2025

	Pointe Coupee General <u>Hospital</u>	Pointe Coupee Home Health & Hospice	Maison Pointe Coupee Apartments	Eliminating Entries	<u>Combined</u>
Revenue:					
Net patient service revenue	\$ 19,468,403	\$ 4,124,311	\$ -0-	\$ -0-	\$ 23,592,714
Medicaid supplemental payments	5,598,036	-0-	-0-	-0-	5,598,036
Grants	37,978	-0-	-0-	-0-	37,978
Other operating revenue	<u>984,882</u>	<u>25,549</u>	<u>303,118</u>	<u>(37,000)</u>	<u>1,276,549</u>
Total revenue	<u>26,089,299</u>	<u>4,149,860</u>	<u>303,118</u>	<u>(37,000)</u>	<u>30,505,277</u>
Expenses:					
Salaries and benefits	13,678,449	3,153,856	64,846	-0-	16,897,151
Medical supplies and drugs	1,506,133	102,333	-0-	-0-	1,608,466
Insurance	459,193	62,904	36,153	-0-	558,250
Professional fees	4,519,393	35,750	-0-	-0-	4,555,143
Depreciation and amortization	1,150,516	43,677	63,330	-0-	1,257,523
Other expenses	<u>3,724,200</u>	<u>1,012,078</u>	<u>145,317</u>	<u>(37,000)</u>	<u>4,844,595</u>
Total expenses	<u>25,037,884</u>	<u>4,410,598</u>	<u>309,646</u>	<u>(37,000)</u>	<u>29,721,128</u>
Operating income (loss)	<u>1,051,415</u>	<u>(260,738)</u>	<u>(6,528)</u>	<u>-0-</u>	<u>784,149</u>
Nonoperating income (loss):					
Investment income	1,299,275	116	-0-	-0-	1,299,391
Interest expense	(8,634)	(1,644)	(13,601)	-0-	(23,879)
Sales tax revenue	2,788,530	-0-	-0-	-0-	2,788,530
Non-employer pension contributions	152,711	-0-	-0-	-0-	152,711
Gain (loss) on disposal of assets	32,225	-0-	-0-	-0-	32,225
Intergovernmental transfers	(280,000)	280,000	-0-	-0-	-0-
Payments to Police Jury	<u>(452,000)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(452,000)</u>
Nonoperating income (loss), net	<u>3,532,107</u>	<u>278,472</u>	<u>(13,601)</u>	<u>-0-</u>	<u>3,796,978</u>
Excess of revenues (expenses)	4,583,522	17,734	(20,129)	-0-	4,581,127
Other comprehensive income					
Unrealized investment gains (losses)	<u>791,039</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>791,039</u>
Comprehensive income (loss)	5,374,561	17,734	(20,129)	-0-	5,372,166
Beginning net position	<u>63,800,220</u>	<u>445,909</u>	<u>533,457</u>	<u>4,167</u>	<u>64,783,753</u>
Ending net position	\$ <u>69,174,781</u>	\$ <u>463,643</u>	\$ <u>513,328</u>	\$ <u>4,167</u>	\$ <u>70,155,919</u>

Hospital Service District No.1
Of the Parish of Pointe Coupee and Affiliate
Combining Statements of Revenue, Expenses, and Changes in Net Position
Year Ended October 31, 2024

	Pointe Coupee General <u>Hospital</u>	Pointe Coupee Home Health & Hospice	Maison Pointe Coupee <u>Apartments</u>	Eliminating <u>Entries</u>	<u>Combined</u>
Revenue:					
Net patient service revenue	\$ 19,841,317	\$ 3,924,202	\$ -0-	\$ -0-	\$ 23,765,519
Medicaid supplemental payments	7,038,013	-0-	-0-	-0-	7,038,013
Grants	17,778	-0-	-0-	-0-	17,778
Other operating revenue	<u>1,079,024</u>	<u>38,164</u>	<u>299,084</u>	<u>(47,416)</u>	<u>1,368,856</u>
Total revenue	<u>27,976,132</u>	<u>3,962,366</u>	<u>299,084</u>	<u>(47,416)</u>	<u>32,190,166</u>
Expenses:					
Salaries and benefits	12,727,351	2,863,192	80,087	-0-	15,670,630
Medical supplies and drugs	1,737,873	107,496	-0-	-0-	1,845,369
Insurance	415,333	56,027	38,032	-0-	509,392
Professional fees	4,431,553	69,281	-0-	-0-	4,500,834
Depreciation and amortization	1,189,424	49,915	61,323	-0-	1,300,662
Other expenses	<u>4,228,327</u>	<u>938,040</u>	<u>147,125</u>	<u>(37,000)</u>	<u>5,276,492</u>
Total expenses	<u>24,729,861</u>	<u>4,083,951</u>	<u>326,567</u>	<u>(37,000)</u>	<u>29,103,379</u>
Operating income (loss)	<u>3,246,271</u>	<u>(121,585)</u>	<u>(27,483)</u>	<u>(10,416)</u>	<u>3,086,787</u>
Nonoperating income (loss):					
Investment income	1,152,345	131	-0-	-0-	1,152,476
Interest expense	(17,534)	(7,281)	(14,437)	-0-	(39,252)
Sales tax revenue	2,965,950	-0-	-0-	-0-	2,965,950
Non-employer pension contributions	148,217	-0-	-0-	-0-	148,217
Gain (loss) on disposal of assets	(309,422)	(599)	(83)	-0-	(310,104)
Intergovernmental transfers	(170,000)	170,000	-0-	-0-	-0-
Payments to Police Jury	<u>(412,000)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(412,000)</u>
Nonoperating income (loss), net	<u>3,357,556</u>	<u>162,251</u>	<u>(14,520)</u>	<u>-0-</u>	<u>3,505,287</u>
Excess of revenues (expenses)	6,603,827	40,666	(42,003)	(10,416)	6,592,074
Other comprehensive income					
Unrealized investment gains (losses)	<u>1,117,259</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,117,259</u>
Comprehensive income (loss)	7,721,086	40,666	(42,003)	(10,416)	7,709,333
Beginning net position	<u>56,079,134</u>	<u>405,243</u>	<u>575,460</u>	<u>14,583</u>	<u>57,074,420</u>
Ending net position	\$ <u>63,800,220</u>	\$ <u>445,909</u>	\$ <u>533,457</u>	\$ <u>4,167</u>	\$ <u>64,783,753</u>

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Combining Statements of Operations by Service Component
Year Ended October 31, 2025

	-----District Summary-----							Total
	Hospital	COA*	Home Health & Hospice	Innis	Elderly Housing	District**	Eliminating Entries	
Revenue:								
Net patient service revenue	\$ 19,468,403	\$ -0-	\$ 4,124,311	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 23,592,714
Medicaid supplemental payments	5,598,036	-0-	-0-	-0-	-0-	-0-	-0-	5,598,036
Grants	37,978	-0-	-0-	-0-	-0-	-0-	-0-	37,978
Other	<u>553,343</u>	<u>-0-</u>	<u>25,549</u>	<u>-0-</u>	<u>303,118</u>	<u>431,539</u>	<u>(37,000)</u>	<u>1,276,549</u>
 Total revenue	 <u>25,657,760</u>	 <u>-0-</u>	 <u>4,149,860</u>	 <u>-0-</u>	 <u>303,118</u>	 <u>431,539</u>	 <u>(37,000)</u>	 <u>30,505,277</u>
Expenses:								
Salaries and benefits	13,435,267	-0-	3,153,856	-0-	64,846	243,182	-0-	16,897,151
Medical supplies and drugs	1,506,133	-0-	102,333	-0-	-0-	-0-	-0-	1,608,466
Insurance	459,193	-0-	62,904	-0-	36,153	-0-	-0-	558,250
Professional fees	4,518,348	-0-	36,795	-0-	-0-	-0-	-0-	4,555,143
Depreciation	964,988	-0-	43,677	-0-	63,330	185,528	-0-	1,257,523
Other expenses	<u>3,189,822</u>	<u>302,119</u>	<u>1,012,078</u>	<u>7,500</u>	<u>145,317</u>	<u>224,759</u>	<u>(37,000)</u>	<u>4,844,595</u>
 Total expenses	 <u>24,073,751</u>	 <u>302,119</u>	 <u>4,411,643</u>	 <u>7,500</u>	 <u>309,646</u>	 <u>653,469</u>	 <u>(37,000)</u>	 <u>29,721,128</u>
 Operating income (loss)	 <u>1,584,009</u>	 <u>(302,119)</u>	 <u>(261,783)</u>	 <u>(7,500)</u>	 <u>(6,528)</u>	 <u>(221,930)</u>	 <u>-0-</u>	 <u>784,149</u>
Nonoperating income (loss):								
Investment income	1,299,275	-0-	116	-0-	-0-	-0-	-0-	1,299,391
Interest expense	(10,278)	-0-	-0-	-0-	(13,601)	-0-	-0-	(23,879)
Sales tax revenue	2,788,530	-0-	-0-	-0-	-0-	-0-	-0-	2,788,530
Non-employer pension contributions	152,711	-0-	-0-	-0-	-0-	-0-	-0-	152,711
Gain (loss) on disposal of asset	32,225	-0-	-0-	-0-	-0-	-0-	-0-	32,225
Intergovernmental transfers	(280,000)	-0-	280,000	-0-	-0-	-0-	-0-	-0-
Payments to Police Jury	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(452,000)</u>	<u>-0-</u>	<u>(452,000)</u>
 Nonoperating income (loss), net	 <u>3,982,463</u>	 <u>-0-</u>	 <u>280,116</u>	 <u>-0-</u>	 <u>(13,601)</u>	 <u>(452,000)</u>	 <u>-0-</u>	 <u>3,796,978</u>
 Excess of revenues (expenses)	 <u>\$ 5,566,472</u>	 <u>\$ (302,119)</u>	 <u>\$ 18,333</u>	 <u>\$ (7,500)</u>	 <u>\$ (20,129)</u>	 <u>\$ (673,930)</u>	 <u>\$ -0-</u>	 <u>\$ 4,581,127</u>

* Council on Aging

** Remaining non-hospital activities of the District

Hospital Service District No. 1
Of the Parish of Pointe Coupee and Affiliate
Combining Statements of Operations by Service Component
Year Ended October 31, 2024

	Hospital	COA*	Home Health & Hospice	-----District Summary-----			Eliminating Entries	Total
				Innis	Elderly Housing	District**		
Revenue:								
Net patient service revenue	\$ 19,841,317	\$ -0-	\$ 3,924,202	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 23,765,519
Medicaid supplemental payments	7,038,013	-0-	-0-	-0-	-0-	-0-	-0-	7,038,013
Grants	17,778	-0-	-0-	-0-	-0-	-0-	-0-	17,778
Other	<u>664,528</u>	<u>-0-</u>	<u>38,164</u>	<u>-0-</u>	<u>299,084</u>	<u>414,496</u>	<u>(47,416)</u>	<u>1,368,856</u>
Total revenue	<u>27,561,636</u>	<u>-0-</u>	<u>3,962,366</u>	<u>-0-</u>	<u>299,084</u>	<u>414,496</u>	<u>(47,416)</u>	<u>32,190,166</u>
Expenses:								
Salaries and benefits	12,457,226	-0-	2,863,192	-0-	80,087	270,125	-0-	15,670,630
Medical supplies and drugs	1,737,873	-0-	107,496	-0-	-0-	-0-	-0-	1,845,369
Insurance	415,333	-0-	56,027	-0-	38,032	-0-	-0-	509,392
Professional fees	4,430,508	-0-	70,326	-0-	-0-	-0-	-0-	4,500,834
Depreciation	1,036,139	-0-	49,915	5,118	61,323	148,167	-0-	1,300,662
Other expenses	<u>3,712,701</u>	<u>300,488</u>	<u>938,040</u>	<u>5,569</u>	<u>147,125</u>	<u>209,569</u>	<u>(37,000)</u>	<u>5,276,492</u>
Total expenses	<u>23,789,780</u>	<u>300,488</u>	<u>4,084,996</u>	<u>10,687</u>	<u>326,567</u>	<u>627,861</u>	<u>(37,000)</u>	<u>29,103,379</u>
Operating income (loss)	<u>3,771,856</u>	<u>(300,488)</u>	<u>(122,630)</u>	<u>(10,687)</u>	<u>(27,483)</u>	<u>(213,365)</u>	<u>(10,416)</u>	<u>3,086,787</u>
Nonoperating income (loss):								
Investment income	1,152,345	-0-	131	-0-	-0-	-0-	-0-	1,152,476
Interest expense	(23,171)	-0-	(1,644)	-0-	(14,437)	-0-	-0-	(39,252)
Sales tax revenue	2,965,950	-0-	-0-	-0-	-0-	-0-	-0-	2,965,950
Non-employer pension contributions	148,217	-0-	-0-	-0-	-0-	-0-	-0-	148,217
Gain (loss) on disposal of asset	(310,104)	-0-	-0-	-0-	-0-	-0-	-0-	(310,104)
Intergovernmental transfers	(170,000)	-0-	170,000	-0-	-0-	-0-	-0-	-0-
Payments to Police Jury	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(412,000)</u>	<u>-0-</u>	<u>(412,000)</u>
Nonoperating income (loss), net	<u>3,763,237</u>	<u>-0-</u>	<u>168,487</u>	<u>-0-</u>	<u>(14,437)</u>	<u>(412,000)</u>	<u>-0-</u>	<u>3,505,287</u>
Excess of revenues (expenses)	\$ <u>7,535,093</u>	\$ <u>(300,488)</u>	\$ <u>45,857</u>	\$ <u>(10,687)</u>	\$ <u>(41,920)</u>	\$ <u>(625,365)</u>	\$ <u>(10,416)</u>	\$ <u>6,592,074</u>

* Council on Aging

** Remaining non-hospital activities of the District



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

To the Board of Commissioners
Hospital Service District No. 1
Parish of Pointe Coupee, State of Louisiana
New Roads, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Hospital Service District No. 1, Parish of Pointe Coupee, (the "District" or the "Hospital"), a component unit of the Pointe Coupee Parish Police Jury, as of and for the years ended October 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's combined financial statements as listed in the table of contents, and have issued our report thereon dated April 28, 2026. Our report includes a reference to other auditors who audited the financial statements of Maison Pointe Coupee Apartments, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial

statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2025-002 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as item 2025-001 to be a significant deficiency.

Report on Compliance and Other Matters

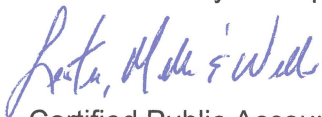
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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*.

The District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



Certified Public Accountants
Alexandria, Louisiana

April 28, 2026



POINTE COUPEE GENERAL HOSPITAL
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED OCTOBER 31, 2025

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified – Yes
- Significant deficiencies identified – Yes

Compliance:

- Noncompliance issues noted – No

Management letter issued – No

Federal Awards – N/A

Section II. Financial Statement Findings

FINDING 2025-001 - Segregation of Duties

Criteria: Hospital staff should maintain a segregation of duties for effective internal control.

Condition: There is not a complete segregation of duties in all accounting, recording and custody functions.

Cause: Segregation is not feasible due to small staff size.

Effect: A weakness in internal control exists over job duties and functions, allowing an opportunity for fraud.

Recommendation: We recommend that duties be segregated to the extent possible to prevent both intentional and unintentional errors. Segregation includes 1) separating transaction authorization from custody of related assets; 2) separating transaction recording from general ledger posting and maintenance; 3) separating operations responsibility from record-keeping. Where these segregations are not possible, we recommend close supervision and review.

Response: The District is limited in its resources. The benefits of having a complete segregation of duties are not feasible. However, management closely supervises and reviews the accounting, recording, and custody functions.



POINTE COUPEE GENERAL HOSPITAL
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED OCTOBER 31, 2025

Section II. Financial Statement Findings (Continued)

FINDING 2025-002 - Accrual of DPP Receivables

Criteria: Revenues related to the Medicaid Directed Payment Program (DPP) should be recognized when revenues are both earned and reasonably estimable.

Condition: Receivables and related operating revenues associated with the Medicaid DPP were understated.

Cause: Management has historically applied a conservative approach to recording Medicaid supplemental revenue.

Effect: Receivables and operating revenues were understated by approximately \$1.2 million.

Recommendation: We recommend management develop a consistent methodology to estimate and record Medicaid DPP revenue each period, using the most current data available.

Response: Management will develop methodology to consistently record Medicaid DPP revenues using the most current data available.

Section III. Management Letter

Not Applicable

Section IV. Federal Award Findings and Questioned Costs

Not Applicable



POINTE COUPEE GENERAL HOSPITAL
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED OCTOBER 31, 2025

Section I. Financial Statement Findings

FINDING 2024-001 - Segregation of Duties

Fiscal Year Initially Reported: October 31, 2007

Condition: Due to a limited number of available employees, there is not a complete segregation of duties in all accounting, recording and custody functions.

Recommendation: We recommend that duties be segregated to the extent possible to prevent both intentional and unintentional errors. Segregation includes 1) separating transaction authorization from custody of related assets; 2) separating transaction recording from general ledger posting and maintenance; 3) separating operations responsibility from record-keeping. Where these segregations are not possible, we recommend close supervision and review.

Current Status: Not resolved - See finding 2025-001.

FINDING 2024-002 - MCIP Receivables

Fiscal Year Initially Reported: October 31, 2024

Condition: Receivables and revenue related to the MCIP Program were understated.

Recommendation: We recommend developing a consistent methodology to record MCIP program revenue each period, using the most current data available.

Current Status: Resolved.

Section II. Management Letter

Not Applicable

Section III. Federal Award Findings and Questioned Costs

None reported



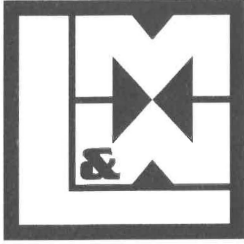
HOSPITAL SERVICE DISTRICT NO. 1
PARISH OF POINTE COUPEE

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON
PROCEDURES

FOR THE YEAR ENDED
OCTOBER 31, 2025



LESTER, MILLER & WELLS
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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
of Hospital Service District No. 1
Parish of Point Coupee, State of Louisiana
and the Louisiana Legislative Auditor

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 period November 01, 2024 through October 31, 2025. Hospital Service District No. 1, Parish of Point Coupee (the Hospital) management is responsible for those C/C areas identified in the SAUPs.

The Hospital 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 period November 01, 2024 through October 31, 2025. 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:

1) *Written Policies and Procedures*

- A. 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:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **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.
 - iii. **Disbursements**, including processing, reviewing, and approving.
 - iv. **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).

- v. **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 rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase 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).
- ix. **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.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **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.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exceptions: Purchasing policy did not address how vendors are added to the vendor list. Contracting policy did not address the legal review of contracts. Ethics policy did not address how the system monitors possible ethics violations or about the documentation of policy changes. Information technologies policies were discussed with management.

Management's Response: Management will continue to update and implement policies, as needed.

2) Board or Finance Committee

- A. 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
 - i. 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.
 - ii. 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. *Alternatively, for those entities reporting on the not-for-profit 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.*

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

Exceptions: The board meets on a monthly basis according to its bylaws. During this period under examination, two (2) of the twelve (12) monthly meetings were cancelled.

Management's Response: The board approved canceling two (2) meetings during the period under examination. The board updated its bylaws, effective July 15, 2025, stating the board must meet six out of twelve months in the year.

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

- A. 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).
- B. For each location selected under procedure #3A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. 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;
 - iv. 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; and
 - v. 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.



- C. For each location selected under procedure #3A 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
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #3B above, as applicable.
- D. Using the entity's main operating account and the one randomly selected month from the fiscal period, 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.

Exceptions: One (1) of the five (5) disbursements selected for testing did not include evidence of segregation of duties. Three (3) of the five (5) electronic disbursements selected for testing did not include evidence of approval by only those authorized to disburse funds or have the required number of authorized signers.

Management's response: Management will review current processes and determine how to ensure approval for electronic disbursements is present and disbursements are approved by the required number of authorized signers.

4) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.
- B. 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
 - i. 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 and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #4B 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 (e.g., each card should have 10



transactions subject to inspection). For each transaction, observe that 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 observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Exceptions: There were eleven (11) exceptions found as a result of these procedures. One (1) of the five (5) credit cards tested did not have evidence that the statement was reviewed and approved. Ten (10) of the thirty (30) transactions tested did not have written documentation of business purpose.

Management's Response: Monthly statements and supporting documentation will be reviewed and signed by a member of the governing board. Efforts will be made to ensure all transactions have a documented business purpose.

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

- A. 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 and 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:
- i. If reimbursed using a per diem, observe that 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);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that 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 Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Exceptions: No exceptions were found as a result of these procedures.

6) *Ethics*

- A. Using 5 randomly selected employees/officials obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and



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and the Louisiana Legislative Auditor

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Exceptions: There was no documentation of notifying a change to the ethics policy for the fiscal year.

Management's Response: Management will update ethics policy to include what documentation is needed to notify when there is a change to the ethics policy.

We were engaged by the Hospital 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 Hospital 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.



Certified Public Accountants
Alexandria, Louisiana

April 28, 2026

