

**RAPIDES PRIMARY HEALTH
CARE CENTER, INC.**

AUDITED FINANCIAL STATEMENTS

**FEBRUARY 28, 2025
(WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2024)**

RAPIDES PRIMARY HEALTH CARE CENTER, INC.
February 28, 2025
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Rapides Primary Health Care Center, Inc.
Alexandria, Louisiana

Opinion

We have audited the accompanying financial statements of Rapides Primary Health Care Center, Inc., (a nonprofit organization), which comprise the statement of financial position as of February 28, 2025, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rapides Primary Health Care Center, Inc., as of February 28, 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rapides Primary Health Care Center, Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Rapides Primary Health Care Center, Inc.'s, ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 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, including omissions, 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, 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 Rapides Primary Health Care Center, Inc.'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 Rapides Primary Health Care Center, Inc.'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.

Report on Summarized Comparative Information

We have previously audited Rapides Primary Health Care Center, Inc.'s, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 28, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended February 28, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 18 - 20 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2025, on our consideration of Rapides Primary Health Care Center, Inc.'s, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Rapides Primary Health Care Center, Inc.'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 Rapides Primary Health Care Center, Inc.'s, internal control over financial reporting and compliance.

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.

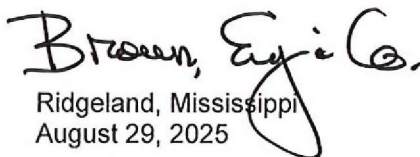

Ridgeland, Mississippi
August 29, 2025

EXHIBIT I

RAPIDES PRIMARY HEALTH CARE CENTER, INC.
Statement of Financial Position
February 28, 2025
(With Summarized Financial Information for 2024)

<u>ASSETS</u>	<u>2025</u>	<u>2024</u>
Current Assets:		
Cash	\$ 2,520,319	\$ 2,678,671
Patient care receivables, less allowance of \$1,534,171 for credit losses	229,265	123,780
Grants receivable	106,001	106,001
Employee advances	25,576	25,702
Prepaid expenses	114,775	114,775
Investment in LPCA	3,000	3,000
Total Current Assets	<u>2,998,936</u>	<u>3,051,929</u>
Fixed Assets:		
Land	185,088	185,088
Building and improvements	7,390,274	7,282,274
Furniture and equipment	2,240,311	2,208,542
Vehicles	986,905	894,147
Construction in Progress	234,765	-
Total Fixed Assets	11,037,343	10,570,051
Less: Accumulated depreciation	<u>(3,645,757)</u>	<u>(3,264,635)</u>
Net Fixed Assets	<u>7,391,586</u>	<u>7,305,416</u>
Other Assets:		
Deposits	1,500	1,500
Operating lease right-of-use asset	24,004	47,928
	<u>25,504</u>	<u>49,428</u>
TOTAL ASSETS	<u>\$ 10,416,026</u>	<u>\$ 10,406,773</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable	\$ 39,746	\$ 84,826
Deferred revenue	96,454	96,454
Payroll taxes payable	93,165	132,296
Other payroll deductions payable	32,611	19,528
Salaries payable	86,600	70,472
Accrued annual leave	82,382	81,690
Current portion of right-of-use operating lease liability	24,004	23,924
Total Current Liabilities	<u>454,962</u>	<u>509,190</u>
Long-Term Liabilities		
Right-of-use operating lease liability, net of current portion	-	24,004
Total Long-Term Liabilities	<u>-</u>	<u>24,004</u>
Total Liabilities	<u>454,962</u>	<u>533,194</u>
Net Assets:		
Without donor restrictions		
Undesignated (Operating)	3,352,742	3,351,427
Investment in fixed assets, net of related debt	6,608,322	6,522,152
Total Net Assets	<u>9,961,064</u>	<u>9,873,579</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 10,416,026</u>	<u>\$ 10,406,773</u>

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

RAPIDES PRIMARY HEALTH CARE CENTER, INC.
Statement of Operations and Changes in Net Assets
For the Year Ended February 28, 2025
(With Summarized Financial Information for 2024)

	<u>Without Donor Restrictions</u>	
	<u>2025</u>	<u>2024</u>
SUPPORT AND REVENUES (Note 2)		
Support:		
Federal grants and contracts	\$ <u>2,365,874</u>	\$ <u>3,368,378</u>
Total Support	<u>2,365,874</u>	<u>3,368,378</u>
Revenue:		
Health care services, net of charity, credit losses and contractual adjustments of \$(393,525)	1,806,332	1,650,093
Interest income	101,988	63,239
Other income	485,546	-
In-kind revenues	<u>103,793</u>	<u>172,423</u>
Total Revenue	<u>2,497,659</u>	<u>1,885,755</u>
TOTAL SUPPORT AND REVENUES	<u>4,863,533</u>	<u>5,254,133</u>
EXPENSES		
Program Services		
Medical services	2,321,574	2,136,849
Dental services	943,705	734,656
Community services	<u>144,690</u>	<u>991,361</u>
Total Program Services	<u>3,409,969</u>	<u>3,862,866</u>
Supporting Services		
Management and general	<u>1,366,079</u>	<u>1,275,754</u>
Total Supporting Services	<u>1,366,079</u>	<u>1,275,754</u>
TOTAL EXPENSES	<u>4,776,048</u>	<u>5,138,620</u>
Change in net Assets	87,485	115,513
Net Assets, Beginning of Year	<u>9,873,579</u>	<u>9,758,066</u>
NET ASSETS, END OF YEAR	<u>\$ <u>9,961,064</u></u>	<u>\$ <u>9,873,579</u></u>

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

RAPIDES PRIMARY HEALTH CARE CENTER, INC.
Statement of Functional Expenses
For the Year Ended February 28, 2025
(With Summarized Financial Information for 2024)

	PROGRAM SERVICES				SUPPORTING SERVICES	2025	2024
	Medical Services	Dental Services	Community Services	Total Program Services	Management and General	Total Expenses	Total Expenses
Personnel	\$ 1,214,148	306,825	38,027	1,559,000	819,546	\$ 2,378,546	\$ 2,350,178
Fringe benefits	191,755	45,655	-	237,410	132,395	369,805	431,927
Travel	38,964	14,110	493	53,567	18,985	72,552	55,753
Supplies	246,554	161,900	-	408,454	111,313	519,767	504,281
Equipment rental	733	367	-	1,100	367	1,467	1,041
Contractual	77,454	195,638	97,472	370,564	58,479	429,043	685,774
Accounting and audit	18,596	9,298	-	27,894	9,298	37,192	40,137
Legal	198	99	-	297	99	396	1,643
Dues and subscriptions	8,209	4,105	-	12,314	4,105	16,419	35,148
Utilities	43,793	21,897	-	65,690	18,293	83,983	89,080
Equipment repairs & maint.	5,552	2,776	-	8,328	2,776	11,104	12,331
Building repairs & maint.	40,828	5,856	-	46,684	14,056	60,740	113,698
Insurance	40,927	20,464	-	61,391	20,464	81,855	75,737
Staff recruitment	-	-	-	-	160	160	(195)
Advertisement & marketing	4,441	6,768	4,172	15,381	2,221	17,602	8,032
Security	1,956	978	-	2,934	978	3,912	2,912
Training and development	2,633	1,316	100	4,049	1,316	5,365	6,552
Telephone	46,847	21,481	-	68,328	21,481	89,809	78,169
Postage	1,661	830	-	2,491	830	3,321	2,439
Printing	893	-	-	893	-	893	378
Space cost	3,593	1,796	-	5,389	2,996	8,385	8,141
Interest	-	-	-	-	817	817	954
Bank charges	1,228	399	-	1,627	614	2,241	1,392
Waste removal	2,947	2,887	-	5,834	3,604	9,438	6,057
Board expenses	29,617	14,808	4,310	48,735	14,808	63,543	48,473
Janitorial services	120	8,002	-	8,122	60	8,182	43
Property and other taxes	3,300	464	-	3,764	249	4,013	1,795
Acquisition of fixed assets	226,025	125,325	-	351,350	115,942	467,292	717,094
Transferred to fixed assets	(226,025)	(125,325)	-	(351,350)	(115,942)	(467,292)	(717,094)
Other	214	(262)	116	68	10,515	10,583	11,682
In-kind expenses	103,793	-	-	103,793	-	103,793	172,423
Total expenses before depreciation	2,130,954	848,457	144,690	3,124,101	1,270,825	4,394,926	4,745,975
Depreciation	190,620	95,248	-	285,868	95,254	381,122	392,645
Total Expenses	\$ 2,321,574	943,705	144,690	3,409,969	1,366,079	\$ 4,776,048	\$ 5,138,620

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

RAPIDES PRIMARY HEALTH CARE CENTER, INC.
Statement of Cash Flows
For the Year Ended February 28, 2025
(With Summarized Financial Information for 2024)

	<u>2025</u>	<u>2024</u>
CASH FLOWS USED FOR OPERATING ACTIVITIES:		
Changes in Net Assets	\$ 87,485	\$ 115,513
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation expense	381,122	392,645
Bad debt expense	67,759	219,996
Decrease (increase) in:		
Patient care receivables	(173,244)	(143,586)
Employee advances	126	(4,487)
Operating lease right-of-use asset	23,924	23,964
Increase (decrease) in:		
Accounts payable	(45,080)	48,571
Deferred revenue	-	(47,588)
Payroll taxes payable	(39,131)	64,951
Other payroll deductions payable	13,083	3,610
Salaries payable	16,128	17,676
Accrued annual leave	692	27,970
Right-of-use operating lease liability	(23,924)	(23,964)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>308,940</u>	<u>695,271</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	<u>(467,292)</u>	<u>(717,094)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>(467,292)</u>	<u>(717,094)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Other financing activities	<u>-</u>	<u>(14)</u>
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>-</u>	<u>(14)</u>
NET INCREASE (DECREASE) IN CASH	(158,352)	(21,837)
CASH, BEGINNING OF YEAR	<u>2,678,671</u>	<u>2,700,508</u>
CASH, END OF YEAR	<u>\$ 2,520,319</u>	<u>\$ 2,678,671</u>

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

RAPIDES PRIMARY HEALTH CARE CENTER, INC.
Notes to the Financial Statements
February 28, 2025

NOTE 1 - ABOUT THE ORGANIZATION

Rapides Primary Health Care Center, Inc., (the "Center"), a non-profit corporation was incorporated in the State of Louisiana on May 19, 1992. The Center was organized to provide efficient and effective health care through the operation of a health delivery system designed to meet the medical needs of the community i.e., early detection diagnosis, and treatment of illness and injuries; to facilitate an understanding of the desirability of initiating a program of preventive medicine; and to generally improve and promote the improvement of the community, civilly, and socially. The Center provides comprehensive primary health care to area residents, with particular care for the social-economically disadvantaged. The area served is Central Louisiana. The services are provided through an outpatient Center with a referral program, health education, and limited medical services for hospitalization.

The fiscal year of the Center is March 1 through February 28.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. **Basis of Accounting** - The financial statements of Rapides Primary Health Care Center, Inc., are presented on the accrual basis of accounting.
- B. **Basis of Presentation** - The Center is required to report information regarding its financial position and activities according to two classes of net assets: Net assets with donor restrictions and nets assets without donor restrictions. In addition, the organization is required to present a statement of functional expenses.
- C. **Cash and Cash Equivalents** - For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less that are not restricted for specific purposes.
- D. **Donated Property and Equipment** - Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Center reclassifies donor restricted net assets to donor unrestricted net assets at that time.
- E. **Donated Services** - Donated services are recognized as contributions in accordance with FASB Accounting Standards Codification (ASC) 958, Accounting for Contributions Received and Contributions Made, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Center.
- F. **Functional Expense Allocation** - The cost of providing various programs and other activities have been summarized on a functional basis in the Statement of Operations and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

RAPIDES PRIMARY HEALTH CARE CENTER, INC.
Notes to the Financial Statements
February 28, 2025

G. Fund Accounting - The accounts of the Center are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups.

H. Property and Equipment - Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method. The following estimated useful lives are generally used:

Buildings	40 years
Furniture and fixtures	5 - 20 years
Equipment	5 - 15 years
Software	3 - 5 years

Expenses for additions, major renewals, and betterments are capitalized and expenses for maintenance and repairs are charged to operations as incurred. The cost of assets retired or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses resulting from property disposal are credited as charged to operations currently.

Asset acquired with a unit cost of \$5,000 is capitalized and depreciated over their estimated useful lives.

The Federal Government has a reversionary interest in property purchased with federal funds. Its disposition, as well as any disposition proceeds is subject to federal regulations. The use of assets purchased with federal funds is limited to the purposes intended by the funding source.

I. Restricted and Unrestricted Revenue and Support - Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Operations as net assets released from restrictions. Federal grant awards are classified as refundable advances until expended for the purposes of the grants since they are conditional promises to give.

J. Employees' Annual Leave - The Center charges annual leave earned by employees which has not been used by them at the end of a period to the period that the leave is earned. At February 28, 2025, employees had \$82,382 in accrued vacation benefits, which are reflected in the financial statements.

K. Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

RAPIDES PRIMARY HEALTH CARE CENTER, INC.
Notes to the Financial Statements
February 28, 2025

- L. Net Patient Service Revenues and Provision for Bad Debt** - Net patient service revenue is reported at the estimated net realized amounts from patients, third-party payors, and others for services rendered, including estimated retroactive and prospective adjustments under reimbursements agreements with third-party payors. Third-party payors retain the right to review and propose adjustments to amounts reported by the Center. Such adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

The Center grants credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements. Additions to the allowance for doubtful accounts are made by means of the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance. The amount of the provision for bad debt is based upon management's assessment of historical expected net collections, business and economic conditions, trends in Federal and state governmental health care coverage, and other collection indicators. Services rendered to individuals when payment is expected and ultimately not received are written off to the allowance for doubtful accounts.

- M. Reclassifications** - Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

- N. Classification of Net Assets** - Net Assets of Rapides Primary Health Care Center, Inc., are classified based on the presence or absence of donor-imposed restrictions. Net Assets are comprised of two groups as follows:

a) Net Assets Without Donor Restrictions - Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

b) Net Assets With Donor Restrictions - Assets subject to usage limitations based on donor imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by action of the Center. Certain restrictions may need to be maintained in perpetuity.

NOTE 3 - FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Center in estimating its fair value disclosures for financial instruments:

Cash and cash equivalents: the carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

The estimated fair values of the Center's financial instruments, none of which are held for trading purposes, are as follows:

Financial assets:	Carrying Amount	Fair Value
Cash and cash equivalents	\$2,520,319	\$2,520,319

RAPIDES PRIMARY HEALTH CARE CENTER, INC.
Notes to the Financial Statements
February 28, 2025

NOTE 4 - CONCENTRATIONS OF CREDIT RISK ARISING FROM DEPOSITS IN EXCESS OF INSURED LIMITS

The Federal Deposit Insurance Corporation (FDIC) currently insures up to \$250,000 of substantially all depository accounts held at each financial institution. At various times during the year, the Center's cash deposits may exceed the federally insured limits and at February 28, 2025, its uninsured deposits totaled \$2,323,391. The Center has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on its cash and cash equivalents.

NOTE 5 - LIQUIDITY AND AVAILABILITY

The Center regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the safety of its available funds. The Center's primary sources of liquidity are cash and cash equivalents and unexpended grant funds available for withdrawal. See Note 3 for information regarding the Center's cash and cash equivalents and Note 6 for grant balances and conditions.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Center considers all expenditures related to its ongoing activities of family medicine, OB/GYN, dental, pharmacy, and mental health as well as the conduct of services undertaken to support those activities to be general expenditures. In-kind donations of pharmaceuticals are not included in the analysis as these pharmaceuticals are provided without cost to our patients.

In addition to financial assets available to meet general expenditures over the next 12 months, the Center operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by grant funds. As a Federally Qualified Health Center, the Center receives significant grant funds from the U.S. Department of Health and Human Services with restrictions to be used in accordance with grant requirements. Refer to the statement of cash flows which identifies the sources and uses of the Center's cash.

At February 28, 2025, the following tables show the total financial assets held by the Corporation and the amounts of those financial assets that could be made readily available within one year of the balance sheet date to meet general expenditures:

Financial assets at year-end	2025	2024
Cash and cash equivalents	\$ 2,520,319	\$ 2,678,671
Patient care receivables, net	229,265	123,780
Grants receivable	106,001	106,001
Total financial assets at year end	<u>\$ 2,855,585</u>	<u>\$ 2,908,452</u>

RAPIDES PRIMARY HEALTH CARE CENTER, INC.
Notes to the Financial Statements
February 28, 2025

NOTE 6 - GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable at February 28, 2025 was \$106,001 and are due from the following funding sources at year end.

	<u>Amount</u>
U. S. Dept. of Heath and Human Services	\$ 9,547
State of Louisiana Dept. of Health and Hospital	96,454
Total	<u>\$ 106,001</u>

NOTE 7 - PATIENT ACCOUNTS RECEIVABLE AND RELATED ALLOWANCE FOR DOUBTFUL ACCOUNTS

Patient accounts receivable, prior to adjustment for the allowance for credit losses, is summarized as follows at February 28, 2025:

<u>Accounts receivable</u>	<u>Amount</u>
Patients	\$ 1,077,319
Government	681,580
Other	4,537
	<u>\$ 1,763,436</u>

Allowance for credit losses is summarized as follows at February 28, 2025:

<u>Allowance for credit losses</u>	<u>Amount</u>
Patients	\$ 532,732
Government	1,001,439
	<u>\$ 1,534,171</u>

NOTE 8 - PATIENT SERVICE REVENUE

A summary of patient service revenue, net of contractual adjustments and discounts, is as follows at February 28, 2025.

	<u>Amount</u>
Patient Service Revenue	\$ 2,199,857
Less: contractual adjustments under third-party reimbursement program and discounts	(325,766)
Provision for credit losses	(67,759)
Total Contractual adjustment and bad debt	<u>(393,525)</u>
Net Patient Service Revenue	<u>\$ 1,806,332</u>

RAPIDES PRIMARY HEALTH CARE CENTER, INC.
Notes to the Financial Statements
February 28, 2025

NOTE 9 - FIXED ASSETS

The following is a summary schedule of fixed assets and related accumulated depreciation carried in the general property fund.

<u>Fixed Assets</u>	<u>Balance at 03/01/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance at 02/28/2025</u>
Non-Depreciable Assets					
Land	\$ 185,088	-	-	-	\$ 185,088
Construction in progress	-	234,765	-	-	234,765
Total Non-Depreciable Assets	<u>185,088</u>	<u>234,765</u>	<u>-</u>	<u>-</u>	<u>419,853</u>
Depreciable Assets					
Buildings and Improvements	7,282,274	108,000	-	-	7,390,274
Furniture and Equipment	1,891,537	31,769	-	-	1,923,306
Computer software	317,005	-	-	-	317,005
Motor vehicle	894,147	92,758	-	-	986,905
Total Depreciable Assets	<u>10,384,963</u>	<u>232,527</u>	<u>-</u>	<u>-</u>	<u>10,617,490</u>
Less: Accumulated Depreciation	<u>(3,264,635)</u>	<u>(381,122)</u>	<u>-</u>	<u>-</u>	<u>(3,645,757)</u>
Net Fixed Assets	<u>\$ 7,305,416</u>	<u>86,170</u>	<u>-</u>	<u>-</u>	<u>\$ 7,391,586</u>

Depreciation expense for the year ended February 28, 2025 totaled \$381,122.

NOTE 10 - CORPORATE INCOME TAXES

The Center is exempt from corporate Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes. Therefore, no provision has been made for Federal or state corporate income taxes in the accompanying financial statements.

The Center has analyzed its tax positions taken for filings with the Internal Revenue Service. It believes that its tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on its financial condition, results of operations, or cash flows. The Organization's federal and state income tax returns for 2024, 2023, and 2022 are subject to examination by the federal, state, and local taxing authorities, generally for three years after they are filed.

B. Construction in Progress

The Center has under construction the following project at February 28, 2025 :

<u>Name of Project:</u>	<u>Estimated Cost of Project</u>	<u>Construction Balance 03/01/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 02/28/2025</u>	<u>Estimated Cost to Complete</u>
New Medical and Dental Facility, Bunkie, LA	\$ 3,008,950	-	234,765	-	234,765	\$ 2,774,185
Total	<u>\$ 3,008,950</u>	<u>-</u>	<u>234,765</u>	<u>-</u>	<u>234,765</u>	<u>\$ 2,774,185</u>

This project is estimated to be completed during fiscal year 2027.

RAPIDES PRIMARY HEALTH CARE CENTER, INC.
Notes to the Financial Statements
February 28, 2025

NOTE 11 - RETIREMENT PLAN

The Center has a Simple IRA plan that was established on August 28, 2002. The Plan is a tax-deferred retirement plan where each employee establishes an IRA account. Both the employee and employer contributions are deposited in the account. The Center makes matching contributions up to three (3) percent of an employee's compensation. For the year ended February 28, 2025, the Center incurred \$38,989 in pension expense, which is recorded in employees benefits.

NOTE 12 - SUMMARY OF FUNDING AND SUPPORT

Rapides Primary Health Care Center's operations are funded through restricted grants from the U.S. Department of Health and Human Services. Other grants and contracts are received from state and local government agencies. The grants and contracts for the current period are shown below.

Source	Grant Number	Period	Amount
U. S. Dept. of HHS	H80CS00244 (Section 330)	3/1/2024 - 2/28/2025	\$ 1,164,388
U. S. Dept. of HHS	H80CS00244D0 (Affordable Health Care Act)	3/1/2024 - 2/28/2025	<u>1,201,486</u>
TOTAL			<u>\$ 2,365,874</u>

NOTE 13 - BANK LINE OF CREDIT

Rapides Primary Health Care Center, Inc., has available an unsecured line-of-credit agreement dated June 10, 2012, which is renewable with Capital One Bank in which the Center may borrow up to \$150,000. Borrowing under the line bears an interest rate of 3.250%. As of February 28, 2025 the outstanding balance on the line-of-credit was zero.

NOTE 14 - COMMITMENT AND CONTINGENCIES

Annual Leave

The cost of employee's unused annual leave at February 28, 2025 in the amount of \$82,382 is included in the financial statements. See Note 2.J. above.

RAPIDES PRIMARY HEALTH CARE CENTER, INC.
Notes to the Financial Statements
February 28, 2025

NOTE 14 - COMMITMENT AND CONTINGENCIES (Continued)

Operating Leases

Equipment lease expense under non-cancelable operating leases for office equipment expiring through February 28, 2029 amounted to \$1,741 and \$3,053 for the years ended February 28, 2025 and 2024, respectively.

Future minimum payments from the remaining terms for the years ending February 28, are as follows:

Year Ending	Equipment
2025	\$ 23,924
2026	24,004
	<u>\$ 47,928</u>

Other Contingencies

Rapides Primary Health Care Center, Inc., maintains general liability, property, fidelity, managed care professional liability, directors and officers, and other insurance coverage in amounts the Center believes to be adequate. The Center requires contracting health care providers to maintain malpractice insurance coverage in amounts customary in the industry.

In the ordinary course of its business, Rapides Primary Health Care Center, Inc., is a party to claims and legal actions by enrollees, providers and others. After consulting with legal counsel, the Center is of the opinion that any liability that may ultimately be incurred as a result of these claims, legal actions, audits, or investigations will not have a material adverse effect on the financial position or results of operations of Rapides Primary Health Care Center, Inc.

NOTE 15 - DEFERRED REVENUE

Deferred Revenue consist of the following at February 28, 2025.

Grant Program	Balance at 03/01/2024	Current Year Grant Award	Current Year Cost Incurred	Balance at 02/28/2025
HHS Section 330 grant	\$ -	1,164,388	(1,164,388)	\$ -
Affordable Care Act	-	1,201,466	(1,201,466)	-
State of Louisiana Division of Administration (Roof Repair Grant)	<u>96,454</u>	<u>-</u>	<u>-</u>	<u>96,454</u>
Total	<u>\$ 96,454</u>	<u>2,365,854</u>	<u>(2,365,854)</u>	<u>\$ 96,454</u>

RAPIDES PRIMARY HEALTH CARE CENTER, INC.
Notes to the Financial Statements
February 28, 2025

NOTE 16 - CONCENTRATION OF CONTRIBUTIONS OR GRANTS

Approximately 48.65% of the Center's funding is provided from grants from the U.S. Department of Health and Human Services.

NOTE 17 - SUMMARIZED 2024 FINANCIAL INFORMATION

The statement of activities includes certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended February 28, 2024 from which the summarized information was derived.

NOTE 18 - SUBSEQUENT EVENTS

Events that occur after the Statement of Financial Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Financial Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Financial Position date require disclosure in the accompanying notes. Management of Rapides Primary Health Care Center, Inc., evaluated the activity of the Organization through August 29, 2025, which is the date the financial statements are available to be issued.

SUPPLEMENTARY INFORMATION

SCHEDULE A

RAPIDES PRIMARY HEALTH CARE CENTER, INC.
Schedule of Compensation, Benefits, Reimbursements, and Other Payments to Chief Executive Officer
As of February 28, 2025

In accordance with Act 706 passed during the 2014 regular Louisiana Legislative Session, the compensation, benefits, reimbursements and other payments to the Chief Executive Officer are presented as follows for Mrs. Patricia L. Lewis:

<u>Category</u>	<u>Amount</u>	<u>Total</u>
Salary	\$ 323,569	
Incentive pay - (bonus)	<u>18,500</u>	
Total salary and incentive pay		\$ <u>342,069</u>
Benefits:		
Health insurance	\$ 10,738	
Social security	10,465	
Medicare	5,802	
Retirement	<u>18,500</u>	
Total benefits		<u>45,505</u>
Travel:		
Conference	\$ 2,680	
Airfare and lodging	3,679	
Per diem and registration	1,827	
Travel allowance	7,200	
Telephone/data	<u>1,463</u>	
Total travel		<u>16,849</u>
Total Compensation, Benefits, Travel, and Other Expenses		\$ <u>404,423</u>

RAPIDES PRIMARY HEALTH CARE CENTER, INC.
Schedule of Expenditures of Federal Awards
For the Year Ended February 28, 2025

Federal Grant/ Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Grant Number	Federal Expenditures
<u>U.S. Department of Health and Human Services</u>			
Health Resource & Service Administration			
Direct Program:			
<i>Health Center Cluster Programs:</i>			
Bureau of Primary Health Care:			
Consolidated Health Centers	93.224	H80CS00244	\$ 1,164,388
Affordable Care Act (ACA) Grants for New Expanded Services	93.527	H80CS00244D0	<u>1,201,486</u>
			<u>2,365,874</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>2,365,874</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u><u>2,365,874</u></u>

RAPIDES PRIMARY HEALTH CARE CENTER, INC.
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended February 28, 2025

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Rapides Primary Health Care Center, Inc., under programs of the federal government for the year ended February 28, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Rapides Primary Health Care Center, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Rapides Primary Health Care Center, Inc.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

Rapides Primary Health Care Center, Inc., does not use a negotiated indirect cost rate and has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

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

To the Board of Directors of
Rapides Primary Health Care Center, Inc.
Alexandria, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Rapides Primary Health Care Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of February 28, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 29, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Rapides Primary Health Care Center, Inc.'s, internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rapides Primary Health Care Center, Inc.'s, internal control. Accordingly, we do not express an opinion on the effectiveness of Rapides Primary Health Care Center, Inc.'s, internal control.

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

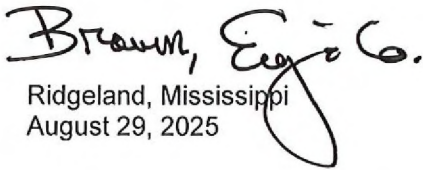
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Ridgeland, Mississippi
August 29, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Rapides Primary Health Care Center, Inc.
Alexandria, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Rapides Primary Health Care Center, Inc.'s, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Rapides Primary Health Care Center, Inc.'s, major federal programs for the year ended February 28, 2025. Rapides Primary Health Care Center, Inc.'s, major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Rapides Primary Health Care Center, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended February 28, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control over Compliance

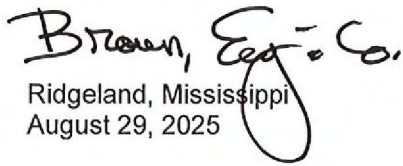
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all

deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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


Ridgeland, Mississippi
August 29, 2025

RAPIDES PRIMARY HEALTH CARE CENTER, INC.
Auditee's Summary Schedule of Prior Audit Findings
Year Ended February 28, 2025

Rapides Primary Health Care Center, Inc. did not have any audit findings for the year ended February 29, 2024.

RAPIDES PRIMARY HEALTH CARE CENTER, INC.
Schedule of Findings and Questioned Costs
Year Ended February 28, 2025

Section 1 - Summary of Auditor's Results

- | | | |
|----|---|---------------|
| 1. | Type of auditor's report issued on the financial statements. | Unmodified |
| 2. | Material noncompliance relating to the financial statements. | No |
| 3. | Internal control over financial reporting: | |
| | a. Material weaknesses identified? | No |
| | b. Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |

Federal Awards:

- | | | |
|----|---|---------------|
| 4. | Type of auditor's report issued on compliance for major federal programs | Unmodified |
| 5. | Internal control over major programs: | |
| | a. Material weaknesses identified? | No |
| | b. Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |
| 6. | Any audit findings reported as required by the Uniform Guidance? | No |
| 7. | Federal programs identified as major programs: | |
| | a. U. S. Department of Health and Human Services | |

<u>Name of Program</u>	<u>CFDA Number</u>
Health Center Cluster Program	
Consolidated Health Centers	93.224
Affordable Care Act (ACA)	93.527

- | | | |
|----|--|-----------|
| 8. | The dollar threshold used to distinguish between type A and Type B programs: | \$750,000 |
| 9. | Auditee did qualify as a low-risk auditee | |

Section 2 - Finding Financial Statements Audit

NONE

Section 3 - Findings and Questioned Costs - Major Federal Award Program Audit

NONE