



**St. Charles Parish Hospital Service District**  
A Component Unit of St. Charles Parish

**FINANCIAL STATEMENTS**

December 31, 2024 and 2023



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# REPORT





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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners of  
St. Charles Parish Hospital Service District  
Luling, Louisiana

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of St. Charles Parish Hospital Service District (the Hospital), a component unit of St. Charles Parish, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Charles Parish Hospital Service District (the Hospital), as of December 31, 2024 and 2023, 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.

#### ***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 the Hospital 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 the Hospital's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 Hospital'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 Hospital's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

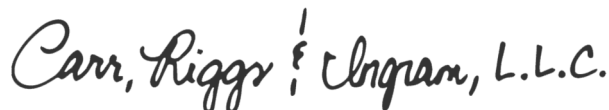
Management has omitted Management's Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Hospital's basic financial statements. The schedule of compensation, benefits, and other payments to agency head, the schedule of board of commissioners and compensation and the schedule of bonds are presented for purposes of additional analysis and are 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head, the schedule of board of commissioners and compensation and the schedule of bonds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2025, on our consideration of the Hospital's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hospital'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 Hospital's internal control over financial reporting and compliance.



CARR, RIGGS & INGRAM, LLC

Metairie, Louisiana

June 25, 2025



# FINANCIAL STATEMENTS



**St. Charles Parish Hospital Service District**  
**Statements of Net Position**

<i>As of December 31,</i>	<b>2024</b>	<b>2023</b>
<b>Assets and Deferred Outflow of Resources</b>		
Current assets		
Cash and cash equivalents	\$ 30,298,766	\$ 23,033,541
Receivables:		
Patient accounts receivable, net of estimated uncollectibles and allowances of \$20,529,585 in 2024 and \$24,003,411 in 2023	5,792,039	7,000,984
Ad valorem receivable	10,342,773	10,632,532
MCIP receivable	2,573,533	990,000
Current portion of lease receivables	1,368,484	858,175
Other receivables	10,363	29,012
Estimated third-party payer settlements	-	3,295,189
Restricted cash - debt service	5,848,797	5,020,450
Inventory	1,055,162	882,766
Prepaid expenses	1,151,655	408,006
Total current assets	58,441,572	52,150,655
Noncurrent assets		
Cash and cash equivalents whose use is limited:		
By indenture agreement for debt service	5,848,797	5,020,450
By indenture agreement for capital acquisition	12,500,019	17,069,310
Total assets whose use is limited	18,348,816	22,089,760
Less: amounts required to meet current obligations	(5,848,797)	(5,020,450)
Total noncurrent assets whose use is limited	12,500,019	17,069,310
Capital assets, net	47,241,918	47,953,099
Long-term portion of lease receivables	2,349,434	1,963,757
Total assets	120,532,943	119,136,821
Deferred outflow of resources		
Deferred outflow - bond refundings	6,342	44,380
Total assets and deferred outflow of resources	\$ 120,539,285	\$ 119,181,201

(Continued)

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

**St. Charles Parish Hospital Service District**  
**Statements of Net Position**

<i>As of December 31,</i>	<b>2024</b>	<b>2023</b>
<b>Liabilities, Deferred Inflow of Resources, and Net Position</b>		
Current liabilities		
Accounts payable	\$ 1,602,535	\$ 1,865,255
Due to Hospital manager	12,277,833	12,805,174
Accrued salaries and benefits	1,459,964	1,094,113
Accrued interest payable	210,653	253,901
Full Medicaid Payment Program payable	-	5,501,960
Estimated third-party payer settlements	1,032,769	-
Short-term debt	491,924	-
Current maturities of long-term debt	6,135,246	6,421,169
Current portion of lease obligation	182,944	238,078
Deferred revenue	192,113	-
Other liabilities and accrued expenses	120,508	215,704
Total current liabilities	<b>23,706,489</b>	28,395,354
Long-term debt and other liabilities		
Long-term debt, net of current maturities	38,392,530	44,535,155
Long-term portion of lease obligation	416,882	513,704
Lease deposits	20,202	20,202
Total long-term debt and other liabilities	<b>38,829,614</b>	45,069,061
Total liabilities	<b>62,536,103</b>	73,464,415
Deferred inflow of resources		
Leases	3,447,305	2,533,101
Net position		
Net investment in capital assets	14,697,045	13,405,636
Restricted		
Expendable for:		
Debt service	5,848,797	5,020,450
Unrestricted	34,010,035	24,757,599
Total net position	<b>54,555,877</b>	43,183,685
Total liabilities, deferred inflow of resources, and net position	<b>\$ 120,539,285</b>	<b>\$ 119,181,201</b>

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

**St. Charles Parish Hospital Service District**  
**Statements of Revenues, Expenses, and Changes in Net Position**

<i>For the Years Ended December 31,</i>	<b>2024</b>	<b>2023</b>
<b>Operating Revenue</b>		
Net patient service revenues	\$ 69,727,343	\$ 66,353,126
Rural hospital grant	-	137,900
MCIP revenue	3,057,073	3,760,283
Other operating revenues	2,577,080	2,566,046
<b>Total operating revenues</b>	<b>75,361,496</b>	<b>72,817,355</b>
<b>Operating Expenses</b>		
Salaries and wages	14,672,232	13,993,943
Employee benefits	2,828,957	2,630,237
Supplies and other	19,637,834	18,060,606
Purchased services	11,507,024	9,686,181
Medicaid program support	21,000,000	22,750,000
Depreciation and amortization	5,120,987	5,210,576
<b>Total operating expenses</b>	<b>74,767,034</b>	<b>72,331,543</b>
<b>Operating income (loss)</b>	<b>594,462</b>	<b>485,812</b>
<b>Nonoperating Revenue (Expenses)</b>		
Ad valorem taxes - maintenance	5,471,849	5,339,193
Ad valorem taxes - debt service	5,050,510	5,610,859
Gain/(loss) on disposal	(21,878)	-
Government grant income	542,915	1,672,983
Interest income	479,764	257,394
Gain on insurance proceeds	633,880	2,284,325
Interest expense	(1,379,310)	(1,516,297)
<b>Total nonoperating revenue (expense)</b>	<b>10,777,730</b>	<b>13,648,457</b>
<b>Change in net position</b>	<b>11,372,192</b>	<b>14,134,269</b>
<b>Net position - beginning of year</b>	<b>43,183,685</b>	<b>29,049,416</b>
<b>Net position - end of year</b>	<b>\$ 54,555,877</b>	<b>\$ 43,183,685</b>

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

## St. Charles Parish Hospital Service District Statements of Cash Flows

<i>For the Years Ended December 31,</i>	<b>2024</b>	<b>2023</b>
<b>Operating Activities</b>		
Revenue collected	\$ 74,023,668	\$ 77,485,409
Payments for supplies, services, and other operations	(53,454,336)	(44,511,563)
Payments to employees and for employee-related costs	(17,135,338)	(16,467,240)
Net cash provided by operating activities	3,433,994	16,506,606
<b>Noncapital Financing Activities</b>		
Ad valorem taxes - maintenance	5,622,530	4,807,726
Ad valorem taxes - debt service	5,189,588	5,052,351
Noncapital grants and contributions	542,915	838,489
Net cash provided by noncapital financing activities	11,355,033	10,698,566
<b>Capital and Related Financing Activities</b>		
Principal payments on general obligation bonds	(4,310,000)	(4,170,000)
Principal payments on limited tax bonds	(1,820,000)	(1,760,000)
Principal payment on other long-term debt	(289,925)	(280,094)
Principal payments on multi-employer pension liability	-	(483,240)
Principal payments on lease obligations	(306,048)	(647,174)
Cash paid for interest on debt obligations	(1,422,558)	(1,558,234)
Proceeds from insurance	633,880	2,284,325
Proceeds from capital assets disposal	25,000	-
Purchase of capital assets (property, plant and equipment)	(4,273,177)	(9,006,309)
Net cash used in capital and related financing activities	(11,762,828)	(15,620,726)
<b>Investing Activities</b>		
Cash received as interest	498,082	287,085
Net cash provided by investing activities	498,082	287,085
Net increase in cash and cash equivalents	3,524,281	11,871,531
Cash and cash equivalents - beginning of year	45,123,301	33,251,770
Cash and cash equivalents - end of year	\$ 48,647,582	\$ 45,123,301

(Continued)

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

## St. Charles Parish Hospital Service District

### Statements of Cash Flows

For the Years Ended December 31, 2024 2023

#### Reconciliation of Cash to the Statement of Net Position

Cash and cash equivalents	\$ 30,298,766	\$ 23,033,541
Restricted cash held for capital improvements	12,500,019	17,069,310
Restricted cash held for debt service	5,848,797	5,020,450
Cash and cash equivalents - end of year	\$ 48,647,582	\$ 45,123,301

#### Reconciliation of Operating Income (Loss) to Net

##### Cash Provided by Operating Activities:

Operating (loss) income	\$ 594,462	\$ 485,812
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation and amortization	5,091,572	5,180,789
Amortization of premium/discount on long term debt	29,415	29,787
Provision for bad debts	3,125,928	2,910,745
Changes in operating assets and liabilities:		
Patient accounts receivable	(1,916,983)	(4,980,484)
MCIP receivable	(1,583,533)	(348,936)
Other receivable	18,649	652,963
Estimated third-party payer settlements	4,327,958	3,683,766
Inventory	(172,396)	(307,677)
Prepaid expenses	(251,825)	60,579
Accounts payable	(262,720)	1,009,310
Due to Hospital manager	(527,341)	5,170,294
Accrued salaries and benefits	365,851	156,940
Other accrued expenses	(95,196)	52,718
Deferred Revenue	192,113	-
Full Medicaid Payment Program payable	(5,501,960)	2,750,000
Net cash provided by operating activities	\$ 3,433,994	\$ 16,506,606

#### Supplemental Disclosures of Noncash Capital and Related Financing Activities

Capital assets financed through lease obligations	\$ -	\$ 671,490
Capital assets through lease modifications	\$ 196,247	\$ 144,197
Prepaid insurance through short-term debt	\$ 1,604,381	\$ -

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

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 1: DESCRIPTION OF HOSPITAL

#### ***Reporting Entity***

St. Charles Parish Hospital Service District (the Hospital), a special district and component unit of St. Charles Parish (the Parish), was formed for the purpose of operating St. Charles Parish Hospital, a non-profit community hospital established in 1956. The Board of Commissioners is the governing authority for the Hospital and is responsible for obtaining voter approval for the levy of tax or debt issuance, but all related Louisiana State Bond Commission approvals must be obtained through the Parish.

On September 1, 2014, the Hospital entered into a management agreement with a wholly-owned subsidiary of Ochsner Health System, to provide management, staff, and other assistance to operate the Hospital. This expanded affiliation enables the Hospital to further enhance existing clinical services while simultaneously improving resources, including operational efficiencies (see Note 18).

#### ***Blended Component Units***

The Hospital follows the requirements under GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34*. The financial statements of the Hospital include the accounts of the Hospital and its wholly owned component units, St. Charles Health Initiatives, Inc., St. Charles Hospital Continuum of Care Corporation, and Plantation View Medical Offices. The significant intercompany transactions and balances have been eliminated.

The St. Charles Hospital Continuum of Care Corporation (SCHCCC) was incorporated on August 10, 2006 with a subsequent name change to St. Charles Health Initiatives, Inc. (SCHII). SCHII is a non-profit hospital that principally provides housing, healthcare, and other related services to residents. SCHII maintains a shared governing board and receives funding through the Hospital Service District. Due to the level of control and the financial benefit/burden relationship with the Hospital that exists, SCHII is considered a blended component unit of the Hospital for accounting purposes. The operations of SCHII are included in the financial statements of the Hospital for the years ended December 31, 2024 and 2023.

St. Charles Hospital Services Corporation (the Corporation) is a non-profit entity that, while legally separate from the Hospital, is reported as if it were a part of the Hospital because of the presence of a shared governing body with the Hospital. As a component unit of the Hospital, the operations of the Corporation are included in the financial statements of the Hospital; however, the operations of the Corporation became dormant. During the year ended December 31, 2007, the Corporation changed its name to the St. Charles Hospital Continuum of Care Corporation after the SCHCCC mentioned above changed its name to St. Charles Health Initiatives, Inc. As a blended component unit of the Hospital, the operations of the Corporation are included in the financial statements of the Hospital for the years ended December 31, 2024 and 2023.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 1: DESCRIPTION OF HOSPITAL (Continued)

#### ***Blended Component Units (Continued)***

On December 2, 2013, Plantation View Medical Offices (PVMO) was formed with St. Charles Parish Hospital being the sole member. PVMO was formed as a not-for-profit corporation for the purpose of building a medical office building on the east bank of St. Charles Parish. On January 13, 2014, PVMO received a donation of land that was appraised at \$714,000. PVMO also secured financing in the amount of \$14,700,000, to build the medical office building. The financing is a mixture of New Markets Tax Credits, a commercial loan, and a grant from the Hospital. Construction was substantially completed in March of 2016. As a blended component unit of the Hospital, the operations of PVMO are included in the financial statements of the Hospital for the years ended December 31, 2024 and 2023.

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### ***Measurement Focus, Basis of Accounting and Financial Statement Presentation***

The Hospital's financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America as prescribed by GASB. The GASB has issued Statement No. 35 (GASB 35), *Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities* and GASB 39, *Determining Whether Certain Organizations Are Component Units*. The financial statement presentation required by these statements provides a comprehensive, entity-wide perspective of the Hospital's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, changes in net position and cash flows and replaces the fund-group perspective previously required.

For financial reporting purposes, the Hospital is considered a special-purpose government entity engaged only in business-type activities. Accordingly, the financial statements have been presented using the *economic resources measurement focus* and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred. For purposes of presentation, transactions deemed by management to be ongoing, major, or central to the provision of healthcare services are reported as operating revenues and operating expenses. All other activities are reported as non-operating activities. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility and timing requirements imposed by the provider have been met.

The Hospital's financial statements are prepared based on accounting principles applicable to governmental units as established by the GASB and the provisions of the American Institute of Certified Public Accountants, "Audit and Accounting Guide, Health Care Entities," to the extent that they do not conflict with GASB. SCHII, the Corporation, and PVMO also use the accrual method.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position*

##### *Cash and Cash Equivalents*

Cash and cash equivalents include investments in highly liquid debt instruments with maturities of three months or less, excluding amounts whose use is limited by board designation, other arrangements under trust agreements, or with third-party payers.

##### *Assets Whose Use is Limited*

Assets whose use is limited include cash restricted to pay indenture agreements. It also includes cash restricted in accordance with funds provided from indenture agreements to be used for capital improvements.

##### *Patient Accounts Receivable, Net*

Patient accounts receivable are reduced by estimated contractual and other adjustments and estimated uncollectible accounts. In evaluating the collectability of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowances for third-party contractual and other adjustments and bad debt. Management reviews data about these major payer sources of revenue on a monthly basis in evaluating the sufficiency of the allowances. On a continuing basis, management analyzes delinquent receivables and writes them off against the allowance when deemed uncollectible. No interest is charged on patient accounts receivable balances.

For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for contractual adjustments and, if necessary, a provision for bad debts (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payer has not yet paid, or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely).

For receivables associated with uninsured patients (also known as 'self-pay'), which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the Hospital records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many uninsured patients are often either unable or unwilling to pay the full portion of their bill for which they are financially responsible. The difference between standard rates (or the discounted rates, if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for uncollectible accounts.

The Hospital has not materially altered its accounts receivable and revenue recognition policies during fiscal year 2024 and did not have significant write-offs from third-party payers related to collectability in fiscal years 2024 or 2023.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### ***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)***

##### *Lease Receivables*

The Hospital is a lessor for noncancellable leases. The Hospital recognizes a lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. Under the lease agreements, the Hospital may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The Hospital uses the stated rate in the lease or its estimated incremental borrowing rate as the discount rate for the leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The Hospital monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

##### *Inventory*

Inventory, consisting primarily of pharmaceuticals and medical supplies, are stated using the average cost method or net realizable value, whichever is lower, using the first in, first out (FIFO) method. When evidence exists that the net realizable value of inventories is lower than its cost, the difference is recognized as a loss in the statement of revenues, expenses, and changes in net position in the period in which it occurs. The cost of such inventories is recorded as an expense when consumed rather than when purchased.

##### *Prepaid Expenses*

Prepaid expenses are amortized over the estimate period of future benefit, generally on a straight-line basis.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)*

##### *Capital Assets*

Capital assets, which include property, plant, equipment and right-to-use lease assets are stated at cost on the date of acquisition. The Hospital's capitalization policy for assets includes all items with an initial individual costs greater than \$1,000, except for intangible right-of-use lease assets. Gifts or contributions of capital assets, and assets received in a service concession arrangement are recorded at acquisition value at the time received.

Depreciation on capital assets is calculated using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are depreciated over the shorter of the useful life of the underlying asset or the lease term. Land and construction in progress are not depreciated.

The ranges of estimated useful lives for the various other capital asset categories are as follows:

Buildings and improvements	20 - 40 years
Leasehold improvements	5 - 15 years
Equipment	3 - 7 years
Vehicle	4 - 12 years
Software	1 - 3 years
Right of use assets	2 - 5 years
Land	not depreciated
Construction in Progress	not depreciated

Upon sale or retirement of capital assets, the cost and related accumulated depreciation are eliminated from the respective accounts, and the resulting gain or loss, if any, is included in the statement of revenues, expenses and changes in net position.

Expenditures that materially increase values, change capacities, or extend useful lives of the respective assets are capitalized. Routine maintenance and repairs are charged to expense when incurred.

##### *Long-Lived Assets Impairment*

Long-lived assets are reviewed for impairment if circumstances suggest that there is a significant, unexpected decline in service utility of a long-lived asset. The service utility of a long-lived asset is the usable capacity that at acquisition was expected to be used to provide service. An assessment of recoverability is performed prior to any write-down of assets and an impairment charge is recorded on those assets for which the estimated fair value is below its carrying amount. Based on management's evaluations, no long-lived assets impairments were recognized during the years ended December 31, 2024 and 2023.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)*

##### *Deferred Outflows/Inflows of Resources*

In addition to assets, the statements of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The Hospital has one item that qualifies for reporting as deferred outflows of resources – deferred outflows on refunding debt. The deferred outflows on refunding debt resulted from a debt refinancing, whereby the reacquisition price of the funding debt instrument exceeded the net carrying amount. The deferred outflows on refunding debt is amortized over the shorter of the life of the refunded or refunding debt.

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 inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The Hospital has one item that qualifies for reporting as deferred inflows of resources – deferred inflows related to leases. The deferred inflows of resources related to leases are associated with amounts owed to the Hospital as lessor and will be recognized in lease revenue in future reporting periods.

##### *Compensated Absences*

Employees accumulate general purpose time at varying rates according to years of service. Employees are immediately vested in accrued general purpose time when earned. Upon termination, all unused paid time off hours are paid to the employee at the employee's current rate of pay. Expense and the related liability are recognized as vacation benefits are earned whether the employee is expected to realize the benefit as time off or in cash. The maximum number of hours that can be accrued for paid time off is 240 hours.

Accrued compensated absences, included as a component of accrued salaries and benefits on the Hospital's statements of net position, was \$466,680 and \$395,618 as of December 31, 2024 and 2023, respectively.

##### *Cost of Borrowing*

Premiums or discounts incurred in connection with the issuance of bonds are amortized over the life of the obligations using the effective interest method, and the unamortized amount is included in the balance of outstanding debt. Bond issuance costs are expensed in the period incurred, except for prepaid insurance costs.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)*

##### *Lease Obligations*

The Hospital recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. At the commencement of a lease, the Hospital initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Hospital determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Hospital uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Hospital generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease and any lease extension options that the Hospital is reasonably certain to exercise.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Hospital is reasonably certain to exercise.

The Hospital monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

##### *Categories and Classification of Net Position*

Net position of the Hospital is classified in three components, as follows:

*Net investment in capital assets* – consists of capital assets, net of accumulated depreciation, reduced by the current balances of any outstanding borrowings (including leases) used to finance the purchase or construction of those assets.

*Restricted net position* – made up of noncapital assets that must be used for a particular purpose, as specified by creditors, grantors or donors external to the Hospital, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings. Restricted net position at December 31, 2024 and 2023 were amounts set aside to fund future debt obligations.

*Unrestricted net position* – the remaining net position that does not meet the definitions of net investment in capital assets or restricted net position described above.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### ***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)***

The Hospital first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

#### ***Revenue and Expenses***

##### ***Operating Revenue and Expenses***

The Hospital's statements of revenues, expenses and changes in net position distinguish between operating and nonoperating revenue and expenses. Operating revenue results from exchange transactions associated with providing health care services, the Hospital's principal activity. Non-exchange revenue, including investment income, grants and contributions received for purposes other than capital asset acquisition, are reported as nonoperating revenue. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

##### ***Net Patient Service Revenue***

The Hospital has agreements with third-party payers that provide for payments to the Hospital at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered including estimated retroactive adjustments under reimbursement agreements with third-party payers.

Retroactive 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 or as years are no longer subject to such audits, reviews, and investigations.

The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potentially significant wrongdoing. However, compliance with such laws and regulations is subject to future government review and interpretation, as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid program, and in recent years there has been an increase in regulatory initiatives at the state and federal levels including the Recovery Audit Contractor ("RAC") and Medicaid Integrity Contractor ("MIC") programs, among others. These programs were created to review Medicare and Medicaid claims for medical necessity and coding appropriateness. The RAC's have authority to pursue 'improper' (in their judgment) payments with a three year look back from the date the claim was paid.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Revenue and Expenses (Continued)*

##### *Charity Care*

The Hospital provides care to patients who meet certain criteria under its indigent and charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The Hospital maintains records to identify and monitor the level of charity care it provides to all of its qualifying patients. These records include the amount of charges foregone for services and supplies furnished under its charity care policy. As presented in Note 11, the Hospital reduced its gross revenues for its cost of charity care. For the years ended December 31, 2024 and 2023, charity care totaled \$645,124 and \$331,388, respectively.

##### *Grants and Contributions*

From time to time, the Hospital receives grants from other governmental entities as well as contributions from individuals and private 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 either for specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts restricted to capital acquisition are reported after nonoperating revenue and expenses.

##### *Managed Care Incentive Payment Revenue*

The Hospital participates in the State of Louisiana's Managed Care Incentive Payment (MCIP) Program which provides incentive payments to healthcare entities for achieving quality reforms that increase access to health care, improve the quality care, and/or enhance the health of patients they serve. Incentive payments are received after the specified activities, targets, performance measures, or quality-based outcomes are achieved by the healthcare entity. The revenue associated with MCIP incentive payments is recognized by the Hospital as soon as the amounts are estimable. Any changes resulting from the change in estimate are recognized within operations in the period in which they occur.

##### *Rural Hospital Grant*

The Hospital participates in Rural Hospital Grant Program to assist rural hospitals in receiving adequate reimbursement for uninsured and indigent patients under the State of Louisiana Rural Hospital Preservation Act. The Hospital records the revenues as soon as they are estimable with any true-ups recorded at the time of payment. The Rural Hospital Grant Program was replaced during 2022 with the Medicaid Directed Payment Program.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### ***Revenue and Expenses (Continued)***

##### *Medicaid Directed Payment Program (DPP)*

The Hospital participates in the State's Medicaid Directed Payment Program, which provides continuing support to hospitals that provide services to Managed Medicaid patients through a percentage increase to each hospital's base Medicaid claims payments for hospital services to the Medicaid managed care population. The Hospital records the revenues as soon as they are estimable with any true-ups recorded at the time of payment.

##### *Ad Valorem Tax Revenues*

The Hospital receives dedicated property tax revenues in amounts sufficient to fund annual debt maturities of the general obligation bonds and related interest costs, and to fund maintenance and operations of the Hospital. Such revenues are considered nonoperating in the accompanying statements of revenues, expenses and changes in net position.

Ad valorem taxes are normally levied and billed in November of each year and are due by December 31st of the year levied. Revenues are recognized when levied due to the extent they are determined to be currently collectible. Ad valorem taxes are billed and collected using the assessed values determined by the Tax Assessor of St. Charles Parish. For the year ended December 31, 2024, the millage rates have been set at 2.23 mills for Maintenance and Operations and 2.06 mills for Bonds. For the year ended December 31, 2023, the millage rates have been set at 2.43 mills for Maintenance and Operations and 2.56 mills for Bonds. The ad valorem taxes receivable for the years ended December 31, 2024 and 2023 totaled \$10,342,773 and \$10,632,532, respectively on the accompanying statements of net position.

##### *Advertising Expense*

Advertising costs are expensed as incurred. Advertising expenses are included in supplies and other of \$20,644 and \$17,799 for the years ended December 31, 2024 and 2023, respectively, in the accompanying statements of revenues, expenses, and changes in net position.

##### *Income Tax Status*

The Hospital is a governmental unit which is exempt from Federal income taxes on related income pursuant to Section 115 of the Internal Revenue Code.

SCHII, the Corporation and PVMO, the component units of the Hospital as noted in Note 1, are exempt from taxes on income other than unrelated business income under section 501(c)(3) of the Internal Revenue Code.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### ***Use of Estimates***

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Estimates that are particularly susceptible to significant change in the near term are related to the determination of the allowances for uncollectible accounts and contractual adjustments and estimated third-party payer settlements. In particular, laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates related to these programs will change by a material amount in the near term.

#### ***Risk Management***

The Hospital is exposed to various risks of loss from tort; 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. The Hospital purchases medical malpractice under claims-made policies. Under these policies, only claims made and reported to the insurer are covered during the policy term, regardless of when the incident giving rise to the claim occurred.

#### ***Current Healthcare Environment***

The Hospital monitors economic conditions closely, both with respect to potential impacts on the healthcare industry and from a more general business perspective. Management recognizes that economic conditions may continue to impact the Hospital in a number of ways, including, but not limited to, uncertainties associated with the United States and state political landscape and rising uninsured patient volumes and corresponding increases in uncompensated care.

Additionally, the general healthcare industry environment is increasingly uncertain, especially with respect to the ongoing impacts of the federal healthcare reform legislation. Potential impacts of ongoing healthcare industry transformation include, but are not limited to:

- Significant capital investment in healthcare information technology
- Continuing volatility in state and federal government reimbursement programs
- Effective management of multiple major regulatory mandates, including the previously mentioned audit activity.
- Significant potential business model changes throughout the healthcare system, including within the healthcare commercial payer industry.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Current Healthcare Environment (Continued)***

- Workforce shortages primarily in nursing and other clinically skilled positions; as well as increased payroll costs to retain staff

The business of healthcare in the current economic, legislative, and regulatory environment is volatile. Any of the above factors, along with others both currently in existence and which may or may not arise in the future, could have a material adverse impact on the Hospital's financial position and operating results.

#### ***Reclassifications***

Certain reclassifications were made to prior year balances to conform with the current year presentation.

#### ***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 25, 2025, and determined there were no events that occurred that required disclosure to the financial statements. No subsequent events occurring after that date have been evaluated for inclusion in these financial statements.

#### ***Recently Issued and Implemented Accounting Pronouncements***

GASB Statement No. 99, *Omnibus 2022* (GASB 99). This Statement seeks to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 were effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The Hospital adopted GASB 99 for the year ended December 31, 2024, and GASB 99 did not have an impact on the financial statements.

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Recently Issued and Implemented Accounting Pronouncements (Continued)*

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). There were no significant impacts of implementing this Statement.

GASB Statement No. 101, *Compensated Absences*. 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. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The Hospital adopted GASB 101 for the year ended December 31, 2024, and GASB 101 did not have an impact on the financial statements.

#### *Pronouncements Issued But Effective in Future Years*

GASB Statement No. 102, *Certain Risk Disclosures*. 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 or constraints. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The Hospital is currently assessing the Standard.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 3: CASH AND RESTRICTED CASH

#### *Cash and Restricted Cash*

At December 31, 2024 and 2023 the Hospital had \$48,647,597 and \$45,123,301, respectively, held in interest bearing demand deposits as follows:

<i>December 31,</i>	<b>2024</b>	2023
Cash	\$ 30,298,766	\$ 23,033,541
Limited Use Cash	18,348,816	22,089,760
 Total	 \$ 48,647,582	 \$ 45,123,301

These deposits are stated at cost, which approximates market.

*Custodial Credit Risk* – Custodial credit risk is the risk that in the event of a bank failure the Hospital's deposits may not be returned to it. Under state law, deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities, plus the federal deposit insurance, must at all times equal the amount on deposit with the fiscal agent. The custodial bank must advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

The Hospital's cash deposits included in cash on its statement of net position as of December 31, 2024 and 2023, were entirely covered by federal depository insurance or collateralized with securities held by the pledging financial institution's trust department or agent in the Hospital's name.

At December 31, 2024, the Hospital had \$48,347,574 in securities pledged by banks that are holding Hospital accounts that have balances in excess of the federal deposit insurance. Of this amount, \$47,597,574 was over the federal deposit insurance limit, all of which were secured by collateral owned by the fiscal agent bank in the name of the Hospital. At December 31, 2023, the Hospital had \$45,671,894 in securities pledged by banks that are holding Hospital accounts that have balances in excess of the federal deposit insurance. Of this amount, \$44,920,394 was over the federal deposit insurance limit, all of which were secured by collateral owned by the fiscal agent bank in the name of the Hospital.

Under Louisiana Revised Statutes 39:1271 and 33:2955, the Hospital may deposit funds in demand deposit accounts, interest-bearing demand deposit accounts, money market accounts, and time certificates of deposit with state banks, organized under Louisiana Law and National Banks having principal offices in Louisiana. Additionally, Louisiana statutes allow the Hospital to invest in direct obligations of the U.S. Government, federally insured instruments, guaranteed investment contracts issued by certain financial institutions, and mutual or trust funds registered with the Securities and Exchange Commission.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 3: CASH AND RESTRICTED CASH (Continued)

#### *Cash and Restricted Cash (Continued)*

*Concentration of Credit Risk* – As required under GASB statement 40, *Deposit and Investment Risk Disclosures, an Amendment of GASB Statement No. 3*, concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. GASB 40 further defines an at-risk investment to be one that represents more than five percent (5%) of the fair value of the total investment portfolio and requires disclosure of such at-risk investments. GASB 40 specifically excludes investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments from the disclosure requirement. At December 31, 2024 and 2023, the Hospital had no investments requiring concentration of credit risk disclosure.

### Note 4: ASSETS WHOSE USE IS LIMITED

Assets whose use is limited that are required for bond obligations classified as current liabilities are also reported as current assets as these amounts have been designated by the board to pay the debt. The composition of assets whose use is limited at December 31, 2024 and 2023 is set forth in the following table:

<i>December 31,</i>	<b>2024</b>	<b>2023</b>
Restricted Cash - Debt Service		
Cash and cash equivalents	\$ 5,848,797	\$ 5,020,450
Restricted Cash - Capital Acquisition		
Cash and cash equivalents	12,500,019	17,069,310
Total	\$ 18,348,816	\$ 22,089,760

### Note 5: PATIENT ACCOUNTS RECEIVABLE AND REVENUE

#### *Patient Account Receivables*

The Hospital is located in St. Charles, Louisiana. The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements.

**St. Charles Parish Hospital Service District**  
**Notes to Financial Statements**

**Note 5: PATIENT ACCOUNTS RECEIVABLE AND REVENUE (Continued)**

***Patient Account Receivables (Continued)***

The mix of receivables from patients and third-party payers at December 31, 2024 and 2023 was:

<i>December 31,</i>	<b>2024</b>	<b>2023</b>
Medicare	\$ 10,400,051	\$ 13,752,109
Medicaid	6,332,851	6,805,533
Other third-party payers	7,628,553	8,580,922
Patients	1,960,169	1,865,831
<hr/>		
Total patient accounts receivables	26,321,624	31,004,395
Less: Allowance for uncollectible accounts/contractual allowances	(20,529,585)	(24,003,411)
<hr/>		
Patient accounts receivables, net	\$ 5,792,039	\$ 7,000,984
<hr/>		

The mix of accounts receivable due from patients and third-party payers as of December 31, 2024 and 2023 was as follows:

<i>December 31,</i>	<b>2024</b>	<b>2023</b>
Medicare	39.5%	44.3%
Medicaid	24.1%	22.0%
Other third-party payers	29.0%	27.7%
Patients	7.4%	6.0%
<hr/>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
<hr/>		

**St. Charles Parish Hospital Service District**  
**Notes to Financial Statements**

**Note 6: CAPITAL ASSETS**

Capital asset activity as of and for the year ended December 31, 2024, is as follows:

	December 31, 2023	Additions/ Transfers	Disposals Transfers/	December 31, 2024
<b>Nondepreciable capital assets:</b>				
Land	\$ 3,331,765	\$ -	\$ -	\$ 3,331,765
Construction in progress	2,487,269	3,531,943	(3,437,127)	2,582,085
Total nondepreciable capital assets	5,819,034	3,531,943	(3,437,127)	5,913,850
<b>Depreciable capital assets:</b>				
Building and improvements	69,681,674	2,772,777	(991,314)	71,463,137
Equipment	29,579,019	1,627,565	(7,447,995)	23,758,589
Leasehold improvements	5,662,509	44,249	-	5,706,758
Software	8,880	-	-	8,880
Vehicles	1,330,837	-	-	1,330,837
Right-of-use asset (equipment)	2,831,244	196,247	(310,339)	2,717,152
Total depreciable capital assets	109,094,163	4,640,838	(8,749,648)	104,985,353
<b>Less accumulated depreciation:</b>				
Building and improvements	(40,095,892)	(2,208,392)	944,437	(41,359,847)
Equipment	(21,210,065)	(1,712,641)	7,449,948	(15,472,758)
Leasehold improvements	(2,350,556)	(1,008,473)	-	(3,359,029)
Software	(8,880)	-	-	(8,880)
Vehicles	(1,208,491)	(142,854)	-	(1,351,345)
Right-of-use asset (equipment)	(2,086,214)	(19,212)	-	(2,105,426)
Total accumulated depreciation	(66,960,098)	(5,091,572)	8,394,385	(63,657,285)
Total depreciable capital assets, net	42,134,065	(450,734)	(355,263)	41,328,068
Total capital assets, net	\$ 47,953,099	\$ 3,081,209	\$ (3,792,390)	\$ 47,241,918

**St. Charles Parish Hospital Service District**  
**Notes to Financial Statements**

**Note 6: CAPITAL ASSETS (Continued)**

Capital asset activity as of and for the year ended December 31, 2023, is as follows:

	December 31, 2022	Additions/ Transfers	Disposals Transfers/	December 31, 2023
<b>Nondepreciable capital assets:</b>				
Land	\$ 2,686,869	\$ -	\$ 644,896	\$ 3,331,765
Construction in progress	2,531,813	8,594,376	(8,638,920)	2,487,269
Total nondepreciable capital assets	5,218,682	8,594,376	(7,994,024)	5,819,034
<b>Depreciable capital assets:</b>				
Building and improvements	64,285,260	170,000	5,226,414	69,681,674
Equipment	26,594,237	225,906	2,758,876	29,579,019
Leasehold improvements	5,646,482	16,027	-	5,662,509
Software	8,880	-	-	8,880
Vehicles	1,330,837	-	-	1,330,837
Right-of-use asset (equipment)	2,015,557	815,687	-	2,831,244
Total depreciable capital assets	99,881,253	1,227,620	7,985,290	109,094,163
<b>Less accumulated depreciation:</b>				
Building and improvements	(38,327,879)	(1,776,747)	8,734	(40,095,892)
Equipment	(19,492,848)	(1,717,217)	-	(21,210,065)
Leasehold improvements	(1,436,841)	(913,715)	-	(2,350,556)
Software	(8,880)	-	-	(8,880)
Vehicles	(1,105,246)	(103,245)	-	(1,208,491)
Right-of-use asset (equipment)	(1,416,349)	(669,865)	-	(2,086,214)
Total accumulated depreciation	(61,788,043)	(5,180,789)	8,734	(66,960,098)
Total depreciable capital assets, net	38,093,210	(3,953,169)	7,994,024	42,134,065
Total capital assets, net	\$ 43,311,892	\$ 4,641,207	\$ -	\$ 47,953,099

Depreciation expense reported in the year ended December 31, 2024, was \$5,091,572.  
Depreciation expense reported in the year ended December 31, 2023, was \$5,180,789.

**St. Charles Parish Hospital Service District**  
**Notes to Financial Statements**

**Note 7: SHORT-TERM DEBT**

In May 2024, the Hospital financed \$1,604,381 related to its fiscal 2024 property insurance premiums. Under the financing agreement, which bore interest at 7.55%, principal and interest payments were due in 10 consecutive monthly installments of \$166,042 beginning in June 2024.

	Balance December 31, 2023	Additions	Reductions	Balance December 31, 2024
Short-term insurance financing	\$ -	\$ 1,604,381	\$ (1,112,457)	\$ <b>491,924</b>
Total	\$ -	\$ 1,604,381	\$ (1,112,457)	\$ <b>491,924</b>

**Note 8: LONG-TERM DEBT AND LEASE OBLIGATIONS**

***Long-Term Debt***

The components of long-term debt obligations as of December 31, 2024 and 2023 are as follows:

<i>December 31,</i>		<b>2024</b>	<b>2023</b>
Hospital Revenue Bonds, Series 2012A	(A)	\$ <b>4,455,000</b>	\$ 4,920,000
Hospital Revenue Bonds, Series 2012B	(A)	<b>3,485,000</b>	3,825,000
GO Refunding Bonds, Series, 2013A	(B)	-	430,000
First National Bank Loan	(C)	<b>10,250,066</b>	10,539,991
GO Refunding Bonds, Series, 2016	(D)	<b>1,210,000</b>	2,025,000
GO Refunding Bonds, Series, 2016A	(E)	<b>5,435,000</b>	6,320,000
Taxable Limited Tax Refunding Bonds, Series 2018	(F)	<b>1,780,000</b>	3,565,000
Limited Tax Bonds, Series 2018A	(G)	<b>2,040,000</b>	2,075,000
Hospital Revenue Bonds, Series 2020	(H)	<b>1,855,000</b>	2,190,000
Go Refunding Bonds, Series 2021	(I)	<b>13,935,000</b>	14,975,000
Unamortized discount/premium		<b>82,710</b>	91,333
		<b>44,527,776</b>	50,956,324
Less: Current Maturities		<b>(6,135,246)</b>	(6,421,169)
<b>Total</b>		<b>\$ 38,392,530</b>	<b>\$ 44,535,155</b>

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 8: LONG-TERM DEBT AND LEASE OBLIGATIONS (Continued)

#### *Long-Term Debt (Continued)*

Scheduled maturities of general obligation bonds, limited tax bonds, and long-term debt as of December 31, 2024 are as follows:

<i>Year Ending December 31,</i>	Principal	Interest
2025	\$ 6,135,246	\$ 1,196,102
2026	6,193,662	1,022,479
2027	4,027,668	886,408
2028	3,796,163	787,034
2029	3,922,504	684,627
2030-2034	11,329,952	2,288,212
2035-2039	5,080,623	1,185,964
2040-2044	3,175,129	529,207
2045-2049	784,119	19,802
	44,445,066	8,599,835
Plus: Unamortized discount/premium	82,710	
<b>Total</b>	<b>\$ 44,527,776</b>	<b>\$ 8,599,835</b>

- (A) In April 2012, the residents of the Parish voted for a bond proposition authorizing the Hospital to issue up to \$15,000,000 of 20-year General Obligation Bonds for the purpose of purchasing, acquiring land and constructing buildings, machinery, equipment, and furnishings, including both real and personal property, to be used in providing hospital facilities. These bonds are general obligations of the Hospital and payable from ad valorem taxes.

In August 2012, the Hospital adopted a resolution issuing \$8,000,000 General Obligation, Series 2012A bonds and \$6,000,000 Taxable General Obligation, Series 2012B bonds. Interest is payable semiannually on March 1 and September 1.

The Series 2012A bonds mature according to maturity schedules contained in the bond documents beginning on March 1, 2013, with scheduled maturities ranging from \$45,000 to \$635,000 each year through March 1, 2032. Interest rates associated with this Series range from 2.00% to 3.25%.

The Series 2012B bonds mature, according to maturity schedules contained in the bond documents, beginning on March 1, 2013. Scheduled maturities range from \$50,000 to \$520,000 each year through March 1, 2032. Interest rates associated with this Series range from 2.00% to 4.25%. These bonds are secured by and payable from ad valorem taxes.

**St. Charles Parish Hospital Service District**  
**Notes to Financial Statements**

**Note 7: LONG-TERM DEBT AND LEASE OBLIGATIONS (Continued)**

***Long-Term Debt (Continued)***

- (B) During the year ended July 31, 2014, the Hospital issued \$4,350,000 of General Obligation Bonds, Series 2013A, dated September 10, 2013. The purpose of the issue is refunding all or a portion of the Hospital's outstanding Taxable General Obligation Refunding Bonds, Series 2003A, and General Obligation Bonds, Series 2004, and paying the costs incurred in connection with the issuance thereof. The outstanding principal of the bonds will be repaid in eleven annual installments ranging from \$280,000 to \$555,000 beginning March 1, 2014, with the final installment due March 1, 2024. Interest is payable semi-annually on March 1 and September 1 at a rate of 3.05%. These bonds are secured by and payable from ad valorem taxes. The bonds were paid in full during the year ended December 31, 2024.
- (C) In January 2021, PVMO refinanced the First National Bank Direct Loan (the Direct Loan). The new loan balance of \$11,318,218 is to be repaid in equal monthly installments of \$61,739 beginning February 15, 2021, with the final installment due January 15, 2046. Interest is paid monthly at a rate of 4.25%. It is secured with a 1st mortgage and assignment of leases and rents on the Project.
- (D) During the period from August 1, 2015 through December 31, 2016, the Hospital issued \$7,040,000 of General Obligation Refunding Bonds, Series 2016, dated May 31, 2016. The purpose of the issue is refunding all or a portion of the Hospital's outstanding Taxable General Obligation Bonds, Series 2005, and General Obligation Bonds, Series 2006, and paying the costs incurred in connection with the issuance thereof. The outstanding principal of the bonds will be repaid in ten annual installments ranging from \$370,000 to \$840,000 beginning March 1, 2017, with the final installment due March 1, 2026. Interest is payable semi-annually on March 1 and September 1 at a rate of 2.19%. This bond is a general obligation of the Hospital and payable from ad valorem taxes.
- (E) During the period from August 1, 2015 through December 31, 2016, the Hospital issued \$10,655,000 of General Obligation Refunding Bonds, Series 2016A, dated August 9, 2016. The purpose of the issue is refunding all or a portion of the Hospital's outstanding Taxable General Obligation Bonds, Series 2007, General Obligation Bonds, Series 2009, and General Obligation Bonds, Series 2009A, and paying the costs incurred in connection with the issuance thereof. This bond is a general obligation of the Hospital and payable from ad valorem taxes.

The outstanding principal of the bonds will be repaid in thirteen annual installments ranging from \$420,000 to \$1,305,000 beginning March 1, 2017, with the final installment due March 1, 2029. Interest is payable semi-annually on March 1 and September 1 at a rate of 2.23%.

**St. Charles Parish Hospital Service District**  
**Notes to Financial Statements**

**Note 8: LONG-TERM DEBT AND LEASE OBLIGATIONS (Continued)**

***Long-Term Debt (Continued)***

- (F) During the year ended December 31, 2018, the Hospital issued \$11,565,000 of Taxable Limited Tax Refunding Bonds, Series 2018, dated October 9, 2018. The purpose of the issue is refunding all or a portion of the Hospital's outstanding Limited Tax Bonds, Series 2014 and Limited Tax Bonds, Series 2015, and paying the costs incurred in connection with the issuance thereof. The outstanding principal of the bonds will be repaid in seven annual installments ranging from \$1,515,000 to \$1,785,000 beginning March 1, 2019, with the final installment due March 1, 2025. Interest is payable semi-annually on March 1 and September 1 at a rate of 4.06%. This bond is a general obligation of the Hospital and payable from ad valorem taxes.
- (G) During the year ended December 31, 2018, the Hospital issued \$2,300,000 of Limited Tax Bonds, Series 2018A, dated October 9, 2018. The purpose of the issue is construction, operating and maintaining the Hospital facilities, and paying the cost incurred in connection with the issuance thereof. The outstanding principal of the bonds will be repaid in eight annual installments ranging from \$35,000 to \$1,945,000 beginning March 1, 2019, with the final installment due March 1, 2026. Interest is payable semi-annually on March 1 and September 1 at a rate of 3.37%. This bond is a general obligation of the Hospital and payable from ad valorem taxes.
- (H) During the year ended December 31, 2020, the Hospital issued \$3,135,000 of General Obligation Refunding Bonds, Series 2020, dated March 24, 2020. The purpose of the issue is refunding all of the Hospital's outstanding General Obligation Bonds, Series 2009B, and paying the costs incurred in connection with the issuance thereof. The outstanding principal of the bonds will be repaid in annual installments ranging from \$305,000 to \$400,000 beginning March 1, 2021, with the final installment due March 1, 2029. Interest is payable semi-annually on March 1 and September 1 at a rate of 2.82%. This bond is a general obligation of the Hospital and payable from ad valorem taxes.
- (I) During the year ended December 31, 2021, the Hospital issued \$17,000,000 of General Obligation Refunding Bonds, Series 2021, dated August 31, 2021. The purpose of the issue is purchasing, acquiring and constructing lands, buildings, machinery, equipment and furnishings, including both real and personal property. The outstanding principal of the bonds will be repaid in fifteen annual installments ranging from \$1,005,000 to \$1,270,000 beginning March 1, 2022, with the final installment due March 1, 2036. Interest is payable semi-annually on March 1 and September 1 at a rate of 1.67%.

**St. Charles Parish Hospital Service District**  
**Notes to Financial Statements**

**Note 8: LONG-TERM DEBT AND LEASE OBLIGATIONS (Continued)**

***Lease Obligations***

The Hospital is the lessee for noncancellable leases of medical and office equipment. All contracts allowing for the Hospital to use another entity's asset for a period greater than 12 months must be recorded as both a right-of-use (ROU) asset and a lease liability. The liability is measured using the present value of expected payments over the lease term, discounted for the interest rate (whether explicit or implicit). Scheduled payments thereafter are allocated between the discount amortization to interest expense and the principal payment in the reduction of the outstanding liability. Depreciation of the ROU asset flows through depreciation expense monthly using straight-line basis over the life of the lease.

The Hospital is required to make monthly principal and interest payments totaling approximately \$182,944. The leases have interest rates ranging from 2.5% to 3.97%.

Following is a schedule by year of future minimum lease payments required under the Hospital's lease arrangements in excess of one year as of December 31, 2024:

<i>Year Ending December 31,</i>	Principal		Interest	
2025	\$	182,944	\$	19,340
2026		134,769		13,315
2027		121,475		8,532
2028		126,372		3,620
2029		34,266		109
Thereafter		-		-
<b>Total</b>	<b>\$</b>	<b>599,826</b>	<b>\$</b>	<b>44,916</b>

**St. Charles Parish Hospital Service District**  
**Notes to Financial Statements**

**Note 8: LONG-TERM DEBT AND LEASE OBLIGATIONS (Continued)**

A summary of changes in the Hospital's long-term debt, including lease obligations, for the year ended December 31 2024, is as follows:

	December 31, 2023	Additions	Reductions	December 31, 2024	Due Within One Year
General Obligation Bonds:					
Series 2012A	\$ 4,920,000	\$ -	\$ (465,000)	\$ <b>4,455,000</b>	\$ 485,000
Series 2012B	3,825,000	-	(340,000)	<b>3,485,000</b>	360,000
Series 2013A	430,000	-	(430,000)	-	-
Series 2016	2,025,000	-	(815,000)	<b>1,210,000</b>	840,000
Series 2016A	6,320,000	-	(885,000)	<b>5,435,000</b>	870,000
Series 2020	2,190,000	-	(335,000)	<b>1,855,000</b>	345,000
Series 2021	14,975,000	-	(1,040,000)	<b>13,935,000</b>	1,055,000
Limited Tax Bonds:					
Series 2018	3,565,000	-	(1,785,000)	<b>1,780,000</b>	1,780,000
Series 2018A	2,075,000	-	(35,000)	<b>2,040,000</b>	95,000
Other Long-Term Debt					
FNB Loan	10,539,991	-	(289,925)	<b>10,250,066</b>	305,246
Unamortized discount/premium	91,333	-	(8,623)	<b>82,710</b>	-
<b>Total Long-Term Debt</b>	<b>50,956,324</b>	<b>-</b>	<b>(6,428,548)</b>	<b>44,527,776</b>	<b>6,135,246</b>
Other Long-Term Liabilities					
Lease Obligations	751,782	154,092	(306,048)	<b>599,826</b>	182,944
Lease Deposits	20,202	-	-	<b>20,202</b>	-
<b>Total other long-term liabilities</b>	<b>771,984</b>	<b>154,092</b>	<b>(306,048)</b>	<b>620,028</b>	<b>182,944</b>
<b>Total Long-Term Debt and Other Obligations</b>	<b>\$ 51,728,308</b>	<b>\$ 154,092</b>	<b>\$ (6,734,596)</b>	<b>\$ 45,147,804</b>	<b>\$ 6,318,190</b>

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 8: LONG-TERM DEBT AND LEASE OBLIGATIONS (Continued)

A summary of changes in the Hospital's long term debt, including lease obligations, for the year ended December 31, 2023, is as follows:

	December 31, 2022	Additions	Reductions	December 31, 2023	Due Within One Year
General Obligation Bonds:					
Series 2012A	\$ 5,365,000	\$ -	\$ (445,000)	\$ 4,920,000	\$ 465,000
Series 2012B	4,145,000	-	(320,000)	3,825,000	340,000
Series 2013	115,000	-	(115,000)	-	-
Series 2013A	740,000	-	(310,000)	430,000	430,000
Series 2016	2,815,000	-	(790,000)	2,025,000	815,000
Series 2016A	7,165,000	-	(845,000)	6,320,000	885,000
Series 2020	2,515,000	-	(325,000)	2,190,000	335,000
Series 2021	15,995,000	-	(1,020,000)	14,975,000	1,040,000
Limited Tax Bonds:					
Series 2018	5,275,000	-	(1,710,000)	3,565,000	1,785,000
Series 2018A	2,125,000	-	(50,000)	2,075,000	35,000
Other Long-Term Debt					
FNB Loan	10,820,085	-	(280,094)	10,539,991	291,169
Unamortized discount/premium	99,584	-	(8,251)	91,333	-
<b>Total Long-Term Debt</b>	<b>57,174,669</b>	<b>-</b>	<b>(6,218,345)</b>	<b>50,956,324</b>	<b>6,421,169</b>
Other Long-Term Liabilities					
Multi-employer pension withdrawal liability	483,240	-	(483,240)	-	-
Lease Obligations	583,269	815,687	(647,174)	751,782	238,078
Lease Deposits	20,202	-	-	20,202	-
<b>Total other long-term liabilities</b>	<b>1,086,711</b>	<b>815,687</b>	<b>(1,130,414)</b>	<b>771,984</b>	<b>238,078</b>
<b>Total Long-Term Debt and Other Obligations</b>	<b>\$ 58,261,380</b>	<b>\$ 815,687</b>	<b>\$ (7,348,759)</b>	<b>\$ 51,728,308</b>	<b>\$ 6,659,247</b>

### *Defeasance of Debt*

In 2018, the Hospital defeased \$7,725,000 of Limited Tax Bonds, Series 2014 and \$3,520,000 of Limited Tax Bonds, Series 2015 and issued \$11,565,000 of Taxable Limited Tax Refunding Bonds, Series 2018 and \$2,300,000 of Limited Tax Bonds, Series 2018A. Deferred outflows of \$6,342 and \$44,380 at December 31, 2024 and 2023 relate to the defeasance of the Series 2014 and 2015 bonds, respectively.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 9: NET INVESTMENT IN CAPITAL ASSETS

The Hospital's net investment in capital assets for the years ended December 31, 2024 and 2023, as presented on the accompanying statements of net position is calculated as follows:

<i>December 31,</i>	<b>2024</b>	2023
Capital assets, net	\$ 47,241,918	\$ 47,953,099
Less: debt related to capital assets		
Bonds Payable	(44,445,066)	(50,864,991)
Lease Obligations	(599,826)	(751,782)
Plus:		
Cash held for capital acquisition	12,500,019	17,069,310
<b>Net Investment in Capital Assets</b>	<b>\$ 14,697,045</b>	<b>\$ 13,405,636</b>

### NOTE 10: DEFERRED INFLOWS OF RESOURCES

In June 2017, the GASB issued Statement No. 87, *Leases*. Under this statement, a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about leasing activities. Deferred inflows of resources primarily consist of lease payments due from lessees for future periods.

The Hospital, as a lessor, has entered into multiple lease agreements (in excess of one year, including options to extend which are reasonably certain of being exercised), for office space. On December 31, 2024 and 2023, deferred inflows of resources of \$3,447,305 and \$2,533,101, respectively, was reported on the accompanying statement of net position.

### NOTE 11: NET PATIENT SERVICE REVENUE

The Hospital has agreements with governmental and other third-party payors that provide for payments to the Medical Center for services rendered at amounts different from its established rates. Patient revenue is reported net of contractual adjustments arising from these third-party arrangements as well as net of provisions for uncollectible accounts. A summary of the payment arrangements with major third-party payors follows below.

#### **Medicare**

The Hospital is reimbursed under the Medicare Prospective Payment System for acute care inpatient services provided to Medicare beneficiaries and is paid a predetermined amount for these services based, for the most part, on the Diagnosis Related Group (DRG) assigned to the patient.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### NOTE 11: NET PATIENT SERVICE REVENUE (Continued)

#### *Medicare (Continued)*

The Hospital is paid prospectively for Medicare inpatient capital costs based on the federal specific rate. The Hospital qualifies as a disproportionate share provider under the Medicare regulations. As such, the Hospital receives an additional payment for Medicare inpatients served. Except for Medicare disproportionate share reimbursement and Medicare bad debts, there is no retroactive settlement for inpatient costs under the Medicare inpatient prospective payment methodology.

Medicare outpatient services (excluding clinical lab and outpatient therapy) are reimbursed by the Outpatient Prospective Payment System (OPPS), which establishes a number of Ambulatory Payment Classifications (APC) for outpatient procedures in which the Hospital is paid a predetermined amount per procedure. Medicare outpatient clinical lab services are reimbursed based upon the Medicare fee schedules. The Hospital's Medicare cost reports have most recently been audited by the Medicare fiscal intermediary through July 31, 2022.

#### *Medicaid*

The Hospital is paid a prospective per diem rate for Medicaid inpatients. The per diem rate is based on a peer grouping methodology, which assigns a per diem rate to each hospital in the peer group. Certain outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. Medicaid outpatient clinical lab and Medicaid ambulatory surgery and outpatient therapy services are reimbursed based upon the Medicare fee schedules.

Retroactive cost settlements, based upon annual cost reports, are estimated for those programs subject to retroactive settlement and recorded in the financial statements. Final determination of retroactive cost settlements to be received under the Medicare and Medicaid regulations is subject to review by program representatives. The difference between a final settlement and an estimated settlement in any year is reported as an adjustment of net patient service revenue in the year the final settlement is made.

Revenue derived from the Medicare and Medicaid programs is subject to audit and adjustment by the fiscal intermediary and must be accepted by the United States Department of Health and Human Services (HHS) before settlement amounts become final. Annually, management evaluates the recorded estimated settlements and adjusts these balances based upon the results of the intermediary's audit of filed cost reports and additional information becoming available. The Hospital's Medicaid cost reports have been most recently audited by the Medicaid fiscal intermediary through July 31, 2019.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### NOTE 11: NET PATIENT SERVICE REVENUE (Continued)

#### ***Regulatory Matters***

Laws and regulations governing Medicare and Medicaid programs are extremely complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and exclusion from Medicare and Medicaid programs. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term

#### ***Other Payors***

The Hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

A summary of the Hospital's gross revenue from patient services provided under contracts with third-party payers for the years ended December 31, 2024 and 2023 is as follows:

<i>December 31,</i>	<b>2024</b>	<b>2023</b>
Medicare	<b>37.9%</b>	34.7%
Medicaid	<b>22.0%</b>	24.0%
Other commercial and preferred provider organizations	<b>37.9%</b>	39.3%
Patients	<b>2.2%</b>	2.0%
<b>Total</b>	<b>100.0%</b>	100.0%

A summary of the Hospital's net patient service revenue for the years ended December 31, 2024 and 2023 is as follows:

<i>December 31,</i>	<b>2024</b>	<b>2023</b>
Gross patient service revenue	<b>235,661,471</b>	\$ 220,852,889
Less provision for contractual adjustments under third-party reimbursement programs and other adjustments	<b>(162,163,076)</b>	(151,257,630)
Provision for bad debts	<b>(3,125,928)</b>	(2,910,745)
Charity care	<b>(645,124)</b>	(331,388)
<b>Net patient service revenue</b>	<b>\$ 69,727,343</b>	\$ 66,353,126

## St. Charles Parish Hospital Service District

### Notes to Financial Statements

#### **Note 12: OTHER OPERATING REVENUES**

##### ***Rural Hospital Grant***

Since the Hospital serves a disproportionate share of low-income patients, it qualifies for additional reimbursements from the State of Louisiana Department of Health and Hospitals rural hospital grant program. The rural hospital grant program was developed by the Rural Hospital Coalition, Inc., to assist rural hospitals in receiving adequate reimbursement for uninsured and indigent patients under the State of Louisiana Rural Hospital Preservation Act. The grant funds totaled \$137,900 for the year ended 2023. The rural hospital grant program ended during October 2022 and was replaced by the Rural Hospital Directed Payment Program described below.

##### ***Medicaid Directed Payment Program***

The Hospital participates in the State's Directed Payment Program (DPP). Under the DPP, MCOs are contracted to pay increased reimbursements for physician services that more closely align the reimbursement rates for the Medicaid managed care population with the equivalent total reimbursement rates for the Medicaid fee-for-service population. DPP revenue recorded by the Hospital under DPP reimbursement totaled \$11,958,068 and \$10,608,389 in 2024 and 2023, respectively, on the accompanying statements of revenues, expenses, and changes in net position as net patient service revenue. Additionally, the Hospital recorded a deferred revenue of \$123,001 for the year ended December 31, 2024, on the accompanying statements of net position as deferred revenue.

##### ***Managed Care Incentive Payment Program***

As part of the State of Louisiana's MCIP Program, the Hospital participated in the Quality and Outcome Improvement Network (QIN). The network formed to contract with hospitals wishing to participate in the MCIP program and implemented measures designed by the QIN to achieve incentive arrangements in exchange for incentive payments from QIN. The MCIP receivable for the years ended December 31, 2024 and 2023 totaled \$2,573,533 and \$990,000, respectively, on the accompanying statements of net position. The MCIP revenue for the years ended December 31, 2024 and 2023, totaled \$3,057,073 and \$3,760,283, respectively on the accompanying statements of revenues, expenses, and changes in net position.

#### **Note 13: CARES ACT FUNDING**

##### ***Provider Relief Fund***

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law by the President of the United States. Included in the CARES Act was a healthcare provider relief fund (PRF), administered by the Department of Health and Human Services (HHS), to be distributed to healthcare providers. The purpose of the PRF is to help providers offset certain costs incurred as a result of COVID-19, including the impact to the provider's revenue, if applicable.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### **Note 13: CARES ACT FUNDING (Continued)**

#### ***Provider Relief Fund (Continued)***

Providers were allocated a portion of the PRF based on prior revenue information reported to the Centers for Medicare & Medicaid Services (CMS) in their annual Medicare cost reports. During the year ended December 31, 2024 and 2023, the Hospital did not received any PRF payments. For year ended December 31, 2024 and 2023, the Hospital determined that, based on the guidance provided by HHS, sufficient additional costs and lost revenues related to COVID-19 are allocable to PRF payments received and has recognized \$-0- and \$834,494, respectively, as federal award income in the statements of revenues, expenses, and changes in net position.

### **Note 14: LEASE REVENUES**

The Hospital leases the Medical Office Building from PVMO under a master lease agreement whereby the Hospital pays PVMO \$78,000 per month adjusted for the Consumer Price Index every five years, which eliminates in the consolidation for reporting purposes herein.

As part of this this agreement, the Hospital can sublease the office space to third parties. For the years ended December 31, 2024 and 2023, rental income related to this property and others rented by the Hospital totaled \$1,525,534 and \$1,681,881, respectively, and is recorded on the statements of revenues, expenses, and changes in net position as other operating revenues. The rental income recorded in accordance with GASB 87 totaled \$1,312,261 and \$1,014,317 for the years ended December 31, 2024 and 2023, respectively. The incremental borrowing rates for the leases range from 0.25% to 4.09%. The variance payments for leases not meeting the requirements to be recorded in accordance with GASB 87 totaled \$213,273 and \$667,564 during the year ended December 31, 2024 and 2023, respectively.

The Hospital has various office space leases with the Hospital's manager. Annual payments under the leases range from \$11,696 to \$280,481 and the leases expire at various dates through April 30, 2031. The incremental borrowing rates for the leases range from 0.25% to 4.09%. For the years ended December 31, 2024 and 2023, the Hospital recorded rental income in accordance with GASB 87 of \$975,483 and \$1,023,634, respectively, from the Hospital's manager. Rental income with the Hospital's manager not in accordance with GASB 87 totaled \$188,257 and \$235,322 for the years ended December 31, 2024 and 2023, respectively, and is included in total rental income from the Hospital's manager disclosed above.

**St. Charles Parish Hospital Service District**  
**Notes to Financial Statements**

**Note 14: LEASE REVENUES (Continued)**

Future minimum rent receipts are as follows:

<i>Year Ending December 31,</i>	Principal	Interest	Total
2025	\$ 1,368,484	\$ 82,126	\$ 1,450,610
2026	1,051,669	46,350	1,098,019
2027	566,634	25,422	592,056
2028	335,567	14,158	349,725
2029	237,408	5,875	243,283
Threafter	158,156	1,275	159,431
Total	\$ 3,717,918	\$ 175,206	\$ 3,893,124

**Note 15: MEDICAID PROGRAM SUPPORT**

As part of the Hospital's continuing support of the State of Louisiana's Medicaid Program, the Hospital has, throughout the year, made Medicaid supplemental payments to the State of Louisiana (State) restricted for use in support of the Medicaid Program. For the years ended December 31, 2024 and 2023, the Hospital made Medicaid supplemental payments of \$21,000,000 and \$22,750,000, respectively, to the State which is included in Medicaid program support on the accompanying statements of revenues, expenses, and changes in net position.

**Note 16: RETIREMENT BENEFITS**

***Multi-Employer Defined Benefit Pension Plan and 2013 Withdrawal***

Substantially all employees of the Hospital had been members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer public employee retirement system, controlled and administered by a separate board of trustees. The Hospital formally terminated its participation in the Plan effective December 1, 2013.

Per Louisiana Revised Statute 11:1903, if an employer terminates its agreement for coverage of its employees, the employer shall remit to the System that portion of the unfunded actuarial accrued liability which is attributable to the employer's participation in the System. The amount required to be remitted shall be determined as of December thirty-first immediately prior to the date of termination. The amount due shall be determined by the actuary employed by the System and shall either be paid in a lump sum or amortized over ten years in equal monthly payments with interest at the System's actuarial valuation rate, at the option of the employer.

The Hospital fully paid off the withdrawal liability during 2023.

## St. Charles Parish Hospital Service District

### Notes to Financial Statements

#### **Note 16: RETIREMENT BENEFITS (Continued)**

##### ***Section 457(b) Deferred Compensation Plan***

In planning for the termination of participation in the Parochial Employees' Retirement System of Louisiana, the Hospital established a deferred compensation 457(b) plan and a defined contribution 401(a) retirement plan for eligible employees.

Effective December 1, 2013, the Hospital offered to its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The plan is available to all Hospital employees as of the first enrollment date following the date they become an employee and permits them to contribute a portion of their salary to the plan on an annual basis.

The Hospital also established a 401(a) retirement plan for the purpose of matching 100% of an employee's salary reduction contributions to the deferred compensation plan up to 3% of the employee's compensation received for that year. During 2024, the Hospital amended the deferred contribution to 2% match and 2% employer contributions. To be eligible for this match, the employee must be employed as of December 31. The contribution match for the Hospital will be made during the first quarter of the following year. For the year ended December 31, 2024 and 2023, total employer contributions to the plan were \$289,409 and \$130,463, respectively.

The amounts of compensation deferred, and other contributions under the above plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries, and the benefits may not be diverted to any other use. It is the opinion of Hospital management that the Hospital has no liability for losses under the plans but does have the duty of due care that would be required of an ordinary prudent investor.

#### **Note 17: COMMITMENTS**

##### ***Total Renal Care Cooperative Endeavor and Services Agreements***

On April 1, 2010, the Hospital entered into a ten year cooperative endeavor lease agreement with Total Renal Care, Inc. (TRC). Under this agreement, TRC is leasing approximately 4,425 square feet of the Hospital building for the sum of \$92,727 per year, payable in equal monthly installments of \$7,719. This agreement was extended for an additional 60 months, commencing on April 1, 2020 and expiring on March 31, 2025. Under the new agreement, TRC is leasing approximately 4,759 square feet of the Hospital building. Payments under this agreement increase annually and range from \$118,975 to \$133,907, payable in equal monthly installments ranging from \$9,915 to \$11,159.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### **Note 17: COMMITMENTS (Continued)**

#### ***Total Renal Care Cooperative Endeavor and Services Agreements (Continued)***

The Hospital entered into a five-year Acute Services Agreement with TRC effective April 1, 2010. The agreement states that the Hospital appoints TRC as its exclusive provider of dialysis and other related services to its patients. The Hospital will pay TRC for these services under the fee schedule described in "Exhibit 7.1" of the agreement. This agreement will be automatically renewed for successive two-year terms unless terminated.

The Hospital also entered into a one-year Stat Laboratory Services Agreement with TRC effective June 10, 2013. The agreement states that the Hospital will provide certain laboratory tests and services necessary for TRC's dialysis patients. TRC will compensate the Hospital for these services under the fee schedule described in "Exhibit A" of the agreement. This agreement has been automatically renewed for one year effective each annual period following the initial agreement and will be automatically renewed for successive one-year terms unless terminated.

### **Note 18: HOSPITAL MANAGEMENT CONTRACT**

As mentioned in Note 1, effective September 1, 2014, the Hospital is managed by St. Charles Operational Management Company (SCOMC), a wholly owned subsidiary of Ochsner Health System. The Hospital pays a monthly management fee to SCOMC in exchange for management, staff, and other assistance to operate the Hospital.

In addition to the management fee referred to above, the Hospital provides other payments to SCOMC for supplies purchased, professional services provided outside of the management agreement, and other miscellaneous items received, or services provided throughout the year.

During year ended December 31, 2024, the Hospital purchased supplies and other items pursuant to this agreement through SCOMC totaling approximately \$7,800,000 and made payments of approximately \$17,600,000; outstanding amounts of approximately \$12,200,000 are recorded as due to Hospital manager in the Hospital's statement of net position as a current liability at December 31, 2024. During year ended December 31, 2023, the Hospital purchased supplies and other items pursuant to this agreement through SCOMC totaling approximately \$9,500,000 and made payments of approximately \$12,000,000, outstanding amounts of approximately \$12,800,000 are recorded as due to Hospital manager in the Hospital's statement of net position as a current liability.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### **Note 19: RISK MANAGEMENT AND REGULATORY MATTERS**

The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, and reimbursement for patient services. Government activity has continued with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers.

Violations of these laws and regulations could result in expulsion from government health care 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, 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.

To ensure accurate payments to providers, the Tax Relief and Healthcare Act of 2006 mandated the CMS to implement a so-called Recovery Audit Contractor (RAC) program on a permanent and nationwide basis. The program uses RACs to search for potentially improper Medicare payments that may have been made to health care providers that were not detected through existing CMS program integrity efforts, on payments that have occurred at least one year ago but not longer than three years ago. Once a RAC identifies a claim it believes to be improper, it makes a deduction from the provider's Medicare reimbursement in an amount estimated to equal the overpayment.

A five-state pilot program concluded in March 2008, with a nationwide rollout of the RAC effort done in phases beginning in 2009. The experiences during the pilot found far more overpayments than underpayments.

Similarly, the CMS created new entities titled Audit Medicaid Integrity Contractors (MIC) in order to continue its efforts to ensure the highest integrity of its healthcare programs. The goal of the provider audits is to identify overpayments and to ultimately decrease the payment of inappropriate Medicaid claims. The MIC is to review claims submitted by all types of Medicaid providers, including all settings of care and types of services, with most audits taking place at staff headquarters and on occasion on-site at a provider's place of business. The Hospital has not been the subject of any MIC or RAC audits during 2024 or 2023.

#### ***Litigation***

In the normal course of business, the Hospital is, from time to time, subject to allegations that may or do result in litigation. The Hospital evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of legal counsel, management records an estimate of the amount of ultimate expected loss, if any, for each. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

## St. Charles Parish Hospital Service District

### Notes to Financial Statements

#### **Note 19: RISK MANAGEMENT AND REGULATORY MATTERS (Continued)**

##### ***Workmen's Compensation***

The Hospital participates in the Louisiana Commercial and Trade Association Workmen's Compensation Trust Fund (the Trust Fund). Should the Trust Fund's assets not be adequate to cover claims made against it, the Hospital may be assessed its pro rata share of the resulting deficit. It is not practical to estimate the amount of additional assessments, if any, and the costs associated with any such assessments are treated as period expenses at the time they are assessed. The Trust Fund presumes to be a "grantor trust" and, accordingly, income and expenses are prorated to member hospitals. The Hospital has included these allocations and equity amounts assigned to the Hospital by the Trust Fund in its financial statements.

##### ***Medical Malpractice Insurance***

The Hospital participates in the State of Louisiana Patient Compensation fund (the Fund). The Fund provides malpractice coverage to the Hospital for claims in excess of \$100,000 up to \$500,000. According to current state law, medical malpractice liability (exclusive of future medical care awards) is limited to \$500,000 per occurrence. The management of the Hospital has no reason to believe that the Hospital will be prevented from continuing its participation in the Fund.

The Hospital purchases medical malpractice insurance under a claims-made policy on a fixed premium basis. Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon the Hospital's claims experience, no such accrual is deemed necessary. It is reasonably possible that this estimate could change materially in the near term.

In addition, other claims may be asserted arising from services provided to patients in the past. In the opinion of management, adequate provision has been made for losses which may occur from such asserted and unasserted claims that are not covered by liability insurance, if any. It is reasonably possible that this estimate could change materially in the near term.

#### **Note 20: TAX ABATEMENTS**

In accordance with GASB 77, *Tax Abatement Disclosures*, which requires the Hospital to disclose information regarding the ad-valorem tax abatements that affect the taxes collected by the Hospital, whether approved by the Hospital or other governmental entity, ad-valorem tax abatements affecting the Hospital's tax collections are summarized below.

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 20: TAX ABATEMENTS (Continued)

The program under which these abatements are granted is described below:

- **Industrial Tax Exemption:** Manufacturers receive a property tax exemption for a five-year period, renewable for an additional five years. Exemptible property includes buildings, machinery, equipment, furniture and fixtures for a newly expanded or renovated facility.

For the year ended December 31, 2024 the Hospital's tax collections are affected by abatements authorized by the State of Louisiana (State), St. Charles Parish Council (Council), and the Industrial Development Board of St. Charles Parish (IDB) as detailed below:

Industrial Tax Exemption	Total Amount of Abated Taxes	Hospital's Share of Abated Taxes
State approved	\$ 72,801,041	\$ 2,922,396
Council approved	123,659	4,964
IDB approved	4,869,437	195,470

For the year ended December 31, 2023 the Hospital's tax collections are affected by abatements authorized by the State of Louisiana (State), St. Charles Parish Council (Council), and the Industrial Development Board of St. Charles Parish (IDB) as detailed below:

Industrial Tax Exemption	Total Amount of Abated Taxes	Hospital's Share of Abated Taxes
State approved	\$ 106,861,918	\$ 4,364,746
Council approved	134,638	5,952
IDB approved	3,950,226	174,640

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 21: COMBINING CONDENSED BLENDED COMPONENT UNIT INFORMATION

The following table presents the combining condensed statements of net position for the Hospital and its component units for the year ended December 31, 2024:

	St. Charles Parish					
	Hospital Service	Plantation View				
	District	Medical Offices	SCHII	Eliminations		Total
<b>Current Assets</b>	\$ 58,435,495	\$ 1,000	\$ 5,077	\$ -	\$	<b>58,441,572</b>
Assets whose use is limited	12,500,019	-	-	-		<b>12,500,019</b>
Capital assets, net	33,822,262	13,419,656	-	-		<b>47,241,918</b>
Other assets	2,068,017	281,417	-	-		<b>2,349,434</b>
Total assets	106,825,793	13,702,073	5,077	-		<b>120,532,943</b>
Deferred outflow of resources	6,342	-	-	-		<b>6,342</b>
Total assets and deferred outflow of resources	\$ 106,832,135	\$ 13,702,073	\$ 5,077	\$ -	\$	<b>120,539,285</b>
<b>Current Liabilities</b>	\$ 23,401,243	\$ 305,246	\$ -	\$ -	\$	<b>23,706,489</b>
Long-term liabilities - less amounts due within one year	28,884,795	9,944,819	-	-		<b>38,829,614</b>
Total liabilities	52,286,038	10,250,065	-	-		<b>62,536,103</b>
Deferred inflow of resources	3,447,305	-	-	-		<b>3,447,305</b>
<b>Net position</b>	51,098,792	3,452,008	5,077	-		<b>54,555,877</b>
Total liabilities, deferred inflow of resources, and net position	\$ 106,832,135	\$ 13,702,073	\$ 5,077	\$ -	\$	<b>120,539,285</b>

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 21: COMBINING CONDENSED BLENDED COMPONENT UNIT INFORMATION (Continued)

The following table presents the combining condensed statements of net position information for the Hospital and its component units for the year ended December 31, 2023:

	Hospital Service District	Plantation View Medical Offices	SCHII	Eliminations	Total
<b>Current Assets</b>	\$ 52,144,578	\$ 1,000	\$ 5,077	\$ -	\$ 52,150,655
Assets whose use is limited	17,069,310	-	-	-	17,069,310
Capital assets, net	34,114,847	13,838,252	-	-	47,953,099
Other assets	1,963,757	-	-	-	1,963,757
Total assets	105,292,492	13,839,252	5,077	-	119,136,821
Deferred outflow of resources	44,380	-	-	-	44,380
Total assets and deferred outflow of resources	\$ 105,336,872	\$ 13,839,252	\$ 5,077	\$ -	\$ 119,181,201
<b>Current Liabilities</b>	\$ 28,113,411	\$ 281,943	\$ -	\$ -	\$ 28,395,354
Long-term liabilities - less amounts due within one year	34,820,239	10,248,822	-	-	45,069,061
Total liabilities	62,933,650	10,530,765	-	-	73,464,415
Deferred inflow of resources	2,533,101	-	-	-	2,533,101
<b>Net position</b>	39,870,121	3,308,487	5,077	-	43,183,685
Total liabilities, deferred inflow of resources, and net position	\$ 105,336,872	\$ 13,839,252	\$ 5,077	\$ -	\$ 119,181,201

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 21: COMBINING CONDENSED BLENDED COMPONENT UNIT INFORMATION (Continued)

The following table presents the combining condensed statement of revenues, expenses, and changes in net position for the Hospital and its component units for the year ended December 31, 2024:

	St. Charles Parish					
	Hospital Service	Plantation View				
	District	Medical Offices	SCHII	Eliminations	Total	
<b>Operating Revenues</b>						
Net patient service revenues	\$ 69,727,343	\$ -	\$ -	\$ -	\$ 69,727,343	
MCIP revenue	3,057,073	-	-	-	3,057,073	
Other operating revenues	2,577,080	1,013,060	-	(1,013,060)	2,577,080	
Total operating revenues	75,361,496	1,013,060	-	(1,013,060)	75,361,496	
<b>Operating Expenses</b>						
Salaries, wages, and benefits	17,501,189	-	-	-	17,501,189	
Supplies, other, and Medicaid program support	41,650,894	-	-	(1,013,060)	40,637,834	
Purchased services	11,507,024	-	-	-	11,507,024	
Depreciation and amortization	4,702,391	418,596	-	-	5,120,987	
Total operating expenses	75,361,498	418,596	-	(1,013,060)	74,767,034	
<b>Operating income (loss)</b>	(2)	594,464	-	-	594,462	
<b>Nonoperating Revenues (Expenses)</b>						
Ad valorem taxes	10,522,359	-	-	-	10,522,359	
Government grant income	542,915	-	-	-	542,915	
Gain on insurance proceeds	633,880	-	-	-	633,880	
Gain/(loss) on disposal	(21,878)	-	-	-	(21,878)	
Interest income	479,764	-	-	-	479,764	
Interest expense	(928,367)	(450,943)	-	-	(1,379,310)	
Total nonoperating revenues (expenses)	11,228,673	(450,943)	-	-	10,777,730	
<b>Change in Net Position</b>	11,228,671	143,521	-	-	11,372,192	
<b>Net Position, Beginning of Year</b>	39,870,121	3,308,487	5,077	-	43,183,685	
<b>Net Position, End of Year</b>	\$ 51,098,792	\$ 3,452,008	\$ 5,077	\$ -	\$ 54,555,877	

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 21: COMBINING CONDENSED BLENDED COMPONENT UNIT INFORMATION (Continued)

The following table presents the combining condensed statement of revenues, expenses, and changes in net position for the Hospital and its component units for the year ended December 31, 2023:

	St. Charles Parish					
	Hospital Service	Plantation View				
	District	Medical Offices	SCHII	Eliminations	Total	
<b>Operating Revenues</b>					\$	-
Net patient service revenues	\$ 66,353,126	\$ -	\$ -	\$ -	\$	66,353,126
Rural Hospital Grant	137,900	-	-	-		137,900
MCIP revenue	3,760,283	-	-	-		3,760,283
Other operating revenues	2,566,046	1,013,060	-	(1,013,060)		2,566,046
Total operating revenues	72,817,355	1,013,060	-	(1,013,060)		72,817,355
<b>Operating Expenses</b>						
Salaries, wages, and benefits	16,624,180	-	-	-		16,624,180
Supplies, other, and Medicaid program support	41,756,537	67,129	-	(1,013,060)		40,810,606
Purchased services	9,670,681	15,500	-	-		9,686,181
Depreciation and amortization	4,791,980	418,596	-	-		5,210,576
Total operating expenses	72,843,378	501,225	-	(1,013,060)		72,331,543
<b>Operating income (loss)</b>	(26,023)	511,835	-	-		485,812
<b>Nonoperating Revenues (Expenses)</b>						
Ad valorem taxes	10,950,052	-	-	-		10,950,052
Government grant income	1,672,983	-	-	-		1,672,983
Gain on insurance proceeds	2,284,325	-	-	-		2,284,325
Interest income	257,394	-	-	-		257,394
Interest expense	(1,055,524)	(460,773)	-	-		(1,516,297)
Total nonoperating revenues (expenses)	14,109,230	(460,773)	-	-		13,648,457
<b>Change in Net Position</b>	14,083,207	51,062	-	-		14,134,269
Net Position, Beginning of Year	25,786,914	3,257,425	5,077	-		29,049,416
Net Position, End of Year	\$ 39,870,121	\$ 3,308,487	\$ 5,077	\$ -	\$	43,183,685

## St. Charles Parish Hospital Service District Notes to Financial Statements

### Note 21: COMBINING CONDENSED BLENDED COMPONENT UNIT INFORMATION (Continued)

The following table presents the combining condensed statement of cash flows for the Hospital and its component units as of December 31, 2024:

	St. Charles Parish Hospital Service District	Plantation View Medical Offices	SCHII	Eliminations	Total
Net cash provided by (used in):					
Operating activities	\$ 3,433,994	\$ -	\$ -	\$ -	\$ 3,433,994
Noncapital financing activities	11,355,033	-	-	-	11,355,033
Capital and related financing activities	(11,762,828)	-	-	-	(11,762,828)
Investing activities	498,082	-	-	-	498,082
Net increase (decrease) in cash and cash equivalents	3,524,281	-	-	-	3,524,281
Cash and cash equivalents - beginning of period	45,118,224	-	5,077	-	45,123,301
Cash and cash equivalents - end of period	\$ 48,642,505	\$ -	\$ 5,077	\$ -	\$48,647,582

The following table presents the combining condensed statement of cash flows for the Hospital and its component units as of December 31, 2023:

	St. Charles Parish Hospital Service District	Plantation View Medical Offices	SCHII	Eliminations	Total
Net cash provided by (used in):					
Operating activities	\$ 16,506,606	\$ -	\$ -	\$ -	\$ 16,506,606
Noncapital financing activities	10,698,566	-	-	-	10,698,566
Capital and related financing activities	(15,620,726)	-	-	-	(15,620,726)
Investing activities	287,085	-	-	-	287,085
Net increase (decrease) in cash and cash equivalents	11,871,531	-	-	-	11,871,531
Cash and cash equivalents - beginning of period	33,246,693	-	5,077	-	33,251,770
Cash and cash equivalents - end of period	\$ 45,118,224	\$ -	\$ 5,077	\$ -	\$45,123,301



## SUPPLEMENTARY INFORMATION



**St. Charles Parish Hospital Service District  
Schedule of Compensation, Benefits and Other Payments to Agency Head  
For The Year Ended December 31, 2024**

**Agency Head Name:** Keith Dacus, Chief Executive Officer.

**Note:** Effective September 1, 2014, St. Charles Parish Hospital Service District is managed by St. Charles Operational Management Company, a wholly owned subsidiary of Ochsner Health System (Ochsner). The Agency Head is Keith Dacus, Chief Executive Officer. Keith Dacus is an employee of Ochsner. St. Charles Parish Hospital Service District did not make any payments to or on behalf of the Chief Executive Officer, an individual as the agency head, for the year ended December 31, 2024.

**St. Charles Parish Hospital Service District  
Schedule of Board of Commissioners and Compensation  
For The Year Ended December 31, 2024**

<b>Name</b>	<b>Number of Meetings Attended</b>	<b>Amount Paid</b>	<b>Amount Payable</b>	<b>Total</b>
Karen Raymond	11	\$ 660	\$ -	\$ 660
Jake Lemmon	9	540	-	540
Timothy J. Vial	11	-	-	-
William Sirmon	6	360	-	360
Pamela Smith	10	600	-	600
<b>Total</b>		<b>\$ 2,160</b>	<b>\$ -</b>	<b>\$ 2,160</b>

# St. Charles Parish Hospital Service District

## Schedule of Bonds

### For The Year Ended December 31, 2024

General Obligation Bonds, Series 2012A	Rate	Interest Payment Date	Interest Payment Amount	Principal Payment Date	Scheduled Principal Payments	Principal Portion of Bonds			
						Authorized	Issued	Retired	Outstanding
	2.00% to 3.25%					\$ 8,000,000	\$ 8,000,000	\$ 3,545,000	\$ 4,455,000
		3/1/2025	64,234	3/1/2025	485,000				
		9/1/2025	64,234						
		3/1/2026	57,766	3/1/2026	500,000				
		9/1/2026	57,766						
		3/1/2027	50,391	3/1/2027	525,000				
		9/1/2027	50,391						
		3/1/2028	42,365	3/1/2028	545,000				
		9/1/2028	42,365						
		3/1/2029	33,864	3/1/2029	565,000				
		9/1/2029	33,864						
		3/1/2030	24,840	3/1/2030	590,000				
		9/1/2030	24,840						
		3/1/2031	15,275	3/1/2031	610,000				
		9/1/2031	15,275						
		3/1/2032	10,319	3/1/2032	635,000				
			<u>\$ 587,789</u>		<u>\$ 4,455,000</u>				

General Obligation Bonds, Series 2012B	Rate	Interest Payment Date	Interest Payment Amount	Principal Payment Date	Scheduled Principal Payments	Principal Portion of Bonds			
						Authorized	Issued	Retired	Outstanding
	2.00% to 4.25%					\$ 6,000,000	\$ 6,000,000	\$ 2,515,000	\$ 3,485,000
		3/1/2025	64,289	3/1/2025	360,000				
		9/1/2025	64,289						
		3/1/2026	58,179	3/1/2026	380,000				
		9/1/2026	58,179						
		3/1/2027	51,349	3/1/2027	400,000				
		9/1/2027	51,349						
		3/1/2028	43,759	3/1/2028	420,000				
		9/1/2028	43,759						
		3/1/2029	35,319	3/1/2029	445,000				
		9/1/2029	35,319						
		3/1/2030	26,219	3/1/2030	465,000				
		9/1/2030	26,219						
		3/1/2031	16,309	3/1/2031	495,000				
		9/1/2031	16,309						
		3/1/2032	11,050	3/1/2032	520,000				
			<u>\$ 601,896</u>		<u>\$ 3,485,000</u>				

General Obligation Bonds, Series 2013A	Rate	Interest Payment Date	Interest Payment Amount	Principal Payment Date	Scheduled Principal Payments	Principal Portion of Bonds			
						Authorized	Issued	Retired	Outstanding
	3.05%		-	-	-	\$ 4,350,000	\$ 4,350,000	\$ 4,350,000	\$ -

# **St. Charles Parish Hospital Service District** **Schedule of Bonds** **For The Year Ended December 31, 2024**

General Obligation Bonds, Series 2016	Rate	Interest Payment Date	Interest Payment Amount	Principal Payment Date	Scheduled Principal Payments	Principal Portion of Bonds			
						Authorized	Issued	Retired	Outstanding
	2.19%					\$ 7,040,000	\$ 7,040,000	\$ 5,830,000	\$ 1,210,000
		3/1/2025	13,250	3/1/2025	840,000				
		9/1/2026	4,052						
		3/1/2026	4,052	3/1/2026	370,000				
			<u>\$ 21,354</u>		<u>\$ 1,210,000</u>				

General Obligation Bonds, Series 2016A	Rate	Interest Payment Date	Interest Payment Amount	Principal Payment Date	Scheduled Principal Payments	Principal Portion of Bonds			
						Authorized	Issued	Retired	Outstanding
	2.23%					10,655,000	10,655,000	\$ 5,220,000	\$ 5,435,000
		3/1/2025	60,600	3/1/2025	870,000				
		9/1/2026	50,900						
		3/1/2026	50,900	3/1/2026	1,250,000				
		9/1/2026	36,962						
		3/1/2027	36,962	3/1/2027	1,305,000				
		9/1/2027	22,412						
		3/1/2028	22,412	3/1/2028	990,000				
		9/1/2028	11,373						
		3/1/2029	11,373	3/1/2029	1,020,000				
			<u>\$ 303,894</u>		<u>\$ 5,435,000</u>				

Taxable Limited Tax Refunding Bonds, Series 2018	Rate	Interest Payment Date	Interest Payment Amount	Principal Payment Date	Scheduled Principal Payments	Principal Portion of Bonds			
						Authorized	Issued	Retired	Outstanding
	4.06%					\$ 11,565,000	\$ 11,565,000	\$ 9,785,000	\$ 1,780,000
		3/1/2025	36,134	3/1/2025	1,780,000				
			<u>\$ 36,134</u>		<u>\$ 1,780,000</u>				

Limited Tax Bonds, Series 2018A	Rate	Interest Payment Date	Interest Payment Amount	Principal Payment Date	Scheduled Principal Payments	Principal Portion of Bonds			
						Authorized	Issued	Retired	Outstanding
	3.37%					\$ 2,300,000	\$ 2,300,000	\$ 260,000	\$ 2,040,000
		3/1/2025	34,374	3/1/2025	95,000				
		9/1/2025	32,773						
		3/1/2026	32,773	3/1/2026	1,945,000				
			<u>\$ 99,920</u>		<u>\$ 2,040,000</u>				

# St. Charles Parish Hospital Service District

## Schedule of Bonds

### For The Year Ended December 31, 2024

General Obligation Bonds, Series 2020	Rate	Interest Payment Date	Interest Payment Amount	Principal Payment Date	Scheduled Principal Payments	Principal Portion of Bonds			
						Authorized	Issued	Retired	Outstanding
	2.82%					\$ 3,135,000	\$ 3,135,000	\$ 1,280,000	\$ 1,855,000
		3/1/2025	26,156	3/1/2025	345,000				
		9/1/2025	21,291						
		3/1/2026	21,291	3/1/2026	355,000				
		9/1/2026	16,286						
		3/1/2027	16,286	3/1/2027	370,000				
		9/1/2027	11,069						
		3/1/2028	11,069	3/1/2028	385,000				
		9/1/2028	5,640						
		3/1/2029	5,640	3/1/2029	400,000				
			<u>\$ 134,728</u>		<u>\$ 1,855,000</u>				

General Obligation Bonds, Series 2021	Rate	Interest Payment Date	Interest Payment Amount	Principal Payment Date	Scheduled Principal Payments	Principal Portion of Bonds			
						Authorized	Issued	Retired	Outstanding
	1.67%					\$ 17,000,000	\$ 17,000,000	\$ 3,065,000	\$ 13,935,000
		3/1/2025	116,357	3/1/2025	1,055,000				
		9/1/2025	107,548						
		3/1/2026	107,548	3/1/2026	1,075,000				
		9/1/2026	98,572						
		3/1/2027	98,572	3/1/2027	1,095,000				
		9/1/2027	89,429						
		3/1/2028	89,429	3/1/2028	1,110,000				
		9/1/2028	80,160						
		3/1/2029	80,160	3/1/2029	1,130,000				
		9/1/2029	70,725						
		3/1/2030	70,725	3/1/2030	1,150,000				
		9/1/2030	61,122						
		3/1/2031	61,122	3/1/2031	1,170,000				
		9/1/2031	51,353						
		3/1/2032	51,353	3/1/2032	1,190,000				
		9/1/2032	41,416						
		3/1/2033	41,416	3/1/2033	1,210,000				
		9/1/2033	31,313						
		3/1/2034	31,313	3/1/2034	1,230,000				
		9/1/2034	21,042						
		3/1/2035	21,042	3/1/2035	1,250,000				
		9/1/2035	10,605						
		3/1/2036	10,605	3/1/2036	1,270,000				
			<u>\$ 1,442,927</u>		<u>\$ 13,935,000</u>				

Total Interest	<u>\$ 3,228,642</u>	Total principal	<u>\$ 34,195,000</u>
Due within one year	705,529	Due within one year	5,830,000
Long-term	<u>2,523,113</u>	Long-term	<u>28,365,000</u>
Total	<u>\$ 3,228,642</u>	Total	<u>34,195,000</u>
		Bond Premium, Net	<u>82,710</u>
		Total	<u>\$ 34,277,710</u>



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

To the Board of Commissioners  
St. Charles Parish Hospital Service District  
Luling, 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 St. Charles Parish Hospital Service District (the Hospital), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements, and have issued our report thereon dated June 25, 2025.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Hospital's internal control over financial reporting (internal control) as a basis for designing 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 the Hospital's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hospital'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 Hospital's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

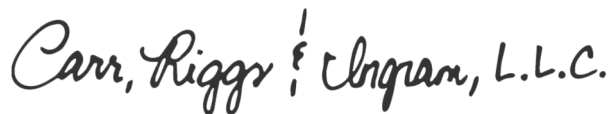
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hospital's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 Hospital's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." with a stylized flourish at the end.

CARR, RIGGS & INGRAM, LLC

Metairie, Louisiana

June 25, 2025

**St. Charles Parish Hospital Service District  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2024**

**Section I – Summary of Auditor’s Results**

***Financial Statements***

- |  |            |
|--|------------|
| 1. Type of auditor’s report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?   | No         |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted?                     | None noted |
| 3. Management letter issued  | Yes        |

**Section II – Financial Statement Findings**

There were no findings noted related to the financial statements for the year ended December 31, 2024.

**Section IV – Summary Schedule of Prior Audit Findings**

There were no findings noted related to the financial statements or major federal award programs for the year ended December 31, 2023.



**ST. CHARLES PARISH HOSPITAL SERVICE DISTRICT**

**MEMORANDUM OF ADVISORY COMMENTS**

**For the Year Ending December 31, 2024**

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### **MATTERS REQUIRED TO BE REPORTED**

1. Fraud Involving Theft of Cafeteria Cash Payments

### **OTHER MATTER**

2. Debt Issued without Bond Commission Approval



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June 25, 2025

To the Board of Commissioners of  
St. Charles Parish Hospital Service District  
Luling, Louisiana

In planning and performing our audit of the financial statements of the St. Charles Parish Hospital Service District (the "Hospital") as of and for the year ended December 31, 2024, 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, we considered the City's system of internal control over financial reporting (internal control) as a basis for designing auditing 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 the Hospital's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hospital's internal control.

However, during our audit we became aware of an instance of fraud that had an effect on the financial statements that is inconsequential but is required to be reported to the Louisiana Legislative Auditor. Additionally, we became aware of a non-compliance with state law, that was not direct and material, but required reporting to those charged with governance. The memorandum that accompanies this letter summarizes the details of the fraud required to be reported and the non-compliance. This letter does not affect our report dated June 25, 2025, on the financial statements of the Hospital.

This communication is intended solely for the information and use of management and the Board, and is not intended to be, and should not be, used by anyone other than those specified parties.

Sincerely,

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Metairie, Louisiana  
June 25, 2025

**ST. CHARLES PARISH HOSPITAL SERVICE DISTRICT**  
**ADVISORY COMMENTS**  
**December 31, 2024**

**1. Fraud Involving Theft of Cafeteria Cash Payments**

#	ELEMENT OF FINDING	RESPONSE
1	A general statement describing the fraud or misappropriation that occurred.	A cashier in the hospital cafeteria was discovered to be applying unauthorized discounts and charging for incorrect inventory for cash-paying customers. The cashier then allegedly misappropriated the difference between the amount paid by the customer and the amount officially recorded. Video review showed this activity.
2	A description of the funds or assets that were the subject of the fraud or misappropriation (ex., utility receipts, petty cash, computer equipment).	Amounts paid to the cashier in the cafeteria for the purchase of goods.
3	The amount of funds or approximate value of assets involved.	Unknown
4	The department or office in which the fraud or misappropriation occurred.	Cafeteria
5	The period of time over which the fraud or misappropriation occurred.	Unknown
6	The title/agency affiliation of the person who committed or is believed to have committed the act of fraud or misappropriation.	Cashier at St. Charles Parish Hospital Cafeteria
7	The name of the person who committed or is believed to have committed the act of fraud or misappropriation, if formal charges have been brought against the person and/or the matter has been adjudicated.	No formal charges or adjudication currently
8	Is the person who committed or is believed to have committed the act of fraud still employed by the agency?	No
9	If the person who committed or is believed to have committed the act of fraud is still employed by the agency, do they have access to assets that may be subject to fraud or misappropriation?	N/A
10	Has the agency notified the appropriate law enforcement body about the fraud or misappropriation?	Yes
11	What is the status of the investigation at the date of the auditor's/accountant's report?	Ongoing

**ST. CHARLES PARISH HOSPITAL SERVICE DISTRICT**  
**ADVISORY COMMENTS**  
**December 31, 2024**

12	If the investigation is complete and the person believed to have committed the act of fraud or misappropriation has been identified, has the agency filed charges against that person?	N/A
13	What is the status of any related adjudication at the date of the auditor's/accountant's report?	None
14	Has restitution been made or has an insurance claim been filed?	No
15	Has the agency notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523 (Applicable to local governments only)	Yes
16	Did the agency's internal controls allow the detection of the fraud or misappropriation in a timely manner?	Yes
17	If the answer to the last question is "no," describe the control deficiency/significant deficiency/material weakness that allowed the fraud or misappropriation to occur and not be detected in a timely manner.	N/A
18	Management's plan to ensure that the fraud or misappropriation does not occur in the future	To prevent future incidents of fraud or misappropriation, Management has implemented a comprehensive check and balance system focused on the cashier role. This includes initiating random cash audits of the cashier's drawer to ensure accurate cash handling and accountability. Additionally, spot checks of cash receipts are being conducted regularly to detect any discrepancies or irregularities. Management is also enforcing stricter verification procedures for vouchers and doctors' meals to ensure all claims are legitimate and properly documented. These proactive measures are designed to enhance transparency, deter fraudulent activities, and uphold financial integrity within the organization.

**ST. CHARLES PARISH HOSPITAL SERVICE DISTRICT**  
**ADVISORY COMMENTS**  
**December 31, 2024**

**2. Issuance of Short-Term Debt without Bond Commission Approval**

Observation:

During our audit we observed that the Hospital financed its annual property insurance premiums over a ten (10) month period. Louisiana Revised Statute (R.S.) 39:1410.60 requires that any debt or financing agreement be approved by the State Bond Commission prior to the entity entering into the agreement. The financing agreement was paid off prior to the issuance of our audit.

Recommendation:

St. Charles Parish Hospital should implement a process whereby any financing that does not meet one of the exceptions in LA R.S 39:1410.60, is properly approved by the state bond commission.

Corrective Action Plan:

The Hospital will implement a process whereby any financing that does not meet one of the exceptions noted in LA R.S 39:1410.60, is properly submitted and approved by the state bond commission prior to entering into the agreement.