

WEST CALCASIEU-CAMERON HOSPITAL
Calcasieu-Cameron
Hospital Service District
Sulphur, Louisiana

Financial Statements
December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
West Calcasieu-Cameron Hospital
Calcasieu-Cameron Hospital Service District
Sulphur, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of the West Calcasieu-Cameron Hospital, a component unit of Calcasieu and Cameron Parish Police Juries, as of and for the year 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 respective financial position of the business-type activities of West Calcasieu-Cameron Hospital, a component unit of Calcasieu and Cameron Parish Police Juries, as of December 31, 2024 and 2023, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 West Calcasieu-Cameron Hospital, a component unit of Calcasieu and Cameron Parish Police Juries, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about West Calcasieu-Cameron Hospital's, a component unit of Calcasieu and Cameron Parish Police Juries, 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 Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the accounts 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 West Calcasieu-Cameron Hospital's, a component unit of Calcasieu and Cameron Parish Police Juries, 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 West Calcasieu-Cameron Hospital's, a component unit of Calcasieu and Cameron Parish Police Juries, ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 8, the Schedule of Changes to Total OPEB Liability and Related Ratios on page 44, the Schedule of Employers' Share of Net Pension Liabilities on page 45, and the Schedule of Employer Contributions on page 46 be presented to supplement the basic financial statements. Such information is the responsibility of management, and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers them to be essential parts of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Calcasieu-Cameron Hospital's, a component unit of Calcasieu and Cameron Parish Police Juries, basic financial statements. The accompanying Schedule of Compensation, Benefits and Other Payments 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 are fairly stated in all material respects in relation to the financial statements as a whole.

Board of Directors
West Calcasieu-Cameron Hospital
Calcasieu-Cameron Hospital Service District
Sulphur, Louisiana

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2025 on our consideration of West Calcasieu-Cameron Hospital's, a component unit of Calcasieu and Cameron Parish Police Juries, 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 West Calcasieu-Cameron Hospital's, a component unit of Calcasieu and Cameron Parish Police Juries, 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 West Calcasieu-Cameron Hospital's, a component unit of Calcasieu and Cameron Parish Police Juries, internal control over financial reporting and compliance.

Steven M. DeRouen & Associates, LLC

Lake Charles, Louisiana
May 20, 2025

**WEST CALCASIEU-CAMERON HOSPITAL
CALCASIEU-CAMERON HOSPITAL SERVICE DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2024**

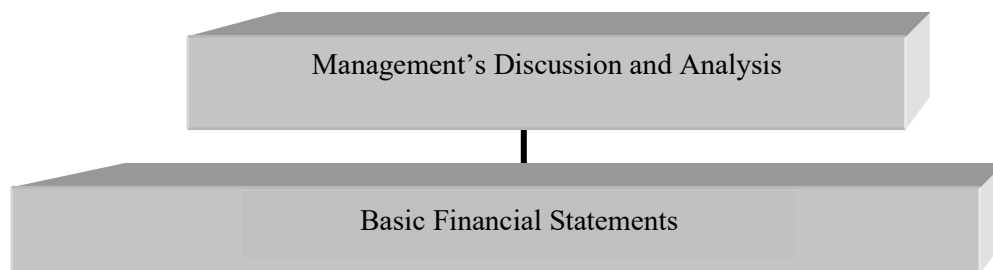
The Management’s Discussion and Analysis of the West Calcasieu-Cameron Hospital (the Hospital) financial performance presents a narrative overview and analysis of the Hospital’s financial activities for the year ended December 31, 2024. This document focuses on the current year’s activities, resulting changes, and currently known facts in comparison with the prior year’s information. Please read this document in conjunction with the additional information contained in the financial statements.

FINANCIAL HIGHLIGHTS

- ★ The Hospital’s assets and deferred outflows exceeded its liabilities and deferred inflows at the close of fiscal year 2024 by \$60,467,250 which represents a 21.8% increase from last fiscal year. Of this amount, \$28,017,702 (unrestricted net position) may be used to meet the Hospital’s ongoing obligations to its users.
- ★ The Hospital’s net patient service revenue increased \$1,034,106 (or 1.7%) and the total operating expenses decreased \$5,167,350 (or 5.4%).
- ★ The Hospital implemented GASB Statement No. 101, *Compensated Absences*, during the year ended December 31, 2024. This required restatements to some accounts on the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments.



These financial statements consist of two sections - Management’s Discussion and Analysis (this section) and the basic financial statements (including the notes to the financial statements).

**WEST CALCASIEU-CAMERON HOSPITAL
CALCASIEU-CAMERON HOSPITAL SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2024**

Basic Financial Statements

The basic financial statements present information for the Hospital as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statements of Net Position; the Statements of Revenues and Expenses; the Statements of Changes in Net Position; and the Statements of Cash Flows.

The Statements of Net Position (pages 9 - 10) presents the current and long term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Hospital is improving or deteriorating.

The Statements of Revenues and Expenses (page 11) presents information showing how the Hospital's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statements of Changes in Net Position (page 12) presents information showing how the Hospital's assets changed as a result of current year operations.

The Statements of Cash Flows (pages 13 - 14) presents information showing how the Hospital's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

	2024	2023	2022
Current and other assets	\$ 53,557,878	\$ 48,159,324	\$ 65,151,044
Capital assets	36,270,578	33,417,089	35,718,678
Total assets	89,828,456	81,576,413	100,869,722
Deferred outflows	16,067,763	27,494,879	13,457,337
Total assets and deferred outflows	105,896,219	109,071,292	114,327,059
Current liabilities	8,131,260	8,504,686	9,115,315
Long-term liabilities	25,694,026	41,455,689	21,445,198
Total liabilities	33,825,286	49,960,375	30,560,513
Deferred inflows	11,603,683	9,446,821	30,729,677
Net position:			
Net investment in capital assets and right-of-use assets	32,449,548	32,389,944	34,536,468
Unrestricted amounts	28,017,702	17,274,152	18,500,401
Total net position	60,467,250	49,664,096	53,036,869
Total liabilities, deferred inflows, and net position	\$ 105,896,219	\$109,071,292	\$114,327,059

Restricted net position amounts represent those assets that are not available for spending as a result of lease agreements. Conversely, unrestricted net position amounts are those that do not have any limitations for which these amounts may be used.

**WEST CALCASIEU-CAMERON HOSPITAL
CALCASIEU-CAMERON HOSPITAL SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2024**

The net position of the Hospital increased by \$14,440,650, from December 31, 2023 to December 31, 2024.

	2024	2023	2022
Operating revenues	\$ 81,207,171	\$ 80,106,552	\$ 77,779,686
Operating expenses	91,123,331	96,290,681	75,254,657
Operating income (loss)	(9,916,160)	(16,184,129)	2,525,029
Non-operating revenues (expenses)	20,719,314	14,453,899	12,874,590
Increase (decrease) in net position	\$ 10,803,154	\$ (1,730,230)	\$ 15,399,619

CAPITAL ASSET ADMINISTRATION

Capital Assets

As of December 31, 2024, the Hospital had \$36,270,578, net of accumulated depreciation and amortization, invested in a broad range of capital assets, including land, buildings, equipment, land improvements, construction in progress, and right-of-use assets. (See Table below). This amount represents a net increase (including additions and deductions) of \$2,853,489 or 8.5%, from last year.

	2024	2023	2022
Buildings and Improvements	\$ 56,221,742	\$ 55,186,817	\$ 55,435,002
Equipment	51,355,447	49,921,724	49,396,900
Construction in Progress	280,319	234,886	135,595
Land and Improvements	4,241,628	4,011,831	4,009,581
Right of Use Assets	4,998,940	4,922,140	4,922,140
Less Accumulated Depreciation/Amortization	(80,827,498)	(80,860,309)	(77,885,342)
Totals	\$ 36,270,578	\$ 33,417,089	\$ 36,013,876

This year's significant capital additions included above are:

• Digital Mobile C Arm	\$ 219,908
• Laproscopy Towers	\$ 525,908
• Professional Building on 1 st Avenue	\$ 506,075
• Third Floor Air Handler	\$ 202,504
• OBG1 Renovations	\$ 389,537

**WEST CALCASIEU-CAMERON HOSPITAL
CALCASIEU-CAMERON HOSPITAL SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2024**

CONTACTING THE HOSPITAL'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Hospital's finances and to show the Hospital's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Janie D. Fruge, Chief Executive Officer, West Calcasieu-Cameron Hospital.

**WEST CALCASIEU-CAMERON HOSPITAL
HOSPITAL SERVICE DISTRICT
Sulphur, Louisiana
Statements of Net Position
As of December 31,**

ASSETS	2024	2023
Current Assets		
Cash and cash equivalents	\$ 1,660,346	\$ 3,365,003
Assets whose use is limited-cash equivalents:		
By board required for operations	21,896,239	13,165,973
Accounts receivable from patients	12,529,727	11,602,978
Less allowance for uncollectible accounts	(3,095,019)	(2,317,045)
Interest receivable	3,436	3,436
Property taxes receivable	11,885,835	11,474,496
Other receivables	1,096,621	4,081,141
Due from Medicare and Medicaid - cost report settlement	356,303	665,436
Inventories	2,832,982	2,429,810
Prepaid expenses	2,508,982	2,569,433
Other current assets	756,383	219,888
Total Current Assets	52,431,835	47,260,549
Property, Plant and Equipment		
Construction-in-progress	280,319	234,886
Buildings and improvements	56,221,742	55,186,817
Equipment	51,355,447	49,921,724
Land and improvements	4,241,628	4,011,831
Right-of-use assets	4,998,940	4,922,140
Less allowance for amortization - right-of-use assets	(1,403,032)	(4,051,124)
Less allowance for depreciation	(79,424,466)	(76,809,185)
Net Property, Plant and Equipment	36,270,578	33,417,089
Other Assets		
Subscription-based information technology assets	4,113,578	3,532,979
Less allowance for amortization - subscription-based information technology assets	(2,987,535)	(2,634,204)
Total Other Assets	1,126,043	898,775
TOTAL ASSETS	89,828,456	81,576,413
DEFERRED OUTFLOWS		
Deferred outflows of resources related to OPEB	2,557,832	3,744,809
Deferred outflows of resources related to pensions	13,509,931	23,750,070
TOTAL DEFERRED OUTFLOWS	16,067,763	27,494,879
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 105,896,219	\$ 109,071,292

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

**WEST CALCASIEU-CAMERON HOSPITAL
HOSPITAL SERVICE DISTRICT
Sulphur, Louisiana
Statements of Net Position (Continued)
As of December 31,**

	2024	2023
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 2,434,442	\$ 2,193,919
Accrued compensation and retirement	4,019,389	5,065,372
Accrued health insurance benefits	471,500	454,250
Other accrued expenses	46,758	57,740
Deferred revenue	-	12,370
Due within one year - right-of-use liability	438,964	223,413
Due within one year - subscription-based information technology liability	720,207	497,622
Total Current Liabilities	<u>8,131,260</u>	<u>8,504,686</u>
Long-Term Liabilities		
Due in more than one year - right-of-use liability	3,382,066	803,732
Due in more than one year - subscription-based information technology liability	551,451	623,315
Other post-employment benefits	17,338,908	22,207,610
Net pension liability	4,421,601	17,821,032
Total Long-Term Liabilities	<u>25,694,026</u>	<u>41,455,689</u>
TOTAL LIABILITIES	<u>33,825,286</u>	<u>49,960,375</u>
DEFERRED INFLOWS		
Deferred inflows of resources related to OPEB	9,646,058	7,483,380
Deferred inflows of resources related to pensions	1,957,625	1,963,441
TOTAL DEFERRED INFLOWS	<u>11,603,683</u>	<u>9,446,821</u>
NET POSITION		
Net investment in capital and right of use assets	32,449,548	34,192,907
Unrestricted amounts	<u>28,017,702</u>	<u>15,471,189</u>
TOTAL NET POSITION	<u>60,467,250</u>	<u>49,664,096</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	<u>\$ 105,896,219</u>	<u>\$ 109,071,292</u>

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

WEST CALCASIEU-CAMERON HOSPITAL
HOSPITAL SERVICE DISTRICT
Sulphur, Louisiana
Statements of Revenues and Expenses
For The Years Ended December 31,

	<u>2024</u>	<u>2023</u>
PATIENT SERVICE REVENUE		
Gross patient service revenue - nursing	\$ 66,244,214	\$ 68,142,084
Gross patient service revenue - other professional services	150,923,770	141,024,947
Less: contractual allowances and discounts	(147,345,244)	(141,873,956)
	<u>69,822,740</u>	<u>67,293,075</u>
Less: provision for uncollectible accounts	(6,482,020)	(4,986,461)
Net Patient Service Revenue	<u>63,340,720</u>	<u>62,306,614</u>
OTHER REVENUE		
Cafeteria and vending machines	357,483	346,698
Record room and miscellaneous	7,938	1,240
Donations	-	500
Federal grants	-	1,450,473
Other revenues	17,501,030	16,001,027
Total Other Revenue	<u>17,866,451</u>	<u>17,799,938</u>
TOTAL REVENUE	<u>81,207,171</u>	<u>80,106,552</u>
OPERATING EXPENSES		
Nursing expenses	17,623,985	17,034,685
Other professional service expenses	40,546,960	37,110,775
General service expenses	5,561,405	5,238,376
Fiscal and administrative services expenses	22,570,955	32,153,779
Depreciation and amortization expenses	4,505,187	4,548,885
Interest expense on right-of-use leases	176,395	70,340
Interest expense on subscription-based information technology	138,444	133,841
Total Operating Expenses	<u>91,123,331</u>	<u>96,290,681</u>
INCOME (LOSS) FROM OPERATIONS	<u>(9,916,160)</u>	<u>(16,184,129)</u>
NON-OPERATING REVENUE AND (EXPENSES)		
Ad valorem taxes	11,531,053	11,334,651
Rent income	321,752	341,957
Investment income	659,160	410,511
Hurricane recovery income	6,226,094	-
Gain (loss) on disposal of assets	(7,060)	(56,385)
Miscellaneous	1,988,315	2,423,165
Total Non-Operating Revenue and (Expenses)	<u>20,719,314</u>	<u>14,453,899</u>
INCREASE (DECREASE) IN NET POSITION	<u>\$ 10,803,154</u>	<u>\$ (1,730,230)</u>

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

**WEST CALCASIEU-CAMERON HOSPITAL
HOSPITAL SERVICE DISTRICT
Sulphur, Louisiana
Statements of Changes in Net Position
For The Years Ended December 31,**

	<u>2024</u>	<u>2023</u>
NET POSITION - BEGINNING OF YEAR (AS PREVIOUSLY REPORTED)	\$ 49,664,096	\$ 53,036,869
Prior Period Adjustments:		
Change in accounting principle (GASB 101)	-	(684,300)
Correction of an error (GASB 87)	-	(343,561)
Correction of an error (GASB 96)	-	(614,682)
NET POSITION - BEGINNING OF YEAR (AS RESTATED)	\$ 49,664,096	\$ 51,394,326
INCREASE (DECREASE) IN NET POSITION	<u>10,803,154</u>	<u>(1,730,230)</u>
NET POSITION - END OF YEAR	<u><u>\$ 60,467,250</u></u>	<u><u>\$ 49,664,096</u></u>

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

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Statements of Cash Flows
For The Years Ended December 31,

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities:		
Receipts from patients and users	\$ 80,589,555	\$ 79,894,077
Payments to suppliers and others	(45,414,064)	(44,918,147)
Payments to employees and benefits	(43,501,725)	(43,158,938)
Interest paid	(391,960)	(470,470)
Net Cash Provided (Used) by Operating Activities	<u>(8,718,194)</u>	<u>(8,653,478)</u>
Cash Flows From Capital and Related Financing Activities:		
Payment for capital expenditures	(3,620,934)	(1,675,524)
Proceeds from sale of capital assets	365	7,200
Principal payments under right-of-use lease obligations	(353,068)	(402,799)
Principal payments under subscription-based information technology arrangements	(648,696)	(476,259)
Hurricane recovery income	6,226,094	-
Other	5,779	9,769
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>1,609,540</u>	<u>(2,537,613)</u>
Cash Flows From Investing Activities:		
Investment income	659,160	410,511
Cash received for ad valorem taxes	11,119,714	9,830,515
Rent income	321,752	341,957
Miscellaneous	2,033,637	2,423,165
Net Cash Provided (Used) by Investing Activities	<u>14,134,263</u>	<u>13,006,148</u>
Net Increase (Decrease) in Cash	7,025,609	1,815,057
Cash and Cash Equivalents - Beginning of Year	<u>16,530,976</u>	<u>14,715,919</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 23,556,585</u></u>	<u><u>\$ 16,530,976</u></u>

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

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Statements of Cash Flows (Continued)
For The Years Ended December 31,

	<u>2024</u>	<u>2023</u>
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (9,916,160)	\$ (16,184,129)
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation and amortization	4,505,187	4,548,885
Provisions for losses on accounts receivable, net	777,974	(1,061,846)
(Increase) decrease in patient receivables	(926,794)	2,459,218
(Increase) decrease in inventory	(403,172)	(136,362)
(Increase) decrease in prepaid expenses	60,451	(314,009)
(Increase) decrease in other receivables	3,293,653	(2,671,693)
(Increase) decrease in other current assets	(536,495)	6,508
(Increase) decrease in net pension asset	-	21,821,317
Increase (decrease) in accounts payable and other accrued expenses	(888,683)	(1,457,223)
Increase (decrease) in net pension liability	(13,399,431)	17,821,032
Increase (decrease) in deferred inflows	2,156,862	(21,282,856)
(Increase) decrease in deferred outflows	11,427,116	(14,037,542)
Increase (decrease) in accrued OPEB payable	(4,868,702)	1,835,222
Total Adjustments	<u>1,197,966</u>	<u>7,530,651</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (8,718,194)</u></u>	<u><u>\$ (8,653,478)</u></u>
 Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	<u><u>\$ 314,839</u></u>	<u><u>\$ 204,181</u></u>
 Cash and Cash Equivalents:		
Unrestricted	\$ 1,660,346	\$ 3,365,003
Assets whose use is limited	<u>21,896,239</u>	<u>13,165,973</u>
	<u><u>\$ 23,556,585</u></u>	<u><u>\$ 16,530,976</u></u>

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

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements
December 31, 2024 and 2023

Note 1 - Organization and Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") in the United States of America as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The West Calcasieu-Cameron Hospital is owned and operated by the Calcasieu-Cameron Hospital Service District. The Hospital provides in-patient, out-patient, and emergency care services for residents of southwest Louisiana. It is operated as a nonprofit corporation organized by the Calcasieu and Cameron Parish Police Juries under the provision of Chapter 10 of Title 46 of the Louisiana revised statutes of 1950. The governing authority of the Hospital Service District is a Board of Commissioners appointed to office by the Calcasieu and Cameron Parish Police Juries.

Reporting Entity - As more fully described in the paragraph above, the Hospital Service District is a component unit of the Calcasieu and Cameron Parish Police Juries.

Fund Accounting - The accounts of the Hospital are organized on the basis of a proprietary fund, which is considered a separate accounting entity or enterprise fund. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Basis of Accounting - The Hospital has implemented GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments*.

The Hospital uses the accrual basis of accounting. The revenues are recognized when they are earned, and expenses are recognized when incurred.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Hospital’s enterprise fund are charges to patients for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

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

Net Patient Service Revenue - Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. 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.

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

Medicare - Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient non-acute services, certain outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology. The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the Hospital.

Medicaid - Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid fiscal intermediary.

Risk Management - The Hospital is exposed to various risks of loss from torts, theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice claims and judgments. Commercial insurance coverage is purchased for claims arising from such matters. The Hospital is self-insured for employee health benefits as discussed in Note 3.

Property, Plant, and Equipment - Property, plant, and equipment of the Hospital is recorded at cost. Depreciation is recorded using the straight-line method in amounts sufficient to amortize the cost of its assets over their estimated useful lives.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

The estimated useful lives of the various assets follow guidelines established by the American Hospital Association, and are categorized as follows:

	<u>Life</u>
Hospital equipment	3 - 25 years
Buildings and improvements	3 - 50 years
Parking lots	5 - 25 years
Land improvements	5 - 25 years

The costs of maintenance and repairs of property and equipment are charged to expense as incurred. Expenditures for additions, improvements, and replacements are capitalized. The cost and related accumulated depreciation of property and equipment retired are removed from the accounts and any resulting gain or loss is recognized.

Inventories - Inventories are valued at the lower of cost (first-in, first-out) or market. Inventories consist primarily of medical products and medicines.

Cash and Cash Equivalents - The Hospital considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Charity Care - The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

Advertising Expense - The Hospital expenses the cost of advertising as the expense is incurred. For the years ended December 31, 2024 and 2023, the cost totaled \$12,420 and \$12,020, respectively.

Deferred Outflows of Resources and Deferred Inflows of Resources - In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Recently Adopted Accounting Pronouncements - The Hospital adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA) in fiscal year 2023. The objective of this statement is to provide guidance on the accounting and financial reporting of subscription-based information technology arrangements for government end users. The statement defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset with a corresponding subscription liability; provides the capitalization criteria for outlays; and requires footnote disclosure regarding the SBITA. The new standard is to be applied to all applicable subscription-based information technology arrangements as of the beginning of the earliest period presented. The requirements for this statement was effective for fiscal years beginning after June 15, 2022.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

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

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

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

The Hospital has elected to recognize payments for short-term SBITAs with an arrangement term of twelve (12) months or less as expenses as incurred, and these SBITAs are not included as subscription liabilities or right-to-use subscription assets in the statements of net position. The individual SBITA contracts do not provide information about the discount rate implicit in the arrangement. Therefore, the Hospital has elected to use its incremental borrowing rate to calculate the present value of expected contract payments.

The Hospital adopted GASB Statement No. 101, *Compensated Absences*, during the year ended December 31, 2024. 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 for this statement are effective for fiscal years beginning after December 15, 2023.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 2 - Assets Whose Use is Limited

Assets whose use is limited include investments (reported at fair value) set aside by the Board for capital improvements, self-insurance, required liquidity for operations and other liabilities. Also included are assets held by trustees under bond indenture agreements.

The Hospital's composition of assets whose use is limited is as follows:

	2024 Fair Value	2023 Fair Value
Money Market	\$ 21,896,239	\$ 13,165,973

Note 3 - Contingencies

The Hospital is self-insured for employee medical benefits. Under this arrangement, employees contribute a portion of the cost with the Hospital paying the difference to the employee benefit trust. A portion of the monthly contributions is used to purchase a re-insurance contract that covers individual claims exceeding \$250,000.

Note 4 - Compensation of the Board of Directors

The members of the Board of Commissioners of West Calcasieu-Cameron Hospital are paid a per diem per board meeting attended. Total payments are as follows for December 31,

	<u>2024</u>	<u>2023</u>
Robert Davidson	\$ 3,600	\$ 3,300
Bobby LeTard	3,600	3,600
Cecil Sanner	1,200	-
Rickey Watson	3,300	2,100
Carol Fountain	2,400	3,000
Mark McMurry	<u>3,600</u>	<u>3,300</u>
Total	<u>\$ 17,700</u>	<u>\$ 15,300</u>

Note 5 - Accrued Payroll and Accrued Compensated Absences

Accrued payroll for the years ended December 31, 2024 and 2023, paid in the subsequent year, totaled \$1,158,906 and \$864,878, respectively.

West Calcasieu-Cameron Hospital, recognizes a liability for compensated absences, including vacation, sick, and other types of leave, in accordance with GASB Statement No. 101. The liability for compensated absences is measured at the amount of the cash payment or noncash settlement to be made, including salary-related payments directly and incrementally associated with payments for leave.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 5 - Accrued Payroll and Accrued Compensated Absences (Continued)

As of December 31, 2024 and 2023, the total liability for compensated absences was \$2,628,967 and \$2,273,613, respectively. This amount includes \$1,874,145 and \$1,613,362 for vacation leave for 2024 and 2023, respectively and \$754,822 and \$660,251 for sick leave for 2024 and 2023, respectively.

The total amount of salary-related payments associated with the liability for compensated absences was \$77,852 and \$68,098 for 2024 and 2023, respectively.

Note 6 - Right-of-Use Assets and Liabilities

The Hospital has entered into seven noncancellable lease agreements as lessee for various buildings. These lease agreements were entered between October 2015 and May 2024. All of these agreements have a 10 year lease term. The estimated interest rates for these leases range from 4.44% to 8.25%.

The Hospital also entered into a noncancellable lease agreement as lessee for a piece of medical equipment. The lease agreement was entered on May 16, 2024 and is for a term of 5 years. The estimated interest rate for this lease is 8.25%.

The Hospital recognized a lease liability and an intangible right-to-use lease asset in their financial statements. They recognized lease liabilities with an initial, individual value of \$5,000 or more.

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 the shorter of its useful life or the term of the lease.

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.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 6 - Right-of-Use Assets and Liabilities (Continued)

- The lease term includes the noncancellable period of the lease. 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.

Right-of-use assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Right-of-use assets and amortization activity as of and for the year ended December 31, 2024, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Right-of-Use Assets:				
Equipment	\$ -	\$ 76,800	\$ -	\$ 76,800
Buildings	<u>4,922,140</u>	<u>3,130,866</u>	<u>(3,130,866)</u>	<u>4,922,140</u>
Total Right-of-Use Assets	<u>4,922,140</u>	<u>3,207,666</u>	<u>(3,130,866)</u>	<u>4,998,940</u>
Less, Accumulated Amortization:				
Equipment	-	(10,240)	-	(10,240)
Buildings	<u>(4,051,124)</u>	<u>(159,477)</u>	<u>2,817,809</u>	<u>(1,392,792)</u>
Total Accumulated Amortization	<u>(4,051,124)</u>	<u>(169,717)</u>	<u>2,817,809</u>	<u>(1,403,032)</u>
Net Right-of-Use Assets	<u>\$ 871,016</u>	<u>\$ 3,037,949</u>	<u>\$ (313,057)</u>	<u>\$ 3,595,908</u>

Right-of-use assets and amortization activity as of and for the year ended December 31, 2023, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Right-of-Use Assets:				
Buildings	\$ 4,922,140	\$ -	\$ -	\$ 4,922,140
Less, Accumulated Amortization:				
Buildings	<u>(3,507,250)</u>	<u>(543,874)</u>	<u>-</u>	<u>(4,051,124)</u>
Net Right-of-Use Assets	<u>\$ 1,414,890</u>	<u>\$ (543,874)</u>	<u>\$ -</u>	<u>\$ 871,016</u>

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 6 - Right-of-Use Assets and Liabilities (Continued)

The changes in right-of-use lease liabilities for December 31, 2024 are as follows:

Beginning Right-of-Use Liabilities	\$ 1,027,145
Increases	3,146,953
Decreases	<u>(353,068)</u>
Ending Right-of-Use Liabilities	<u>\$ 3,821,030</u>

The changes in right-of-use lease liabilities for December 31, 2023 are as follows:

Beginning Right-of-Use Liabilities	\$ 1,429,944
Increases	-0-
Decreases	<u>(402,799)</u>
Ending Right-of-Use Liabilities	<u>\$ 1,027,145</u>

The annual debt service requirements to maturity for these right-of-use liabilities are as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 438,964	\$ 198,470	\$ 637,434
2026	406,400	176,034	582,434
2027	423,421	154,013	577,434
2028	432,615	130,813	563,428
2029	352,603	109,512	462,115
2030-2034	1,577,742	268,973	1,846,715
2035-2039	67,770	65,286	133,056
2040-2044	102,226	30,830	133,056
2025	<u>19,289</u>	<u>669</u>	<u>19,958</u>
Total	<u>\$ 3,821,030</u>	<u>\$ 1,134,600</u>	<u>\$ 4,955,630</u>

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 7 - Capital Assets

The Hospital's capital asset activity for the year ended December 31, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 2,515,959	\$ 123,400	\$ (3,072)	\$ 2,636,287
Construction in progress	234,886	488,296	(442,863)	280,319
Total capital assets not being depreciated	<u>2,750,845</u>	<u>611,696</u>	<u>(445,935)</u>	<u>2,916,606</u>
Capital assets being depreciated and amortized:				
Buildings	38,667,626	382,674	-	39,050,300
Building improvements	16,519,191	727,183	(74,932)	17,171,442
Land improvements	1,495,872	109,469	-	1,605,341
Equipment	49,921,724	2,232,774	(799,051)	51,355,447
Right of use assets	4,922,140	3,207,666	(3,130,866)	4,998,940
Total capital assets being depreciated and amortized	111,526,553	6,659,766	(4,004,849)	114,181,470
Less accumulated depreciated and amortization	<u>(80,860,309)</u>	<u>(3,654,628)</u>	<u>3,687,439</u>	<u>(80,827,498)</u>
Total capital assets being depreciated and amortized, net	<u>30,666,244</u>	<u>3,005,138</u>	<u>(317,410)</u>	<u>33,353,972</u>
Total capital assets, net	<u>\$ 33,417,089</u>	<u>\$ 3,616,834</u>	<u>\$ (763,345)</u>	<u>\$ 36,270,578</u>

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 7 - Capital Assets (Continued)

The Hospital's capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,515,959	\$ -	\$ -	\$ 2,515,959
Construction in progress	135,595	215,825	(116,534)	234,886
Total capital assets not being depreciated	2,651,554	215,825	(116,534)	2,750,845
Capital assets being depreciated and amortized:				
Buildings	38,799,166	-	(131,540)	38,667,626
Building improvements	16,635,836	20,826	(137,471)	16,519,191
Land improvements	1,493,622	2,250	-	1,495,872
Equipment	49,396,900	1,553,157	(1,028,333)	49,921,724
Right of use assets	4,922,140	-	-	4,922,140
Total capital assets being depreciated and amortized	111,247,664	1,576,233	(1,297,344)	111,526,553
Less accumulated depreciated and amortization	(77,885,342)	(4,137,386)	1,162,419	(80,860,309)
Total capital assets being depreciated and amortized, net	33,362,322	(2,561,153)	(134,925)	30,666,244
Total capital assets, net	\$ 36,013,876	\$ (2,345,328)	\$ (251,459)	\$ 33,417,089

Note 8- Parochial Employees' Retirement System Pension Plan

Plan Description

The Parochial Employees' Retirement System of Louisiana is the administrator of a costsharing, multiple employer defined benefit pension plan. The System was established and provided for by R.S.11:1901 of the Louisiana Revised Statute (LRS).

The System provides retirement benefits to employees of any parish within the State of Louisiana or any governing body or a parish which employs and pays persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Hospital is a participating member of Plan A.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 8- Parochial Employees Retirement System Pension Plan (Continued)

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Eligibility Requirements

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

Retirement Benefits

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

Any member of Plan B can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Age 55 with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Age 65 with a minimum of seven (7) years of creditable service.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 8- Parochial Employees Retirement System Pension Plan (Continued)

For employees hired after January 1, 2007:

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

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to 3.0% of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to 2.00% of the member's final average compensation multiplied by his years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

Plan B members need ten (10) years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with twenty (20) or more years of creditable service who is not eligible for normal retirement, the plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage, if the remarriage occurs before age 55.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Deferred Retirement Option Plan

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 8- Parochial Employees Retirement System Pension Plan (Continued)

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

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

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

Disability Benefits

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to 3.0% of the member's final average compensation multiplied by his years of service, not to be less than 15, or 3.0% multiplied by years of service assuming continued service to age 60 for those members who are enrolled prior to January 1, 2007 and to age 62 for those members who are enrolled January 1, 2007 and later.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 8- Parochial Employees Retirement System Pension Plan (Continued)

For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal to 2.0% of the member's final average compensation multiplied by his years of service, to age 60 for those members who are enrolled prior to January 1, 2007 and to age 62 for those members who are enrolled January 1, 2007 and later.

Cost of Living Increases

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2.0% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements.

In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to 2.0% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Employer Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2023, the actuarially determined contribution rate was 7.49% of member's compensation for Plan A and 5.35% of member's compensation for Plan B. The actual rate for the fiscal year ending December 31, 2024 was 11.50% for Plan A and 7.50% for Plan B. The actual rate for the fiscal year ending December 31, 2023 was 11.50% for Plan A and 7.50% for Plan B.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 8- Parochial Employees Retirement System Pension Plan (Continued)

The payroll for the Hospital employees covered by the system for the year ended December 31, 2024 and 2023 was \$37,119,140 and \$31,906,913; the Hospital's total payroll for 2024 and 2023 was \$41,695,499 and \$38,231,992, respectively. As of December 31, 2024, the total amount owed to the Parochial Retirement System was \$- for October through December 2024 contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, the Hospital reported overfunding of \$4,421,601 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension asset used to calculate the net pension asset was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on the employer's projected contribution effort to the plan. The employers' contribution effort was actuarially determined by the System's actuary.

For the year ended December 31, 2024, the Hospital recognized a pension expense of \$1,117,070, At December 31, 2024, the Hospital reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 2,093,763	\$ 1,186,845
Net difference between projected and actual earnings on pension plan investments	7,126,051	-
Changes in assumptions	-	770,335
Differences between Hospital contributions and proportionate share of contributions	7,939	445
Hospital contributions made subsequent to the measurement date	4,282,178	-
Total	\$ 13,509,931	\$ 1,957,625

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 8- Parochial Employees Retirement System Pension Plan (Continued)

The Hospital's contributions during the year ended December 31, 2024, reported as deferred outflows of \$4,282,178, subsequent to the measurement date, will be recognized as reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2025	\$ 602,788
2026	3,565,870
2027	5,997,953
2028	(2,896,483)

Actuarial Methods and Assumptions

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2024 are as follows:

Valuation Date	December 31, 2023
Actuarial Cost Method	Plan A - Entry Age Normal Plan B – Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.40%, net of investment expense, with inflation
Expected Remaining Service Lives	4 years
Projected Salary Increases	Plan A - 4.75% (2.3% Inflation, 2.45% Merit) Plan B – 4.25% (2.3% Inflation, 1.95% Merit)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 8- Parochial Employees Retirement System Pension Plan (Continued)

Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2021 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2021 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled. Retirees multiplied by 130% for males and 125% for females using MP2021 scale for disabled annuitants.
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Inflation Rate	2.30%
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The discount rate used to measure the total pension liability was 6.40% for Plan A and Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.50% for the year ended December 31, 2023.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 8- Parochial Employees Retirement System Pension Plan (Continued)

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed income	33%	1.12%
Equity	51%	3.20%
Alternatives	14%	0.67%
Real assets	2%	0.11%
Totals	<u>100%</u>	<u>5.10%</u>
Inflation		<u>2.40%</u>
Expected Arithmetic Nominal Return		<u>7.50%</u>

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2018 through December 31, 2022. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2021 scale. In addition, mortality for annuitants and beneficiaries was set equal to Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2021 scale. For Disabled annuitants mortality was set to Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2021 scale.

Sensitivity to Changes in Discount Rate

The following presents the net pension liability/(asset) of the participating employers calculated using the discount rate of 6.40%, as well as what the employers' net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower 5.40% or one percentage point higher 7.40% than the current rate.

1% Decrease	Current Discount Rate	1% Increase
5.40%	6.40%	7.40%
Net Pension Liability	Net Pension Liability	Net Pension Asset
\$31,548,923	\$4,421,601	\$(18,349,092)

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 8- Parochial Employees Retirement System Pension Plan (Continued)

Retirement System Audit Report

The Parochial Employees' Retirement System of Louisiana has issued a stand-alone audit report on their financial statements for the year ended December 31, 2023. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.la.gov.

Note 9- Cash, Cash Equivalents, Certificates of Deposit and Other Investments

Under Louisiana Revised Statutes 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 United States Treasury obligations, obligations issued or guaranteed by the United States government or federal agencies, highly rated investment grade commercial paper, and mutual or trust funds registered with the Securities and Exchange Commission which have underlying investments consisting solely of and limited to the United States government or its agencies.

In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

At December 31, 2024, the Hospital had cash, cash equivalents and certificates of deposit (book balances) totaling \$23,556,585. Of that balance, \$21,896,239 is included in Assets Whose Use is Limited (Note 2).

At December 31, 2023, the Hospital had cash, cash equivalents and certificates of deposit (book balances) totaling \$16,530,976. Of that balance, \$13,165,973 is included in Assets Whose Use is Limited (Note 2).

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities. 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. These securities are held by the pledging financial institution's trust department or agent, in the Hospital's name.

Custodial Credit Risk is the risk that in the event of bank failure, the Hospital's deposits may not be returned. The Hospital deposits its cash with high quality financial institutions, and management believes the Hospital is not exposed to significant credit risk.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 9- Cash, Cash Equivalents, Certificates of Deposit and Other Investments (Continued)

At December 31, 2024, the Hospital has \$27,416,935 in deposits (collected bank balances). These deposits are secured from risk by \$750,000 of federal deposit insurance and \$27,855,282 of pledged securities held in a custodial bank in the Hospital's name.

At December 31, 2023, the Hospital has \$17,514,027 in deposits (collected bank balances). These deposits are secured from risk by \$750,000 of federal deposit insurance and \$21,158,637 of pledged securities held in a custodial bank in the Hospital's name.

Interest Rate Risk is the risk that changes in the interest rate will adversely affect the fair value of the investment. At December 31, 2024 and 2023, the Hospital did not have investments in any debt instruments.

Note 10- Prior Year Balances

Certain prior year amounts may have been reclassified to conform with current year presentation.

Note 11- Concentrations of Credit Risk

The Hospital is located in Sulphur, Louisiana. The Hospital grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows:

	<u>2024</u>	<u>2023</u>
Medicare	7 %	8 %
Medicaid	4	4
Other	89	88
	<u>100 %</u>	<u>100 %</u>

The mix of net patient revenues was as follows:

	<u>2024</u>	<u>2023</u>
Medicare	40 %	40 %
Medicaid	13	14
Other	47	46
	<u>100 %</u>	<u>100 %</u>

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 12- Other Postemployment Benefits (OPEB)

The Hospital implemented Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB). This Statement addresses the fact that certain postemployment benefits other than pensions are related to employee services and salaries received presently but that will benefit the employee in the future – upon retirement – and whose costs will be borne by the Hospital in the future. The Statement also attempts to quantify the future “retirement” costs that have been earned by the employee during his/her active years of employment. The Hospital will finance the postemployment benefits on a “pay-as-you-go” basis. GASB Statement 75 requires that the liability be recognized in the financial statements for the actuarial determined portion of the projected benefit payments to be provided to current active and inactive employees that is attributed to those employees’ past periods of service. The notes to the financial statements contain other required disclosure information from GASB Statement 75.

The Hospital contracted with a third-party consultant to perform the actuarial valuation required by GASB Statement No. 75 as of December 31, 2024 with a measurement date of December 31, 2024 and an actuarial valuation date of December 31, 2024. For the Hospital plan, the actuarial valuation is required every other year, therefore, the actuarial valuation prepared will be utilized for the two-year periods of 2024 and 2025 with the inclusion of the appropriate second year adjustments. The 2024 valuation included a change in assumption for an increase in the discount rate (described in the table below).

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future.

Plan Description: The Hospital provides medical benefits to eligible retired Hospital employees, that were hired on or before January 31, 2009 and their beneficiaries. The plan is a single-employer plan administered by Blue Cross Blue Shield and has been implemented prospectively.

Funding Policy: The contribution requirements of plan members and the Hospital are established by the board. Hospital eligible retirees receiving benefits contributed \$468,167 to the plan for 2024. Contribution rates for retirees ranged from \$215 to \$1,560 per month based on age and coverage for 2024.

The Hospital contributed \$352,979 (net of retirees’ contributions) to the plan for 2024.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 12- Other Postemployment Benefits (OPEB) (Continued)

Actuarial Methods and Assumptions: The Total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Measurement date	December 31, 2024
Actuarial Valuation Date	December 31, 2024
Inflation	2.50%
Salary increases, including inflation	3.00%
Discount rate	4.28%
Prior year discount rate	3.77%
Health care cost trend rates	See Appendix E of Actuary Report
Retirees' share of benefit related costs	See Appendix E of Actuary Report

The discount rate was based on the 12/31/24 S&P Municipal Bond 20 Year High Grade Index Yield.

Mortality rates for active employees were based on the PubG.H-2010 Employee Mortality Table, Generational with Projection Scale MP-2021 for males or females, as appropriate.

Mortality rates for retirees were based on the PubG.H-2010 Healthy Retiree Mortality Table, Generational with Projection Scale MP-2021 for males or females, as appropriate.

OPEB Plan – Number of Employees Covered:

Inactive employees currently receiving benefit payments	112
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>84</u>
Total	<u>196</u>

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 12- Other Postemployment Benefits (OPEB) (Continued)

Changes in Total OPEB Liability:

Balance at 12/31/2023	\$ <u>22,207,610</u>
Changes for the year:	
Service Cost	235,324
Interest	839,200
Differences between expected and actual	936,516
Changes in assumptions/inputs	(6,526,763)
Change in benefit terms	-
Benefit payments	(352,979)
Administrative expense	-
Net Changes	<u>(4,868,702)</u>
Balance at 12/31/2024	\$ <u>17,338,908</u>

Sensitivity of the Total OPEB Liability

	1% Decrease	No Change	1% Increase
Discount Rate	\$20,140,901	\$17,338,908	\$15,064,552
Healthcare Cost Trend Rates	\$14,954,103	\$17,338,908	\$20,324,188

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

OPEB expense		
Service cost	\$	235,324
Interest on liabilities		839,200
Difference between actual and expected experience		(850,158)
Changes in assumptions / inputs		(1,390,433)
Changes in benefit terms		-
Total OPEB Expense		<u>\$ (1,166,067)</u>
Deferred Outflows and Inflows	Outflows	Inflows
Differences between actual and expected experience	\$ 702,387	\$ 1,454,776
Changes of assumptions or other inputs	1,855,445	8,191,282
Employer amounts for OPEB subsequent to measurement date	-	-
Total Deferred Outflows and Inflows	<u>\$ 2,557,832</u>	<u>\$ 9,646,058</u>

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 12- Other Postemployment Benefits (OPEB) (Continued)

Amounts reported and deferred outflows of resources and deferred inflows of resources related to OPEB expense will be recognized in OPEB expense as follows:

Year Ended December 31:	
2025	\$ (3,141,826)
2026	\$ (2,794,262)
2027	\$ (1,152,138)
2028	\$ -
2029	\$ -
Thereafter	\$ -

Note 13- Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by both Calcasieu and Cameron Parishes in September or October and are normally billed to the taxpayers in November. Billed taxes would then become delinquent on January 1 of the following year.

For the years ended December 31, 2024 and 2023, taxes of 6.95 mills were levied on property with net assessed valuations totaling \$1,906,141,406 and \$1,788,843,977 for Calcasieu Parish and \$134,753,265 and \$129,224,282 for Cameron Parish, respectively. Total taxes levied were \$13,724,424 and \$13,330,574 for the years ended December 31, 2024 and 2023. Taxes receivable at December 31, 2024 and 2023 were \$11,885,835 and \$11,474,496, all of which were considered collectible. The 6.95 mills were dedicated for the Maintenance Fund for both years.

Note 14- Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay patients (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 patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the 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 doubtful accounts.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 15- Subscription-Based Information Technology Arrangement Assets and Liabilities

The following is a summary of subscription-based information technology arrangements for intangible assets and related accumulated amortization for the year ended December 31, 2024:

	Beginning Balance	Increases	Decreases	Ending Balance
Subscription-based assets	\$ 3,532,979	\$ 799,418	\$ (218,819)	\$ 4,113,578
Accumulated amortization	(2,634,204)	(572,150)	218,819	(2,987,535)
Total subscription-based assets	<u>\$ 898,775</u>	<u>\$ 227,268</u>	<u>\$ -</u>	<u>\$ 1,126,043</u>

The following is a summary of subscription-based information technology arrangements for intangible assets and related accumulated amortization for the year ended December 31, 2023:

	Beginning Balance	Increases	Decreases	Ending Balance
Subscription-based assets	\$ 3,329,260	\$ 203,719	\$ -	\$ 3,532,979
Accumulated amortization	(2,222,705)	(411,499)	-	(2,634,204)
Total subscription-based assets	<u>\$ 1,106,555</u>	<u>\$ (207,780)</u>	<u>\$ -</u>	<u>\$ 898,775</u>

The following is a summary of the changes in subscription-based information technology arrangement liabilities as of December 31, 2024:

Beginning Subscription-Based Liabilities	\$ 1,120,937
Increases	799,417
Decreases	(648,696)
Ending Subscription-Based Liabilities	<u>\$ 1,271,658</u>

The following is a summary of the changes in subscription-based information technology arrangement liabilities as of December 31, 2023:

Beginning Subscription-Based Liabilities	\$ 1,393,477
Increases	203,719
Decreases	(476,259)
Ending Subscription-Based Liabilities	<u>\$ 1,120,937</u>

The Hospital began recognizing subscription liability obligations related to the adoption of GASB 96 during fiscal year 2023. The subscription liability obligations relate to subscription-based information technology arrangements at imputed interest from 7.5% to 8.25% with maturity dates ranging from January 2025 to March 2029.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 16- Subscription-Based Information Technology Arrangement Assets and Liabilities (Continued)

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

Year Ending December 31,	Principal	Interest	Totals
2025	\$ 720,207	\$ 79,853	\$ 800,060
2026	213,468	35,200	248,668
2027	174,448	19,660	194,108
2028	158,762	6,749	165,511
2029	4,773	60	4,833
Totals	<u>\$ 1,271,658</u>	<u>\$ 141,522</u>	<u>\$ 1,413,180</u>

Note 17- Subsequent Events

The Hospital evaluated its December 31, 2024 financial statements for subsequent events through the date the financial statements were available to be issued. The Hospital is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

Note 18- Malpractice

Malpractice claims have been asserted against West Calcasieu-Cameron Hospital by various claimants. The claims are in various stages of processing, and some may ultimately be brought to trial. In the opinion of counsel, the outcome of these actions will not have a significant effect on the financial position or the results of operations of West Calcasieu-Cameron Hospital. The Hospital is a member of the Louisiana Patients' Compensation Fund and therefore, under current Louisiana law, its liability is limited to the statutory maximum of \$500,000 which is covered by a primary \$100,000 with the Louisiana Hospital Association Malpractice and General Liability Trust, and an additional \$400,000 through the State of Louisiana, Patients' Compensation Fund.

Incidents occurring through December 31, 2024 may result in the assertion of additional claims. Other claims may be asserted arising from past services provided. Management is unable to estimate the ultimate cost, if any, of the resolution of such potential claims and, accordingly, no accrual has been made for them. Management believes the resolution of such potential claims would be settled within the limits of insurance coverage as discussed in the above paragraph.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 19- Charity Care

The Hospital provides care to patients who qualify under federal guidelines and other policies of the Hospital at fees less than established rates. The amount of charity care is reduced from the amount of fees for services presented in the statement of revenues and expenses. The amount of charity care for disclosure purposes should be measured by costs, including direct and indirect costs. Management has calculated the costs associated with providing charity care utilizing the cost to charge ratio obtained from the Medicare cost report data. The amount of costs associated with charity care for the year ending December 31, 2024 and 2023 was \$-0- and \$17,513, respectively.

Note 20- Investments Measured at Fair Value

The Hospital applies GASB 72 for fair value measurements of financial assets that are recognized at fair value in the financial statements on a recurring basis. The hierarchy is based on the valuation inputs to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, either directly or indirectly; Level 3 inputs are significant unobservable inputs.

Public Funds Money Market \$ 21,896,239 (Level 2 inputs)

Note 21- Change in Accounting Principal and Correction of Errors

Adoption of GASB Statement No. 101, *Compensated Absences* – The Hospital adopted GASB Statement No. 101, *Compensated Absences* during the year ended December 31, 2024. This resulted in changes to various line items in the December 31, 2023 Statement of Net Position, Statement of Revenues and Expenses, and the Statement of Changes in Net Position. These changes are presented in more detail in the following tables.

Correction of an Error in Previously Issued Financial Statements – The Hospital used an incorrect amortization schedule during the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, during the year ended December 31, 2023. This resulted in changes to various line items in the December 31, 2023 Statement of Net Position, Statement of Revenues and Expenses, and the Statement of Changes in Net Position. These changes are more fully described in the following tables.

Correction of Errors in Previously Issued Financial Statements – The Hospital omitted one lease and used an incorrect amortization schedule during the adoption of GASB Statement No. 87, *Leases*, during the year ended December 31, 2022. This resulted in changes to various line items in the December 31, 2023 Statement of Net Position, Statement of Revenues and Expenses, and the Statement of Changes in Net Position. These changes are more fully described in the following tables.

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 21- Change in Accounting Principal and Correction of an Error (Continued)

During the year ended December 31, 2024, the adoption of GASB Statement No. 101, *Compensated Absences*, and the correction of errors resulted in the following changes to the December 31, 2023 financial statements:

Account	Balances as of December 31, 2023, as Previously Reported	Change in Accounting Principal (GASB 101)	Correction of an Error (GASB 96)	Correction of an Error (GASB 87)	Balances as of December 31, 2023, as Restated
Right-of-use assets	\$ 4,626,942	\$ -	\$ -	\$ 295,198	\$ 4,922,140
Allowance for amortization of right-of-use assets	\$(3,969,944)	\$ -	\$ -	\$ (81,180)	\$(4,051,124)
Accrued compensation and retirement	\$ 4,405,121	\$ 660,251	\$ -	\$ -	\$ 5,065,372
Right-of-use liability due within one year	\$ 206,786	\$ -	\$ -	\$ 16,627	\$ 223,413
Right-of-use liability due in more than one year	\$ 397,199	\$ -	\$ -	\$ 406,533	\$ 803,732
Subscription-based information technology liability due within one year	\$ 315,168	\$ -	\$ 182,454	\$ -	\$ 497,622
Subscription-based information technology liability due in more than one year	\$ 327,145	\$ -	\$ 296,170	\$ -	\$ 623,315
Administrative salaries	\$ 5,057,554	\$ (24,049)	\$ -	\$ -	\$ 5,033,505
Administrative general expenses	\$ 9,518,095	\$ (26,611)	\$ -	\$ -	\$ 9,491,484
Depreciation and amortization expenses	\$ 4,539,045	\$ -	\$ -	\$ 9,840	\$ 4,548,885
Interest expense on right-of-use leases	\$ 187,988	\$ -	\$ -	\$(117,648)	\$ 70,340
Interest expense on subscription-based information technology arrangements	\$ 269,899	\$ -	\$ (136,058)	\$ -	\$ 133,841

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 21- Change in Accounting Principal and Correction of an Error (Continued)

The Hospital reduced its beginning net position for the year ending December 31, 2023 in the amount of \$1,642,543 for the adoption of GASB Statement No. 101, *Compensated Absences*, and the correction of errors as shown above. These adjustments resulted in the following changes to the January 1, 2023 net position:

Account	Balances as of January 1, 2023, as Previously Reported	Change in Accounting Principal (GASB 101)	Correction of an Error (GASB 96)	Correction of an Error (GASB 87)	Balances as of January 1, 2023, as Restated
Net position – investment in capital and right-of-use assets	\$ 34,536,468	\$ -	\$ (343,561)	\$ -	\$ 34,192,907
Net position - unrestricted	18,500,401	(684,300)	-	(614,682)	17,201,419
	<u>\$ 53,036,869</u>	<u>\$ (684,300)</u>	<u>\$ (343,561)</u>	<u>\$ (1 298,982)</u>	<u>\$ 51,394,326</u>

REQUIRED SUPPLEMENTARY INFORMATION

WEST CALCASIEU CAMERON HOSPITAL
Sulphur, Louisiana
Schedule of Changes to Total OPEB Liability
and Related Ratios
For The Year Ended December 31, 2024

	2018	2019	2020	2021	2022
Service Cost	\$ 415,641	\$ 377,930	\$ 867,141	\$ 481,194	\$ 507,483
Interest	774,754	831,873	791,217	549,464	543,262
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual	(137,991)	(35,748)	(4,533,455)	(125,495)	(1,240,712)
Changes in assumptions or other inputs	(1,548,192)	5,104,128	2,448,089	1,650,255	(8,240,529)
Benefit payments	(505,671)	(395,370)	(409,884)	(479,376)	(561,294)
Net Change in Total OPEB Liability	(1,001,459)	5,882,813	(836,892)	2,076,042	(8,991,790)
Total OPEB Liability - beginning	23,243,674	22,242,215	28,125,028	27,288,136	29,364,178
Total OPEB Liability - ending	22,242,215	28,125,028	27,288,136	29,364,178	20,372,388
Covered Employee Payroll	\$ 8,706,335	\$ 8,967,525	\$ 8,882,573	\$ 9,149,050	\$ 6,901,958
Total OPEB Liability as a percentage of covered employee payroll	255.5%	317.4%	307.2%	321.0%	295.2%

	2023	2024
Service Cost	\$ 203,159	\$ 235,324
Interest	824,149	839,200
Changes in benefit terms	-	-
Differences between expected and actual	(268,474)	936,516
Changes in assumptions or other inputs	1,495,573	(6,526,763)
Benefit payments	(419,185)	(352,979)
Net Change in Total OPEB Liability	1,835,222	(4,868,702)
Total OPEB Liability - beginning	20,372,388	22,207,610
Total OPEB Liability - ending	22,207,610	17,338,908
Covered Employee Payroll	\$ 7,109,017	\$ 7,366,328
Total OPEB Liability as a percentage of covered employee payroll	312.4%	235.4%

Notes to Schedule:

Changes in Benefit Terms

None

Changes in Assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used each period:

2018	3.71%
2019	2.75%
2020	2.00%
2021	1.84%
2022	4.05%
2023	3.77%
2024	4.28%

WEST CALCASIEU CAMERON HOSPITAL
Sulphur, Louisiana
Parochial Employees' Retirement System of Louisiana
Schedule of the Hospital's Proportionate Share of the Net Pension Liability
For The Year Ended December 31, 2024

Year ended December 31,	Hospital's Proportion of the Net Pension Liability (Asset)	Hospital's Proportionate Share of the Net Pension Liability (Asset)	Hospital's Covered- Employee Payroll	Hospital's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	4.84%	\$ 1,323,131	\$ 26,491,469	4.99%	99.14%
2016	4.62%	\$ 12,162,185	\$ 27,157,674	44.78%	92.23%
2017	4.61%	\$ 9,501,449	\$ 27,962,600	33.98%	94.15%
2018	1.62%	\$ (3,344,280)	\$ 28,641,835	-11.68%	101.98%
2019	4.66%	\$ 20,682,956	\$ 28,782,585	71.86%	88.86%
2020	4.51%	\$ 213,650	\$ 30,735,472	0.70%	99.89%
2021	4.60%	\$ (7,639,445)	\$ 30,537,194	-25.02%	104.00%
2022	4.63%	\$ (21,821,317)	\$ 31,227,449	-69.88%	110.46%
2023	4.63%	\$ 17,821,032	\$ 31,906,913	55.85%	91.74%
2024	4.64%	\$ 4,421,601	\$ 37,119,140	11.91%	98.03%

The schedule is intended to report information for 10 years. Additional years will be displayed as they become available. The amounts presented have a measurement date of the previous fiscal year.

WEST CALCASIEU CAMERON HOSPITAL
Sulphur, Louisiana
Parochial Employees' Retirement System of Louisiana
Schedule of the Hospital's Contributions
For The Year Ended December 31, 2024

Year ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Hospital's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2015	\$ 3,841,263	\$ 3,841,263	\$ -	\$ 26,491,469	14.50%
2016	\$ 3,528,277	\$ 3,528,277	\$ -	\$ 27,157,674	12.99%
2017	\$ 3,495,325	\$ 3,495,325	\$ -	\$ 27,962,600	12.50%
2018	\$ 3,293,811	\$ 3,293,811	\$ -	\$ 28,641,835	11.50%
2019	\$ 3,309,470	\$ 3,309,470	\$ -	\$ 28,782,585	11.50%
2020	\$ 3,761,920	\$ 3,761,920	\$ -	\$ 30,735,472	12.24%
2021	\$ 3,785,431	\$ 3,785,431	\$ -	\$ 30,537,194	12.40%
2022	\$ 3,611,875	\$ 3,611,875	\$ -	\$ 31,227,449	11.57%
2023	\$ 3,669,295	\$ 3,669,295	\$ -	\$ 31,906,913	11.50%
2024	\$ 4,282,178	\$ 4,282,178	\$ -	\$ 37,119,140	11.54%

The schedule is intended to report information for 10 years. Additional years will be displayed as they become available. The amounts presented have a measurement date of the previous fiscal year.

OTHER SUPPLEMENTARY INFORMATION

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedules of Nursing Revenues
For The Years Ended December 31,

	<u>2024</u>	<u>2023</u>
NURSING REVENUES - GROSS		
Revenue from daily patient services		
Medical and surgical	\$ 11,015,529	\$ 12,110,186
Intensive care	5,342,206	5,802,182
Nursery	218,495	149,648
Total Revenue from Daily Patient Services	<u>16,576,230</u>	<u>18,062,016</u>
Operating room	11,217,215	10,492,332
Endoscopy	5,315,000	5,559,338
Delivery room	2,857,248	2,152,207
Recover room	2,063,270	2,212,502
Central supply	1,535,415	2,437,030
Emergency room	<u>26,679,836</u>	<u>27,226,659</u>
TOTAL NURSING REVENUES - GROSS	<u><u>\$ 66,244,214</u></u>	<u><u>\$ 68,142,084</u></u>

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedules of Other Professional Services Revenue
For The Years Ended December 31,

	<u>2024</u>	<u>2023</u>
OTHER PROFESSIONAL SERVICE REVENUES - GROSS		
Anesthesiology	\$ 3,480,232	\$ 2,223,865
Radiology	26,490,687	25,145,518
Laboratory	14,805,709	15,867,993
Cardiology, EKG and EEG	6,588,741	8,414,047
Physical therapy	1,695,224	1,780,006
Orthopedic	45,139	77,276
Nuclear medicine	1,356,657	2,078,868
Pharmacy	53,773,483	46,633,347
Respiratory therapy	4,528,193	4,625,190
Dietary - long term care	50,838	42,902
Ambulance service	4,146	9,634
Occupational therapy	388,467	514,355
Speech therapy	289,324	274,180
Housekeeping	3,380	3,380
Home health care	1,605,937	1,846,575
Therapeutic riding	295,598	355,720
Wellness center	1,226,471	1,166,374
Off site clinics	8,245,022	7,038,364
Outpatient testing	1,541,360	1,239,113
Wound healing	362,297	459,965
Diagnostic center	9,453,754	8,816,497
Sleep lab	459,575	645,625
Ear, nose, throat & aesthetic	1,809,292	1,666,684
Pulmonology clinic	917,913	917,744
Obstetrics and gynecology	3,360,136	2,080,967
Family practice	2,110,387	1,770,662
Community health center	6,035,808	5,330,096
TOTAL OTHER PROFESSIONAL SERVICE REVENUES - GROSS	<u><u>\$ 150,923,770</u></u>	<u><u>\$ 141,024,947</u></u>

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedules of Nursing Expenses
For The Years Ended December 31,

	<u>2024</u>	<u>2023</u>
NURSING EXPENSES		
Nursing services - salaries	\$ 2,527,863	\$ 2,595,479
Nursing services - administrative salaries	937,673	860,533
Nursing services - expenses	405,921	449,398
Central supply - salaries	322,674	286,747
Central supply - expense	419,194	301,499
Operating room - salaries	1,977,261	1,765,350
Operating room - expenses	2,937,557	2,701,904
Endoscopy - salaries	328,212	332,243
Endoscopy - expenses	270,853	278,129
Delivery room - salaries	1,461,210	1,251,199
Delivery room - expenses	267,200	161,864
Nursery - salaries	301,179	279,382
Nursery - expenses	52,294	50,096
Recovery room - salaries	280,919	271,119
Recovery room - expenses	13,571	12,387
Intensive care - salaries	1,764,619	1,705,565
Intensive care - expenses	270,704	422,993
Emergency room - salaries	2,606,559	2,482,583
Emergency room - expenses	478,522	826,215
TOTAL NURSING EXPENSES	<u><u>\$ 17,623,985</u></u>	<u><u>\$ 17,034,685</u></u>

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedules of Other Professional Service Expenses
For The Years Ended December 31,

	2024	2023
OTHER PROFESSIONAL SERVICE EXPENSES		
Anesthesiology - expenses	\$ 144,518	\$ 121,069
Radiology - salaries	1,593,795	1,397,221
Radiology - expenses	984,895	884,504
Laboratory - salaries	2,061,520	1,971,403
Laboratory - expenses	2,893,375	2,283,432
Cardiology, EKG and EEG - salaries	778,683	716,739
Cardiology, EKG and EEG - expenses	677,157	566,029
Physical therapy - salaries	1,011,098	966,097
Physical therapy - expenses	49,425	40,587
Orthopedic room - expenses	5,604	15,933
Pharmacy - salaries	1,303,565	1,261,913
Pharmacy - expenses	7,326,335	6,795,121
Respiratory therapy - salaries	993,603	958,886
Respiratory therapy - expenses	248,139	255,772
Ambulance service - salaries	119,485	115,367
Ambulance service - expenses	51,635	78,361
Medical records - salaries	596,287	576,355
Medical records - expenses	249,716	244,469
Nuclear Medicine - salaries	96,271	94,793
Nuclear Medicine - expenses	161,641	226,875
Outpatient testing - salaries	277,130	272,673
Outpatient testing - expenses	60,552	46,020
Home health care - salaries	1,120,789	1,121,469
Home health care - expenses	217,854	238,137
Occupational therapy - salaries	228,303	218,817
Occupational therapy - expenses	1,011	1,307
Speech therapy - salaries	183,415	159,626
Speech therapy - expenses	3,516	3,742
Off site clinic - salaries	3,860,530	2,459,368
Off site clinic - expenses	2,362,229	2,233,155
Wellness center - salaries	748,712	711,506
Wellness center - expenses	370,590	337,683
Therapeutic riding - salaries	203,864	208,245
Therapeutic riding - expenses	53,714	24,988
Wound healing - salaries	53,308	79,891
Wound healing - expenses	46,936	37,839
Diagnostic center - salaries	401,886	342,172
Diagnostic center - expenses	502,537	573,915
Westlake diagnostic center - salaries	174,373	168,281
Westlake diagnostic center - expenses	76,874	123,995
Sleep lab - expenses	100,782	76,191
Ear, nose, throat and aesthetic - salaries	593,407	484,897
Ear, nose, throat and aesthetic - expenses	116,205	277,396
Pulmonology clinic - salaries	134,638	119,149
Pulmonology clinic - expenses	794,970	837,679
Obstetrics and gynecology - salaries	1,659,630	1,304,207
Obstetrics and gynecology - expenses	407,369	417,246
Family practice - salaries	1,104,261	954,472
Family practice - expenses	214,757	240,386
Community health center - salaries	1,585,413	1,431,615
Community health center - expenses	1,540,658	2,033,782
TOTAL OTHER PROFESSIONAL SERVICE EXPENSES	\$ 40,546,960	\$ 37,110,775

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedules of General Service Expenses
For The Years Ended December 31,

	<u>2024</u>	<u>2023</u>
GENERAL SERVICE EXPENSES		
Dietary - salaries	\$ 916,396	\$ 838,905
Dietary - food	342,606	301,495
Dietary - expenses	106,502	102,107
Housekeeping - salaries	858,193	794,435
Housekeeping - expenses	102,356	93,363
Laundry - salaries	291,482	260,517
Laundry - expenses	63,201	59,891
Operating and maintenance of plant - salaries	1,298,806	1,223,908
Operating and maintenance of plant - expenses	1,421,197	1,396,745
Medical staff services - salaries	117,309	130,245
Medical staff services - expenses	<u>43,357</u>	<u>36,765</u>
TOTAL GENERAL SERVICE EXPENSES	<u><u>\$ 5,561,405</u></u>	<u><u>\$ 5,238,376</u></u>

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedules of Fiscal and Administrative Service Expenses
For The Years Ended December 31,

	<u>2024</u>	<u>2023</u>
FISCAL AND ADMINISTRATIVE SERVICE EXPENSES		
Administrative - salaries	\$ 5,469,245	\$ 5,033,505
Administrative - general expenses	10,667,094	9,491,484
Payroll taxes and benefits	4,230,036	15,496,602
Insurance and liability claims	<u>2,204,580</u>	<u>2,132,188</u>
TOTAL FISCAL AND ADMINISTRATIVE SERVICE EXPENSES	<u><u>\$ 22,570,955</u></u>	<u><u>\$ 32,153,779</u></u>

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedule of Compensation, Benefits and Other Payments to the Chief Executive Officer
Year Ended December 31, 2024

Agency Head: Janie Fruge, CEO

Purpose	Amount
Salary	\$407,503
Benefits – insurance	16,396
Benefits – retirement	39,675
Reimbursements - mileage	446
Conference travel	421
Conference lodging	1,221
Conference meals	5,292
Registration fees	2,075
Cell phone reimbursement	-

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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

Board of Commissioners
West Calcasieu-Cameron Hospital
Calcasieu-Cameron Hospital Service District
Sulphur, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of West Calcasieu-Cameron Hospital as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise West Calcasieu-Cameron Hospital's financial statements as listed in the table of contents, and have issued our report thereon dated May 20, 2025.

Report on Internal Control Over Financial Reporting

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Calcasieu-Cameron 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Legislative Auditor as a public document.

Steven M. DeRouen & Associates

Lake Charles, Louisiana
May 20, 2025

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedule of Findings and Questioned Costs
December 31, 2024

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued				Unmodified
Internal control over financial reporting:				
Material weaknesses identified?	___	Yes	<u> X </u>	No
Significant deficiency identified not considered				
to be material weaknesses?	___	Yes	<u> X </u>	None reported
Noncompliance material to financial statements				
noted?	___	Yes	<u> X </u>	No

Federal Awards

Not Applicable

SECTION II – FINDINGS AND RESPONSES

None

No Separate Management Letter Issued

WEST CALCASIEU-CAMERON HOSPITAL
Sulphur, Louisiana
Schedule of Prior Year Audit Findings
December 31, 2024

PRIOR YEAR FINDINGS

None