




**Hospital Service District No. 1A
of the Parish of Richland d.b.a.
Richland Parish Hospital
A Component Unit of Richland Parish
Police Jury**

**Independent Auditor's Reports, Financial Statements,
and Supplementary Information**

September 30, 2025 and 2024



**Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
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September 30, 2025 and 2024**

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Independent Auditor's Report

Board of Commissioners
Hospital Service District No. 1A of the Parish of Richland
d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Delhi, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital (District), a component unit of Richland Parish Police Jury, as of and for the years ended September 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District as of September 30, 2025 and 2024 and the changes in financial position and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with 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, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis 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 it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation, benefits,

and other payments to agency head or chief executive officer; combining statement of net position; and combining statement of revenues, expenses, and changes in net position listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The schedule of compensation, benefits, and other payments to agency head or chief executive officer 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The combining statement of net position and combining statement of revenues, expenses, and changes in net position have not been subjected to the auditing procedures applied in the audits of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Forvis Mazars, LLP

**Dallas, Texas
February 27, 2026**

**Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Management’s Discussion and Analysis (Unaudited)
Years Ended September 30, 2025 and 2024**

Introduction

This management’s discussion and analysis of the financial performance of Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital (District), a component unit of Richland Parish Police Jury, provides an overview of the District’s financial activities for the years ended September 30, 2025 and 2024. It should be read in conjunction with the accompanying financial statements of the District.

Financial Highlights

- Cash and investments increased in 2025 by \$8,624,844, or 18%, and increased in 2024 by \$4,924,671, or 11%.
- The District’s net position increased by \$9,993,961 and \$7,007,635 in 2025 and 2024, respectively.
- The District reported operating income of \$1,065,124 and \$1,623,464 in 2025 and 2024, respectively.
- Net nonoperating revenues increased by \$3,544,563, or 70%, in 2025 compared to 2024 and increased by \$1,632,269, or 47%, in 2024 compared to 2023.

Using This Annual Report

The District’s financial statements consist of three statements—a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows. These statements provide information about the activities of the District, including resources held by the District but restricted for specific purposes by creditors, contributors, grantors, or enabling legislation. The District is accounted for as a business-type activity and presents its financial statements using the economic resources measurement focus and the accrual basis of accounting.

The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position

One of the most important questions asked about any hospital’s finances is “Is the hospital as a whole better or worse off as a result of the year’s activities?” The statement of net position and statement of revenues, expenses, and changes in net position report information about the District’s resources and its activities in a way that helps answer this question. These statements include all restricted and unrestricted assets and all liabilities using the accrual basis of accounting. Using the accrual basis of accounting means that all of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District’s net position and changes in them. The District’s total net position—the difference between assets and liabilities—is one measure of the District’s financial health or financial position. Over time, increases or decreases in the District’s net position are an indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors, such as changes in the District’s patient base, changes in legislation and regulations, measures of the quantity and quality of services provided to its patients, and local economic factors, should also be considered to assess the overall financial health of the District.

The Statement of Cash Flows

The statement of cash flows reports cash receipts, cash payments, and net changes in cash and cash equivalents resulting from four defined types of activities. It provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash and cash equivalents during the reporting period.

The District’s Net Position

The District’s net position is the difference between its assets and liabilities reported in the statements of net position. The District’s net position increased by \$9,993,961, or 15%, in 2025 over 2024 and by \$7,007,635, or 12%, in 2024 over 2023, as shown in Table 1.

**Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Management’s Discussion and Analysis (Unaudited)
Years Ended September 30, 2025 and 2024**

Table 1: Assets, Liabilities, and Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
ASSETS			
Cash and certificates of deposit	\$ 56,859,016	\$ 48,234,172	\$ 43,309,501
Patient accounts receivable, net	3,813,769	3,855,956	3,862,549
Other current assets	5,002,107	4,008,606	3,630,590
Capital assets, net	14,652,150	12,115,624	10,334,824
Other assets	236,088	236,088	236,088
Total Assets	<u>\$ 80,563,130</u>	<u>\$ 68,450,446</u>	<u>\$ 61,373,552</u>
LIABILITIES			
Current liabilities	\$ 2,827,820	\$ 2,746,753	\$ 2,677,494
Long-term liabilities	2,037,656	-	-
Total Liabilities	<u>4,865,476</u>	<u>2,746,753</u>	<u>2,677,494</u>
NET POSITION			
Net investment in capital assets	14,517,530	11,729,552	9,835,621
Unrestricted	61,180,124	53,974,141	48,860,437
Total Net Position	<u>75,697,654</u>	<u>65,703,693</u>	<u>58,696,058</u>
Total Liabilities and Net Position	<u>\$ 80,563,130</u>	<u>\$ 68,450,446</u>	<u>\$ 61,373,552</u>

The most significant change in the District’s financial position from 2024 to 2025 was the increase in cash and certificates of deposit of \$8,624,844. The District had an operating income of \$1,065,124 and nonoperating revenues of \$8,646,000, which contributed to the increase in cash and certificates of deposit.

The District also applied for and received approximately \$2,040,000 of Employee Retention Credit (ERC) for the third quarter of calendar year 2021. Because of the uncertainty of the allowable credit, the District has elected to defer this revenue until the statute of limitations expires in fiscal year 2028. Accordingly, this is classified as other long-term liabilities in the accompanying statements of net position. The District’s Board has designated certificates of deposit balances totaling approximately \$2,040,000 to be restricted internally for repayment of the ERC.

The most significant change in the District’s financial position from 2023 to 2024 was the increase in cash and certificates of deposit of \$4,924,671. The District had an operating income of \$1,623,464 and nonoperating revenues of \$5,101,437, which contributed to the increase in cash and certificates of deposit.

Operating Results and Changes in the District’s Net Position

In 2025 and 2024, the District’s net position increased by \$9,993,961 and \$7,007,635, respectively, as shown in Table 2.

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Management’s Discussion and Analysis (Unaudited)
Years Ended September 30, 2025 and 2024

Table 2: Operating Results and Changes in Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating Revenues			
Net patient service revenue	\$ 33,943,231	\$ 32,086,644	\$31,308,408
Grant revenue	2,418,432	2,343,690	3,121,409
Other	4,939,075	4,092,754	2,964,581
Total Operating Revenues	<u>41,300,738</u>	<u>38,523,088</u>	<u>37,394,398</u>
Operating Expenses			
Salaries and wages	18,891,639	17,875,436	17,144,693
Employee benefits	4,893,794	4,677,030	3,898,658
Purchased services and professional fees	5,869,377	4,935,668	4,581,901
Supplies and other	9,574,788	8,351,685	7,063,774
Depreciation and amortization	1,006,016	1,059,805	961,584
Total Operating Expenses	<u>40,235,614</u>	<u>36,899,624</u>	<u>33,650,610</u>
Operating Income	<u>1,065,124</u>	<u>1,623,464</u>	<u>3,743,788</u>
Nonoperating Revenues			
Property taxes	980,893	911,170	846,580
Investment income	2,295,696	2,256,986	1,280,998
Employee retention tax credit	4,040,575	-	-
Noncapital grants and gifts	1,328,836	1,933,281	1,341,590
Total Nonoperating Revenues	<u>8,646,000</u>	<u>5,101,437</u>	<u>3,469,168</u>
Capital Grants	<u>282,837</u>	<u>282,734</u>	<u>389,145</u>
Increase in Net Position	<u>\$ 9,993,961</u>	<u>\$ 7,007,635</u>	<u>\$ 7,602,101</u>

Operating Results

The first component of the overall change in the District’s net position is its operating income or loss—generally, the difference between net patient service and other operating revenues and the expenses incurred to perform those services. The District has reported operating income for the past three years, 2025, 2024, and 2023. Grants and property taxes (nonoperating revenues) levied by the District have provided additional resources to enable the District to serve lower-income and other residents.

The District reported operating income of \$1,065,124 for 2025, which decreased by \$558,340 compared to 2024. The primary components of the change in operating results were:

- An increase in net patient service revenue of \$1,856,587, or 6%.
- An increase in total operating expenses of \$3,335,990, or 9%.
- An increase in other operating revenue of \$921,063, or 14%.

**Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Management's Discussion and Analysis (Unaudited)
Years Ended September 30, 2025 and 2024**

The District reported operating income of \$1,623,464 for 2024, which decreased by \$2,120,324 compared to 2023. The primary components of the change in operating results were:

- A decrease in grant revenue of \$777,719, or 25%.
- An increase in total operating expenses of \$3,249,014, or 10%.

Nonoperating Revenues

Nonoperating revenues, consist primarily of property taxes levied by the District, investment income, employee retention tax credit revenue, and noncapital grants and gifts. Investment income and property taxes were comparable between 2024 and 2025. Noncapital grants and gifts decreased by \$604,445, or 31%, due to decreased grant funding.

The District filed amended federal payroll tax returns for the first two quarters of calendar year 2021 to claim approximately \$4,041,000 of ERC resulting from the COVID-19 Public Health Emergency, which was recognized as nonoperating revenue during 2025.

Capital Grants and Gifts

The District receives both capital and operating grants from various state and federal agencies for specific programs. The District received capital grants and gifts of \$282,837 and \$282,734 in 2025 and 2024, respectively.

Grant Expenses

The District actively applies for available state and federal grants. A majority of the grants are reimbursement grants requiring the District to spend the money for an approved purchase and then request reimbursement from the grantor. The revenues and expenses associated with these grants generally offset each other. The District recorded approximately \$1,329,000 and \$1,933,000 of noncapital grants and gifts in 2025 and 2024, respectively; however, the expenses associated with these grant receipts have been recorded in operating expenses for each year.

The District's Cash Flows

Changes in the District's cash flows are consistent with changes in operating income and nonoperating revenues and expenses for 2025 and 2024, as discussed earlier.

Capital Assets

At September 30, 2025 and 2024, the District had \$14,652,150 and \$12,115,624, respectively, of net capital assets, as detailed in Note 5 to the financial statements.

Contacting the District's Financial Management

This financial report is designed to provide our patients, suppliers, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Questions about this report and requests for additional financial information should be directed to the District's Chief Executive Officer at Hospital Service District No. 1A of the Parish of Richland, 407 Cincinnati Street, Delhi, Louisiana 71232 or calling 318.878.5171.

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Statements of Net Position
September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets		
Cash	\$ 7,676,091	\$ 8,606,961
Certificates of deposit	47,145,269	39,627,211
Patient accounts receivable, net of allowance; 2025 – \$2,551,000, 2024 – \$2,681,000	3,813,769	3,855,956
Estimated amounts due from third-party payors	2,300,367	1,459,143
Grant and other receivables	1,316,767	1,333,690
Supplies	1,089,321	929,352
Prepaid expenses and other	295,652	286,421
Total Current Assets	63,637,236	56,098,734
Certificates of Deposit, Internally Designated	2,037,656	-
Capital Assets, Net	14,652,150	12,115,624
Other Assets	236,088	236,088
Total Assets	<u>\$ 80,563,130</u>	<u>\$ 68,450,446</u>
LIABILITIES AND NET POSITION		
Current Liabilities		
Accounts payable	\$ 1,489,943	\$ 1,117,521
Accrued expenses	1,149,569	1,427,721
Revenue received in advance	40,138	30,000
Estimated self-insured health insurance costs	148,170	171,511
Total Current Liabilities	2,827,820	2,746,753
Other Long-Term Liabilities	2,037,656	-
Total Liabilities	<u>4,865,476</u>	<u>2,746,753</u>
Net Position		
Net investment in capital assets	14,517,530	11,729,552
Unrestricted	61,180,124	53,974,141
Total Net Position	<u>75,697,654</u>	<u>65,703,693</u>
Total Liabilities and Net Position	<u>\$ 80,563,130</u>	<u>\$ 68,450,446</u>

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating Revenues		
Net patient service revenue, net of provision for uncollectible accounts; 2025 – \$2,072,000, 2024 – \$1,928,000	\$ 33,943,231	\$ 32,086,644
Grant revenue	2,418,432	2,343,690
Other	4,939,075	4,092,754
Total Operating Revenues	<u>41,300,738</u>	<u>38,523,088</u>
Operating Expenses		
Salaries and wages	18,891,639	17,875,436
Employee benefits	4,893,794	4,677,030
Purchased services and professional fees	5,869,377	4,935,668
Supplies and other	9,574,788	8,351,685
Depreciation and amortization	1,006,016	1,059,805
Total Operating Expenses	<u>40,235,614</u>	<u>36,899,624</u>
Operating Income	<u>1,065,124</u>	<u>1,623,464</u>
Nonoperating Revenues		
Property taxes	980,893	911,170
Investment income	2,295,696	2,256,986
Employee retention tax credit	4,040,575	-
Noncapital grants and gifts	1,328,836	1,933,281
Total Nonoperating Revenues	<u>8,646,000</u>	<u>5,101,437</u>
Income Before Capital Grants	9,711,124	6,724,901
Capital Grants	<u>282,837</u>	<u>282,734</u>
Increase in Net Position	9,993,961	7,007,635
Net Position, Beginning of Year	<u>65,703,693</u>	<u>58,696,058</u>
Net Position, End of Year	<u>\$ 75,697,654</u>	<u>\$ 65,703,693</u>

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Statements of Cash Flows
Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Receipts from and on behalf of patients	\$ 33,238,335	\$ 31,982,731
Payments to suppliers and contractors	(15,139,262)	(13,263,637)
Payments to employees	(24,112,043)	(22,319,783)
Other receipts, net	7,349,462	5,724,833
Net Cash Provided by Operating Activities	<u>1,336,492</u>	<u>2,124,144</u>
Cash Flows From Noncapital Financing Activities		
Property taxes supporting operations	980,893	911,170
Receipt of employee retention tax credit	6,045,985	-
Noncapital grants and gifts	1,476,935	2,013,706
Net Cash Provided by Noncapital Financing Activities	<u>8,503,813</u>	<u>2,924,876</u>
Cash Flows From Capital and Related Financing Activities		
Capital grants and gifts	282,837	671,879
Purchase of capital assets	(3,793,994)	(3,025,206)
Net Cash Used in Capital and Related Financing Activities	<u>(3,511,157)</u>	<u>(2,353,327)</u>
Cash Flows From Investing Activities		
Interest on investments	2,295,696	2,228,978
Purchase of investments	(49,182,925)	(39,366,737)
Proceeds from disposition of investments	39,627,211	34,456,536
Net Cash Used in Investing Activities	<u>(7,260,018)</u>	<u>(2,681,223)</u>
Increase (Decrease) in Cash	(930,870)	14,470
Cash, Beginning of Year	<u>8,606,961</u>	<u>8,592,491</u>
Cash, End of Year	<u>\$ 7,676,091</u>	<u>\$ 8,606,961</u>

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Statements of Cash Flows
Years Ended September 30, 2025 and 2024

(Continued)

	<u>2025</u>	<u>2024</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$ 1,065,124	\$ 1,623,464
Depreciation and amortization	1,006,016	1,059,805
Provision for uncollectible accounts	2,072,161	1,927,806
Changes in operating assets and liabilities		
Patient accounts receivable	(2,029,974)	(1,921,213)
Estimated amounts due from third-party payors	(841,224)	(295,590)
Accounts payable and accrued expenses	322,381	210,398
Other assets and liabilities	(257,992)	(480,526)
Net Cash Provided by Operating Activities	<u>\$ 1,336,492</u>	<u>\$ 2,124,144</u>
Noncash Investing, Capital, and Financing Activities		
Capital asset acquisitions included in accounts payable and accrued expenses	\$ 134,620	\$ 386,072

**Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Notes to Financial Statements
September 30, 2025 and 2024**

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations and Reporting Entity

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital (District) is located in Delhi, Louisiana. The District was created on April 18, 1989 by the Richland Parish Police Jury. It is comprised of and embraces the territory contained within Ward 1 of the Parish of Richland, State of Louisiana, as constituted as of the date of the ordinance. It is a critical access hospital that provides inpatient, outpatient, and emergency care services for the residents of Delhi and the surrounding area. Admitting physicians are primarily practitioners in the local area.

Effective October 1, 1989, Richland Parish Hospital Service District No. 1 transferred operations of the District in Delhi, Louisiana, to Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital, along with all related assets, liabilities, and equity.

The District operates and manages a Federally Qualified Health Center (FQHC) d.b.a. Delhi Community Health Center. The FQHC began operations on October 8, 2012. The FQHC earns revenues by providing primary and preventive health, behavioral health, and dental care to indigent and low-income patients in the same geographic area and grants funding from the U.S. Department of Health and Human Services in support of its commitment to provide services to a higher percentage of indigent patients. The FQHC is considered an operating division of the District.

Richland Health Services, Inc. (RHI) is a separate, nonprofit corporation, which was organized exclusively to provide the required governance and oversight as stipulated by program guidelines for "Public Entity" models of the FQHC's operations for the delivery of primary and preventive healthcare services to the underserved populations in the same geographic area and does not have financial transactions. The RHI board of directors does not have the same composition as the District's board of commissioners. The District and RHI, through a co-applicant agreement, collaboratively operate the FQHC clinics. RHI is considered an affiliate rather than a component unit of the District.

The District is a political subdivision of the Richland Parish Police Jury whose jurors are elected officials. The District's commissioners are appointed by the Richland Parish Police Jury. As the governing authority of the parish for reporting purposes, the Richland Parish Police Jury is the financial reporting entity for the District. Accordingly, the District was determined to be a component unit of the Richland Parish Police Jury. The accompanying financial statements present information only on the funds maintained by the District.

Affiliated organizations include Richland Parish Hospital Service District No. 1, Richland Parish Hospital Service District No. 1B, and the Richland Parish Police Jury. The districts are related because they are all political subdivisions of the Richland Parish Police Jury, who appoints their commissioners. The Delhi Health Care Foundation (Foundation) is a 501(c)3 nonprofit health organization established in order to promote and support the District in the provision of healthcare. The Foundation is a separate legal entity but is financially integrated with the District and is reported as a blended component unit of the District and does not issue separate financial statements. The Foundation had no activity during 2025 and 2024.

Basis of Accounting and Presentation

The financial statements of the District have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets, and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated or voluntary nonexchange transactions (principally federal and state grants) are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions and program-specific, government-mandated, or voluntary nonexchange transactions. Government-mandated nonexchange transactions that are not program specific, property taxes, investment income, and interest on capital assets-related debt are included in nonoperating revenues. The District first

**Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Notes to Financial Statements
September 30, 2025 and 2024**

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

Use of Estimates

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

Patient Accounts Receivable

The District reports patient accounts receivable for services rendered at net realizable amounts from third-party payors, patients, and others. The District provides an allowance for uncollectible accounts based upon a review of outstanding receivables, historical collection information, and existing economic conditions.

Supplies

Supply inventories are stated at the lower of cost or market. Costs are determined using the first-in, first-out method.

Investments and Investment Income

Investments in nonnegotiable certificates of deposit are carried at amortized cost.

Investment income consists primarily of interest income from certificates of deposit.

Capital Assets

Capital assets are recorded at cost at the date of acquisition or acquisition value at the date of donation if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The following estimated useful lives are being used by the District.

Land improvements	10–20 years
Buildings and leasehold improvements	5–40 years
Equipment	3–20 years
Furniture	3–5 years
Vehicles	2–4 years

Capital Asset Impairment

The District evaluates capital assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital asset has occurred. If a capital asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the capital asset historical cost and related accumulated depreciation are decreased proportionately such that the net decrease equals the impairment loss. No asset impairment was recognized during the years ended September 30, 2025 and 2024.

Compensated Absences

District policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. A liability is accrued for compensated absences as the benefits are earned if the leave is more likely than not to be used for time off or settled in cash.

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Compensated absence liabilities are computed using the regular pay and termination pay rates, as applicable, in effect at the balance sheet date plus an additional amount for salary-related payments, such as Social Security and Medicare taxes, computed using rates in effect at that date.

Risk Management

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

The District is self-insured for a portion of its exposure to risk of loss from employee health claims. Annual estimated provisions are accrued for the self-insured portion of employee health claims and include an estimate of the ultimate costs for both reported claims and claims incurred but not yet reported.

Workers' Compensation

The District participates in the Louisiana Hospital Association's Self-Insurance Workmen's Compensation Trust Fund (Fund). Should the Fund's assets not be adequate to cover claims made against it, the District may be assessed its pro rata share of the resulting deficit. It is not possible to estimate the amount of assessments, if any, under this program. The portion of the Fund that is refundable to the District is included in other assets.

Net Position

Net position of the District is classified in two components on its statements of net position.

Net investment in capital assets consists of capital, lease, and subscription assets net of accumulated depreciation and amortization and reduced by the outstanding balances of borrowings used to finance the purchase, use, or construction of those assets.

Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

Net Patient Service Revenue

The District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered and includes estimated retroactive revenue adjustments and a provision for uncollectible accounts. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such estimated amounts are revised in future periods as adjustments become known.

Charity Care

The District provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Because the District does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net patient service revenue.

Property Taxes

Since 2002, the District has levied a property tax on all property subject to taxation in the service district. In 2021, a tax continuation proposition was duly carried by a majority of votes cast. Under this proposition, the District will continue to levy a tax on all property subject to taxation in the District for a period of 10 years beginning in 2021 and ending in 2030 at a rate of 7.90 mills. Such rate may be subject to adjustment from time to time due to

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital
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reassessment. The purpose of the tax is for constructing, maintaining, improving, and operating the District. Property taxes are collected through the local sheriff's office and remitted, net of collection fees, to the District.

Property taxes are levied by the District on October 1 of each year based on the preceding January 1 assessed property values. To secure payment, an enforceable lien attaches to the property on January 1, when the value is assessed. Property taxes become due and payable when levied on October 1. This is the date on which an enforceable legal claim arises and the District records a receivable for the property tax assessment, less an allowance for uncollectible taxes. Property taxes are considered delinquent after January 31 of the following year.

The District received approximately 2% of its financial support from property taxes in both 2025 and 2024. These funds were used to support the District's operating activities.

Income Taxes

As an essential government function of the parish, the District is generally exempt from federal and state income taxes under Section 115 of the Internal Revenue Code and a similar provision of state law. However, the District is subject to federal income tax on any unrelated business taxable income.

Note 2. Net Patient Service Revenue

The District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. These payment arrangements include:

Medicare. The District is certified as a critical access hospital (CAH) by Medicare. As a CAH, the District is reimbursed for substantially all inpatient and outpatient services to Medicare beneficiaries based on reasonable costs. Additionally, as a CAH, the District's licensed beds are limited to 25, and the District's acute average length of stay may not exceed 96 hours. The District is reimbursed for substantially all services at tentative rates, with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicare administrative contractor.

Medicaid. Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology for certain services and at prospectively determined rates for all other services. The District is reimbursed for cost reimbursable services at tentative rates, with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicaid administrative contractor.

Other. Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment to the District using prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Approximately 47% and 49% of net patient service revenue is from participation in the Medicare program and approximately 24% and 34% is from the state-sponsored Medicaid program for September 30, 2025 and 2024, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

The District entered into a cooperative endeavor agreement (CEA) with a regional public rural hospital (Grantor), whereby the Grantor awards an intergovernmental transfer (IGT) grant to be used solely to provide adequate and essential medically necessary and available healthcare services to the District's service population subject to the availability of such grant funds. The aggregate IGT grant income was approximately \$2,759,000 and \$2,885,000 for the years ended September 30, 2025 and 2024, respectively, of which \$2,259,000 and \$2,385,000,

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respectively, is included in net patient service revenue and the residual amount is included in other operating revenue.

Note 3. Deposits

Custodial credit risk is the risk that in the event of a bank failure a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance or other qualified investments. The District's bank balances were as follows at September 30:

	<u>2025</u>	<u>2024</u>
Insured by Federal Deposit Insurance Corporation	\$ 1,103,898	\$ 1,251,000
Uninsured and uncollateralized	170,654	-
Collateralized by securities held by the pledging financial institution's Trust Department in the District's name	<u>56,279,172</u>	<u>47,536,181</u>
Total depository balance	<u>\$ 57,553,724</u>	<u>\$ 48,787,181</u>

Note 4. Patient Accounts Receivable

The District grants credit without collateral to its patients, many of whom are area residents and are insured under third-party payor agreements. Patient accounts receivable consisted of the following at September 30:

	<u>2025</u>	<u>2024</u>
Medicare	\$ 1,784,452	\$ 2,013,691
Medicaid	875,348	856,828
Other third-party payors	974,187	758,701
Patients	<u>2,730,348</u>	<u>2,907,467</u>
	6,364,335	6,536,687
Less allowance for uncollectible accounts	<u>2,550,566</u>	<u>2,680,731</u>
	<u>\$ 3,813,769</u>	<u>\$ 3,855,956</u>

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Note 5. Capital Assets

Capital assets activity was as follows for the years ended September 30:

	Beginning Balance	Additions	Disposals	Transfers/ Adjustments	Ending Balance
2025					
Land	\$ 2,337,774	\$ 540,350	\$ -	\$ -	\$ 2,878,124
Land improvements	295,570	-	-	-	295,570
Buildings and improvements	12,796,095	109,212	-	-	12,905,307
Equipment	9,516,515	226,975	-	-	9,743,490
Vehicles	984,962	59,668	-	-	1,044,630
Furniture	76,557	-	-	-	76,557
Construction in progress	2,008,718	2,606,337	-	-	4,615,055
	<u>28,016,191</u>	<u>3,542,542</u>	<u>-</u>	<u>-</u>	<u>31,558,733</u>
Less accumulated depreciation					
Land improvements	307,432	16,126	-	-	323,558
Buildings and improvements	7,273,296	483,154	-	-	7,756,450
Equipment	7,218,756	411,284	-	-	7,630,040
Vehicles	876,185	71,522	-	-	947,707
Furniture	224,898	23,930	-	-	248,828
	<u>15,900,567</u>	<u>1,006,016</u>	<u>-</u>	<u>-</u>	<u>16,906,583</u>
Capital assets, net	<u>\$ 12,115,624</u>	<u>\$ 2,536,526</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,652,150</u>
2024					
Land	\$ 2,175,271	\$ -	\$ -	\$ 162,503	\$ 2,337,774
Land improvements	241,720	53,850	-	-	295,570
Buildings and improvements	13,085,041	8,910	(392,274)	94,418	12,796,095
Equipment	8,497,257	707,088	(79,034)	391,204	9,516,515
Vehicles	884,459	100,503	-	-	984,962
Furniture	76,557	-	-	-	76,557
Construction in progress	650,235	2,041,724	-	(683,241)	2,008,718
	<u>25,610,540</u>	<u>2,912,075</u>	<u>(471,308)</u>	<u>(35,116)</u>	<u>28,016,191</u>
Less accumulated depreciation					
Land improvements	291,536	15,896	-	-	307,432
Buildings and improvements	6,798,856	474,440	-	-	7,273,296
Equipment	7,188,040	465,670	(434,954)	-	7,218,756
Vehicles	801,025	75,160	-	-	876,185
Furniture	196,259	28,639	-	-	224,898
	<u>15,275,716</u>	<u>1,059,805</u>	<u>(434,954)</u>	<u>-</u>	<u>15,900,567</u>
Capital assets, net	<u>\$ 10,334,824</u>	<u>\$ 1,852,270</u>	<u>\$ (36,354)</u>	<u>\$ (35,116)</u>	<u>\$ 12,115,624</u>

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Notes to Financial Statements
September 30, 2025 and 2024

Construction in progress is stated at cost, which includes the cost of construction and other direct costs attributable to the construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and put into use. Construction in progress at September 30, 2025 represents capital improvements, including a facility replacement project. The projects will be funded through a combination of internally designated investments, anticipated grant revenue, and proceeds from debt that management anticipates issuing in the future, as well as expected proceeds from new market tax credits. As of September 30, 2025, the District incurred and capitalized approximately \$4,615,000 in construction in progress. The estimated costs of construction, equipment, and other project costs are estimated to be approximately \$110,000,000. The project is currently expected to be completed in 2028.

Note 6. Medical Malpractice Claims

The District participates in the Louisiana Patients' Compensation Fund established by the State of Louisiana to provide medical professional liability coverage to healthcare providers. The fund provides \$400,000 in coverage per occurrence above the first \$100,000 per occurrence. The first \$100,000 is covered by the Louisiana Hospital Association Malpractice and General Liability Trust. There is not a limitation placed on the number of occurrences covered.

Accounting principles generally accepted in the United States of America require a healthcare provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon the District's claims experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

Note 7. Employee Health Claims

Substantially all of the District's employees and their dependents are eligible to participate in the District's employee health insurance plan. The District is self-insured for health claims of participating employees and dependents up to an annual aggregate amount of \$45,000. Commercial stop-loss insurance coverage is purchased for claims in excess of the aggregate annual amount. A provision is accrued for self-insured employee health claims, including both claims reported and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims' experience, recently settled claims, frequency of claims, and other economic and social factors. It is reasonably possible that the District's estimate will change by a material amount in the near term. The accrual and fiscal year activity (current year expenses and claim payments made) for employee health claims is not material in 2025 and 2024.

Note 8. Benefit Plans

In January 1993, the District elected to withdraw from the Social Security System. In place of the Social Security System, the District has a defined contribution 401(a) benefit plan that includes a 414H contribution plan with an employer match and a 457 elective deferral compensation plan. Nationwide Trust Company is the plan administrator. Benefit provisions are contained in the plan document and were established and can be amended by action of the District's governing body.

Employees are eligible to participate upon date of employment and are immediately vested in the employer's matching contribution. Contributions to the plans by the District are determined by the board at a minimum of 6.2% of the participant's compensation. Contribution rates for plan members and the District, expressed as a percentage of covered payroll, were 6.2% and 6.4% for 2025 and 2024, respectively. Contributions made by plan members were approximately \$1,143,000 and \$1,145,000 during 2025 and 2024, respectively. Employer

**Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Notes to Financial Statements
September 30, 2025 and 2024**

contributions made by the District were approximately \$1,143,000 and \$1,145,000 during 2025 and 2024, respectively. Forfeitures were not material in 2025 and 2024.

Note 9. Employee Retention Tax Credit

The *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act), along with subsequent legislation, established a refundable Employee Retention Tax Credit (ERTC) for eligible employers that satisfied either a gross-receipts decline test or a government-mandate test. The credit is calculated as a defined percentage of qualified wages paid to employees, subject to statutory limitations.

The District applied for approximately \$6,046,000 in refunds related to ERTC claims for certain quarters of calendar year 2021. After submitting the claims, management concluded that uncertainty existed regarding the District's eligibility for the program due to the program's newness and the broader ambiguity surrounding pandemic-related relief funding.

During 2025, the Internal Revenue Service (IRS) issued payments totaling approximately \$6,046,000 for all open applications. During 2025, the District recognized approximately \$4,041,000 of ERTC revenue in nonoperating revenues for quarters in which the statute of limitations has expired. The remaining balance of approximately \$2,040,000 of ERTC funding received by the District is included in other long-term liabilities at September 30, 2025 and will be recognized as revenue by the District when the statute of limitations expires, which is scheduled for fiscal year 2028.

The District has not received any correspondence from the IRS disputing the filings. Laws and regulations governing the ERTC are complex and subject to differing interpretations. These credits may be subject to retroactive audit or review. There is no assurance that regulatory authorities will not challenge the District's ERTC claims, and the potential impact of such a challenge on the District cannot be determined.

Note 10. One Big Beautiful Bill Act

On July 3, 2025, the U.S. Congress enacted the *One Big Beautiful Bill Act* (OBBBA), a comprehensive budget reconciliation law introducing significant changes to federal healthcare programs, tax policy, and energy-related incentives. The legislation includes substantial reductions in Medicaid funding, modifications to provider tax structures, and new eligibility and cost-sharing requirements for Medicaid beneficiaries. The OBBBA has not had a material impact on the financial results to date as many aspects of the legislation are effective for future periods. The District is currently evaluating what impact the OBBBA may have on the financial results, cash flows, and financial position for future periods.

Note 11. Future Change in Accounting Principle – GASB Statement No. 103

Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*, improves the financial reporting model by standardizing the presentation for various matters within governmental financial statements. The purpose is to eliminate diversity in practice and improve comparability. Impacted areas include management's discussion and analysis, unusual or infrequent items, the definitions and presentation of operating and nonoperating revenues and expenses, the proprietary fund statements, presentation of major component units. While GASB 103 does not impact the timing of recognition and measurement of revenue, it could affect the presentation and geographical location of certain healthcare-specific revenues within the financial statements. The requirements of this Statement are effective for the District's fiscal year ending September 30, 2026 and all reporting periods thereafter. Changes are required to be made retroactively to the earliest period presented.

Supplementary Information

**Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive
Officer
Year Ended September 30, 2025**

Agency Head Name: Mildred Greer, Interim CEO

Purpose

Salary	\$	314,179
Benefits – insurance		1,584
Benefits – retirement		16,271
Cell phone		1,085
Registration fees		100
Conference travel		1,331
Per diem		947
		<hr/>
	\$	<u>335,497</u>

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Combining Statement of Net Position
September 30, 2025

	Hospital and Clinics	Delhi Community Health Center	Eliminations	Combined
ASSETS				
Current Assets				
Cash	\$ 4,725,984	\$ 2,950,107	\$ -	\$ 7,676,091
Certificates of deposit	41,791,978	5,353,291	-	47,145,269
Patient accounts receivable, net	2,556,930	1,256,839	-	3,813,769
Due from affiliate	58,999	-	(58,999)	-
Estimated amounts due from third-party payors	2,243,327	57,040	-	2,300,367
Grant and other receivables	473,417	843,350	-	1,316,767
Supplies	919,755	169,566	-	1,089,321
Prepaid expenses and other	255,520	40,132	-	295,652
Total Current Assets	53,025,910	10,670,325	(58,999)	63,637,236
Certificates of Deposit, Internally Designated	1,479,722	557,934	-	2,037,656
Capital Assets, Net	9,008,924	5,643,226	-	14,652,150
Other Assets	236,088	-	-	236,088
Total Assets	\$ 63,750,644	\$ 16,871,485	\$ (58,999)	\$ 80,563,130
LIABILITIES AND NET POSITION				
Current Liabilities				
Accounts payable	\$ 1,125,253	\$ 364,690	\$ -	\$ 1,489,943
Accrued expenses	1,017,533	132,036	-	1,149,569
Revenue received in advance	15,001	25,137	-	40,138
Estimated self-insured health insurance costs	148,170	-	-	148,170
Due to affiliate	-	58,999	(58,999)	-
Total Current Liabilities	2,305,957	580,862	(58,999)	2,827,820
Other Long-Term Liabilities	1,479,722	557,934	-	2,037,656
Total Liabilities	3,785,679	1,138,796	(58,999)	4,865,476
Net Position				
Net investment in capital assets	9,008,924	5,508,606	-	14,517,530
Unrestricted	50,956,041	10,224,083	-	61,180,124
Total Net Position	59,964,965	15,732,689	-	75,697,654
Total Liabilities and Net Position	\$ 63,750,644	\$ 16,871,485	\$ (58,999)	\$ 80,563,130

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Combining Statement of Revenue, Expenses, and Changes in Net Position
Year Ended September 30, 2025

	Hospital and Clinics	Delhi Community Health Center	Eliminations	Combined
Operating Revenues				
Net patient service revenue	\$ 28,644,113	\$ 5,299,118	\$ -	\$ 33,943,231
Grant revenue	-	2,418,432	-	2,418,432
Other	2,373,567	2,745,508	(180,000)	4,939,075
Total Operating Revenues	31,017,680	10,463,058	(180,000)	41,300,738
Operating Expenses				
Salaries and wages	13,986,143	4,905,496	-	18,891,639
Employee benefits	3,638,647	1,255,147	-	4,893,794
Purchased services and professional fees	5,251,311	618,066	-	5,869,377
Supplies and other	7,083,526	2,671,262	(180,000)	9,574,788
Depreciation and amortization	595,832	410,184	-	1,006,016
Total Operating Expenses	30,555,459	9,860,155	(180,000)	40,235,614
Operating Income	462,221	602,903	-	1,065,124
Nonoperating Revenues				
Property taxes	980,893	-	-	980,893
Investment income	1,995,397	300,299	-	2,295,696
Employee retention tax credit	2,956,356	1,084,219	-	4,040,575
Noncapital grants and gifts	1,274,339	54,497	-	1,328,836
Total Nonoperating Revenues	7,206,985	1,439,015	-	8,646,000
Income Before Capital Grants	7,669,206	2,041,918	-	9,711,124
Capital Grants	-	282,837	-	282,837
Increase in Net Position	7,669,206	2,324,755	-	9,993,961
Net Position, Beginning of Year	52,295,759	13,407,934	-	65,703,693
Net Position, End of Year	\$ 59,964,965	\$ 15,732,689	\$ -	\$ 75,697,654

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance With Government Auditing Standards

Independent Auditor's Report

Board of Commissioners
Hospital Service District No. 1A of the Parish of Richland
d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Delhi, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital (District), a component unit of Richland Parish Police Jury, which comprise the District's statement of net position as of September 30, 2025 and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated February 27, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

**Dallas, Texas
February 27, 2026**



Hospital Service District No. 1A of the Parish of Richland dba Richland Parish Hospital

A Component Unit of Richland Parish Police Jury

Single Audit Reports

September 30, 2025



**Hospital Service District No. 1A of the Parish of Richland dba Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Contents
September 30, 2025**

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**Hospital Service District No. 1A of the Parish of Richland dba Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2025**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Subrecipients</u>	<u>Total Federal Expenditures</u>
U.S. Department of Health and Human Services				
Health Center Program Cluster Grants for New and Expanded Services under the Health Center Program	93.527		\$ -	\$ 34,093
Health Center Program (Community Health Centers, (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224		-	<u>2,211,943</u>
Total Health Center Program Cluster			-	<u>2,246,036</u>
Grants for Capital Development in Health Centers	93.526		-	282,837
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912		-	<u>1,191,239</u>
Total U.S. Department of Health and Human Services			-	<u>3,720,112</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 3,720,112</u>

**Hospital Service District No. 1A of the Parish of Richland dba Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Notes to the Schedule of Expenditures of Federal Awards
Year Ended September 30, 2025**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of Hospital Service District No. 1A of the Parish of Richland dba Richland Parish Hospital (District) under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

The District has elected to use the de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4. Federal Loan Programs

The District did not have any loan programs during the year ended September 30, 2025.

**Report on Compliance for the Major Federal Program;
Report on Internal Control Over Compliance; and Report on Schedule of
Expenditures of Federal Awards Required by the Uniform Guidance**

Independent Auditor's Report

Board of Commissioners
Hospital Service District No. 1A of the Parish of Richland
dba Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Delhi, Louisiana

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Hospital Service District No. 1A of the Parish of Richland dba Richland Parish Hospital's (District), a Component Unit of Richland Parish Police Jury, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended September 30, 2025. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2025.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the District, as of and for the year ended September 30, 2025 and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We have issued our report thereon dated February 27, 2026, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Forvis Mazars, LLP

**Dallas, Texas
February 27, 2026**

**Hospital Service District No. 1A of the Parish of Richland dba Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Schedule of Findings and Questioned Costs
Year Ended December 31, 2025**

Section I – Summary of Auditor’s Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

- Unmodified Qualified Adverse Disclaimer

2. Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

3. Noncompliance material to the financial statements noted? Yes No

Federal Awards

4. Internal control over major federal program:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

5. Type of auditor’s report issued on compliance for major federal program:

- Unmodified Qualified Adverse Disclaimer

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

7. Identification of major federal programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
93.224 and 93.527	Health Center Program Cluster

8. Dollar threshold used to distinguish between Type A and Type B programs: \$1,000,000.

9. Auditee qualified as a low-risk auditee? Yes No

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

**Hospital Service District No. 1A of the Parish of Richland dba Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2025**

Reference Number	Summary of Finding	Status
	No matters are reportable.	