

**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**Annual Financial Report
As of and For the Year Ended
September 30, 2025**

**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

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Independent Auditor's Report

Board of Commissioners
Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana

Report on the Financial Statements

Opinions

We have audited the financial statements of the Hospital Service District Number One of the Parish of LaSalle, State of Louisiana, (the District), a component unit of the LaSalle 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 respective financial position of the Hospital Service District Number One of the Parish of LaSalle, State of Louisiana, (the District), a component unit of the LaSalle Parish Police Jury, as of September 30, 2025 and 2024, and the respective changes in financial position and cash flows 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 (GAAS) and the standards applicable to the 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 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 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 judgement, 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 the Management's Discussion and Analysis, as listed in the table of contents, 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 audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis 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 GAAS. In our opinion, the accompanying supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 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.

Allen, Green & Williamson LLP

Allen, Green & Williamson, LLP
Monroe, Louisiana
March 31, 2026

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**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**Management's Discussion and Analysis
September 30, 2025 and 2024**

As management of the District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2025.

FINANCIAL HIGHLIGHTS

The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$29,667,701 (*net position*). The District reported an increase in net position of \$822,369.

With the conversion to a new EMR in November 2023, the district continued to incur one-time expenses associated with the implementation of the current EMR. Upgrades and optimization have continued on the new EMR as the build is being customized to fit the needs of the district.

The district continues to add services and specialties to satisfy the needs of patients in its service area. Continued growth is expected as the district began making critical infrastructure improvements to the hospital facility during the fiscal year. Plans for future expansion and renovation are currently underway to increase access to care in a safe and efficient manner.

OVERVIEW OF THE FINANCIAL STATEMENTS This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise two components: 1) fund financial statements, and 2) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The District is a special-purpose government engaged only in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements.

FUND FINANCIAL STATEMENTS A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one fund which is reported as a proprietary fund type.

**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**Management's Discussion and Analysis
September 30, 2025 and 2024**

USING THIS ANNUAL REPORT The District's annual report consists of financial statements that show information about the District's enterprise fund.

Financial Section

**Required Supplementary Information
Management's Discussion & Analysis (MD&A)**

Basic Financial Statements

**Fund Financial Statements
Notes to the Basic Financial Statements**

**Supplementary Information
Schedule of Compensation Paid Board Members
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive
Officer**

Our auditor has provided assurance in the independent auditors' report, located immediately preceding this Management's Discussion and Analysis, that the basic financial statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Reporting the District's Fund The District's financial statements provide detailed information about the enterprise fund. The District's enterprise fund uses the following accounting approach:

Proprietary funds - all of the District's services are reported in enterprise funds. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

**Hospital Service District Number One
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Olla, Louisiana**

**Management's Discussion and Analysis
September 30, 2025 and 2024**

FINANCIAL ANALYSIS The District's net position was \$29,667,701 at September 30, 2025. Our analysis below focuses on the net position and the change in net position of the District as a whole.

**Table 1
Net Position**

	2025	2024 (Restated)	2023
Other assets	\$ 28,158,764	\$ 23,403,195	\$ 26,003,606
Capital assets, net	26,214,590	26,437,124	18,796,338
Total assets	<u>54,373,354</u>	<u>49,840,319</u>	<u>44,799,944</u>
Other liabilities	5,230,948	4,468,736	4,915,410
Long-term liabilities	19,474,705	16,526,251	10,113,290
Total liabilities	<u>24,705,653</u>	<u>20,994,987</u>	<u>15,028,700</u>
Net position			
Net investment in capital assets	5,657,506	8,682,591	7,769,081
Restricted	1,166,623	1,241,370	1,185,202
Unrestricted	22,843,572	18,921,371	20,816,961
Total net position	<u>\$ 29,667,701</u>	<u>\$ 28,845,332</u>	<u>\$ 29,771,244</u>

**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**Management's Discussion and Analysis
September 30, 2025 and 2024**

**Table 2
Changes in Net Position**

	<u>2025</u>	<u>2024 (Restated)</u>	<u>2023</u>
Revenues:			
Operating revenues:			
Net patient service revenues	\$ 36,288,458	\$ 37,583,192	\$ 36,353,243
Contributions from Ambulance Service District	220,720	355,641	-
Operating Grants	9,953,853	11,622,446	7,078,305
Property taxes	358,229	305,282	261,278
Other	1,563,064	924,859	995,027
Total operating revenues	<u>48,384,324</u>	<u>50,791,420</u>	<u>44,687,853</u>
Expenses:			
Operating expenses:			
Daily patient services	6,320,178	8,512,456	6,254,347
Nursing services	6,059,611	6,612,762	7,455,406
Other professional services	18,247,742	16,598,441	15,916,346
General services	5,020,787	5,412,549	5,934,441
Administrative and fiscal services	3,321,058	2,966,425	3,291,144
Employee benefits	5,379,906	6,649,293	6,411,815
Depreciation/amortization	2,861,637	2,845,513	1,924,752
Total operating expenses	<u>47,210,919</u>	<u>49,597,439</u>	<u>47,188,251</u>
Operating Income (Loss)	<u>1,173,405</u>	<u>1,193,981</u>	<u>(2,500,398)</u>
Nonoperating Revenues (Expenses)			
Grant Revenue	81,768	26,000	7,000
Interest Revenue	312,719	360,612	266,073
Interest Expense	(745,523)	(588,018)	(482,181)
Total nonoperating revenues (expenses)	<u>(351,036)</u>	<u>(201,406)</u>	<u>(209,108)</u>
Change in Net position	<u>822,369</u>	<u>992,575</u>	<u>(2,709,506)</u>
Net position, beginning, as previously reported	28,845,332	29,771,244	32,480,750
Correction of error	-	(1,601,989)	-
Change in accounting principle	-	(316,498)	-
Net position, beginning, as restated	<u>28,845,332</u>	<u>27,852,757</u>	<u>32,480,750</u>
Net position, end of year	<u>\$ 29,667,701</u>	<u>\$ 28,845,332</u>	<u>\$ 29,771,244</u>

Total operating revenues decreased by \$2,407,096 due mainly to recognizing the first full fiscal year of the inpatient psych unit closure as well as a reduction in inpatient and swing bed admits.

Total operating expenses decreased \$2,386,520 due mainly to the closure of inpatient psych services. FY 25 was the first full fiscal year in which no operating expenses were incurred for the unit.

**Hospital Service District Number One
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**Management's Discussion and Analysis
September 30, 2025 and 2024**

CAPITAL ASSETS, LEASE ASSETS AND DEBT ADMINISTRATION

Capital Assets and Lease Assets

At September 30, 2025, the District had \$26,214,590 invested in capital assets and lease assets, including land, buildings, site improvements, furniture and equipment. This amount represents a net decrease (including additions, deductions, and depreciation/amortization) of \$222,534 or less than 1% from last year due mainly to an increase in accumulated amortization derived from SBITA liabilities.

See Note 6 for further details on capital assets.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Land	\$ 444,763	\$ 444,763	\$ 304,226
Construction In Progress	2,033,017	1,588,069	6,267,473
Land improvements	7,713,404	5,945,079	5,223,442
Building	20,783,095	20,674,613	14,981,551
Equipment, furniture and fixtures	12,866,143	12,548,794	11,953,781
Lease equipment, intangible asset	8,864,294	8,864,294	936,658
Less accumulated depreciation/amortization	<u>(26,490,126)</u>	<u>(23,628,488)</u>	<u>(20,870,793)</u>
Totals	<u>\$ 26,214,590</u>	<u>\$ 26,437,124</u>	<u>\$ 18,796,338</u>

Debt

At September 30, 2025, the District has \$20,557,084 in outstanding long-term debt, which includes certificate of indebtedness, revenue bonds and lease/SBITA liabilities. See Note 7, 8 and Note 9 for further details on debt.

ECONOMIC FACTORS Payers remain an issue as many commercial payers continue to offer lower reimbursement for services while denying care. The effects of OBBBA signed in July 2025 are projected to heavily impact hospitals by implementing cuts in federal health programs. The district will seek out funding from the newly formed Rural Health Transformation Fund to offset any potential cuts.

The district continues to see a growing need in specialty care for rural areas and seeks to expand the offering of outpatient services.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Mr. Paul Mathews, 1102 North Pine Road, Olla, Louisiana 71465, telephone number (318) 495-3131.

**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

BASIC FINANCIAL STATEMENTS

**HOSPITAL SERVICE DISTRICT NUMBER ONE
PARISH OF LaSALLE, STATE OF LOUISIANA
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**ENTERPRISE FUND
STATEMENT OF NET POSITION
September 30, 2025 and 2024**

	General Fund	
	2025	2024 (Restated)
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 459,383	\$ 3,688,744
Investments	9,396,309	2,982,987
Restricted assets		
Restricted cash	157,107	157,107
Restricted investments	1,009,516	1,084,263
Receivables		
Patient services, net of allowances of \$15,041,062 and \$14,555,125	4,595,968	4,578,393
Estimated third-party payor settlements	8,681,367	7,817,709
Other	2,375,182	1,532,809
Supplies	629,103	740,996
Prepaid expenses	854,829	820,187
TOTAL CURRENT ASSETS	28,158,764	23,403,195
CAPITAL ASSETS		
Land	444,763	444,763
Land improvements	7,713,404	5,945,079
Construction in progress	2,033,017	1,588,069
Buildings	20,783,095	20,674,613
Equipment, furniture and fixtures, leased equipment, intangible assets	21,730,437	21,413,088
Less accumulated depreciation/amortization	(26,490,126)	(23,628,488)
TOTAL CAPITAL ASSETS	26,214,590	26,437,124
TOTAL ASSETS	\$ 54,373,354	\$ 49,840,319

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement A

	General Fund	
	2025	2024 (Restated)
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 2,079,739	\$ 1,368,641
Salaries payable	215,282	189,627
Group insurance payable	259,863	259,863
Current portion of leases and SBITAs	730,070	703,745
Certificates and revenue bonds payable	545,000	694,000
Accrued vacation and sick payable	1,158,263	1,040,474
Accrued bond interest payable	242,731	212,386
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	5,230,948	4,468,736
	<hr/>	<hr/>
NONCURRENT LIABILITIES		
Accrued vacation and sick payable	192,691	169,463
Certificates and revenue bonds payable	13,409,000	9,754,000
Leases and SBITAs	5,873,014	6,602,788
	<hr/>	<hr/>
TOTAL NONCURRENT LIABILITIES	19,474,705	16,526,251
	<hr/>	<hr/>
TOTAL LIABILITIES	24,705,653	20,994,987
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NET POSITION		
Net investment in capital assets	5,657,506	8,682,591
Restricted for debt service	1,166,623	1,241,370
Unrestricted	22,843,572	18,921,371
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TOTAL NET POSITION	\$ 29,667,701	\$ 28,845,332
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**HOSPITAL SERVICE DISTRICT NUMBER ONE
PARISH OF LaSALLE, STATE OF LOUISIANA
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**ENTERPRISE FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ended September 30, 2025 and 2024**

Statement B

	General Fund	
	2025	2024 (Restated)
OPERATING REVENUES		
Net patient service revenues	\$ 36,288,458	\$ 37,583,192
Contributions from Ambulance Service District	220,720	355,641
Operating grants	9,953,853	11,622,446
Cafeteria sales	293,541	304,220
Property taxes	358,229	305,282
Other	1,269,523	620,639
TOTAL OPERATING REVENUES	48,384,324	50,791,420
OPERATING EXPENSES		
Daily patient services	6,320,178	8,512,456
Nursing services	6,059,611	6,612,762
Other professional services	18,247,742	16,598,441
General services	5,020,787	5,412,549
Administrative and fiscal services	3,321,058	2,966,425
Employee benefits	5,379,906	6,649,293
Depreciation/ amortization	2,861,637	2,845,513
TOTAL OPERATING EXPENSES	47,210,919	49,597,439
OPERATING INCOME (LOSS)	1,173,405	1,193,981
NONOPERATING REVENUES (EXPENSES)		
Grant revenue	81,768	26,000
Interest revenue	312,719	360,612
Interest expense	(745,523)	(588,018)
TOTAL NONOPERATING REVENUES (EXPENSES)	(351,036)	(201,406)
Change in net position	822,369	992,575
NET POSITION, BEGINNING, as previously reported	28,845,332	29,771,244
Correction of error	-	(1,601,989)
Change in accounting principle	-	(316,498)
NET POSITION, BEGINNING, as restated	28,845,332	27,852,757
NET POSITION, END OF YEAR	\$ 29,667,701	\$ 28,845,332

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**HOSPITAL SERVICE DISTRICT NUMBER ONE
PARISH OF LaSALLE, STATE OF LOUISIANA
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
For the Years Ended September 30, 2025 and 2024**

Statement C

	<u>General Fund</u>	
	<u>2025</u>	<u>2024 (Restated)</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net receipts from patient services	\$ 35,407,225	\$ 36,382,798
Operating grants	9,111,480	14,476,823
Other receipts	2,142,013	1,585,782
Payments to vendors	(24,721,817)	(30,145,578)
Payments to employees	(18,607,811)	(17,531,327)
	<u>3,331,090</u>	<u>4,768,498</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOWS (USED) FROM NONCAPITAL FINANCING ACTIVITIES		
Grants	81,768	26,000
	<u>81,768</u>	<u>26,000</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES		
CASH FLOWS (USED) FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of property, plant and equipment	(2,639,101)	(2,558,664)
Certificate of indebtedness and revenue bonds:		
Proceeds	4,200,000	334,710
Principal	(724,000)	(1,361,000)
Lease/SBITA obligations:		
Principal	(703,449)	(689,070)
Interest paid	(749,813)	(926,670)
	<u>(616,363)</u>	<u>(5,200,694)</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES		

(Continued)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**HOSPITAL SERVICE DISTRICT NUMBER ONE
PARISH OF LaSALLE, STATE OF LOUISIANA
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
For the Years Ended September 30, 2025 and 2024**

Statement C

	<u>General Fund</u>	
	<u>2025</u>	<u>2024 (Restated)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	\$ 312,719	\$ 360,613
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>312,719</u>	<u>360,613</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,109,214	(45,583)
CASH AND CASH EQUIVALENTS - BEGINNING	<u>7,913,101</u>	<u>7,958,684</u>
CASH AND CASH EQUIVALENTS - ENDING	<u><u>11,022,315</u></u>	<u><u>7,913,101</u></u>
RECONCILIATION TO THE BALANCE SHEET		
Cash and cash equivalents	459,383	3,688,744
Restricted cash	157,107	157,107
Investments	9,396,309	2,982,987
Restricted Investments	<u>1,009,516</u>	<u>1,084,263</u>
	<u><u>11,022,315</u></u>	<u><u>7,913,101</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	1,173,405	1,193,981
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation/ amortization expense	2,861,637	2,845,513
(Increase) decrease in:		
Accounts receivable: Patient services, net	(17,575)	(2,962)
Accounts receivable: Estimated third-party payor settlements	(863,658)	(1,197,432)
Accounts receivable: Other	(842,373)	2,854,377
Supplies	111,893	98,726
Prepaid expenses	29,991	20,319
(Increase) decrease in:		
Accounts payable, trade	711,098	(1,089,117)
Salaries payable	25,655	(94,865)
Accrued vacation payable	<u>141,017</u>	<u>139,958</u>
TOTAL ADJUSTMENTS	<u>2,157,685</u>	<u>3,574,517</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 3,331,090</u></u>	<u><u>\$ 4,768,498</u></u>

(Concluded)

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The Hospital Service District Number One of the Parish of LaSalle, State of Louisiana, (the District), was created by the LaSalle Parish Police Jury, and operates Hardtner Medical Center through its Board of Commissioners. Hardtner Medical Center is a 25-bed hospital located in Olla, Louisiana, providing health care services to residents of Olla and the surrounding communities.

The District is governed by a Board of Commissioners composed of five members. The Chief Executive Officer serves as secretary and treasurer of the Board.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body establishing governmental accounting and financial reporting principles. The more significant of the Hospital Service District's accounting policies are described below.

The District is a special purpose government engaged only in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements.

A. REPORTING ENTITY The District is a component unit of the LaSalle Parish Police Jury, the reporting entity. The LaSalle Parish Police Jury is the governing authority of the parish of LaSalle, Louisiana, and is governed by a board of police jurors elected by the public. Under the provisions granted by the Louisiana statutes, the police jury created the District and appoints the members of its Board of Commissioners. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the LaSalle Parish Police Jury, or other governmental units that comprise the financial reporting entities.

B. ENTERPRISE FUND An enterprise fund is a proprietary fund type that accounts for activities similar to those found in the private sector, where the determination of net income is necessary and useful for sound financial administration.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Proprietary Funds The proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. With this measurement focus, all assets, liabilities, and outflows/inflows of resources associated with the operation of these funds are included on the statement of net position. 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 proprietary funds principal ongoing operations. The principal operating revenue of the District is patient related revenue. Operating expenses include the costs of providing this service. All revenues and expenses not meeting this definition are reported as non-operating.

Net Patient Service Revenue Net patient service revenue is patient revenue reported at Hardtner Medical Center's established rates, less contractual adjustments, bad debt expense, and policy discounts. Retroactive adjustments arising under reimbursement agreements with third-party payers are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Bad debt allowance is determined as a percentage of gross revenue.

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The District has agreements with third-party payers that provide for reimbursement to the District at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the District's established rates for services and amounts reimbursed by third-party payers. A summary of the basis of reimbursement with major third-party payers follows:

Medicare On October 1, 2004, the District converted to a Critical Access Hospital (CAH). Inpatient acute care services and swing bed services rendered to Medicare program beneficiaries are reimbursed at cost plus 1%. Outpatient services are reimbursed at cost plus 1% (subject to limits and rules), while other outpatient laboratory services are reimbursed on a fee schedule. Rural health clinic services are reimbursed based on a cost per visit methodology.

The District is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicare fiscal intermediary. The District's Medicare cost reports have been settled by the Medicare fiscal intermediary through September 30, 2022.

Medicaid Inpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates. Most outpatient services rendered to Medicaid program beneficiaries are reimbursed based upon a cost reimbursement methodology. The District is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicaid fiscal intermediary. The District's Medicaid cost reports have been audited by the Medicaid fiscal intermediary through September 30, 2017.

Other Third-party Payers Inpatient and outpatient services rendered to other third-party payers are reimbursed using prospectively determined rates that are not related to costs or charges.

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Net patient service revenue Following is a summary of contractual and other adjustments to arrive at net patient service revenues for the years ended September 30:

	2025	2024
Gross patient service revenue	\$ 89,014,922	\$ 87,682,901
Less bad debt expense	(2,421,580)	(4,779,953)
Less contractual adjustments:		
Medicare	(15,517,436)	(14,532,759)
Medicaid	(20,022,613)	(18,752,055)
Other third parties	(14,764,836)	(12,034,942)
Total contractual adjustments	(50,304,884)	(45,319,756)
Net patient service revenue	\$ 36,288,458	\$ 37,583,192

Approximately sixty-five to seventy percent of the net patient service revenue comes from Medicare and Medicaid billings.

Ad Valorem Taxes are susceptible to accrual.

Contributions Contributions from the LaSalle Parish Ambulance Service District for operation of the ambulances are treated as operating revenues. Unrestricted donations are treated as nonoperating revenues when received.

Operating Grants The District (Grantee) entered into a cooperative endeavor agreement (CEA) with a regional public rural hospital (Grantor) whereby the Grantor awards an intergovernmental transfer grant (ITG) to be used solely to provide adequate and essential medically necessary and available healthcare services to Grantee's service population subject to the availability of such grant funds. The aggregate ITG grant income is \$9,953,853 and \$11,622,446 for fiscal years 2025 and 2024, respectively.

D. BUDGET PRACTICES The District maintains only enterprise funds in its accounting system and is not subject to the Louisiana Local Government Budget Act or the requirements of accounting principles generally accepted in the United States of America that require budget to actual comparisons. Therefore, budget to actual comparisons, usually found in the financial statements of governmental entities, are not included in these statements.

E. ENCUMBRANCES The District does not use a formal system of encumbrance accounting.

F. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. The District deposits its funds in fiscal agent banks organized under the laws of the state of Louisiana, or the laws of the United States of America.

G. INVESTMENTS Investments are limited by LA R.S. 46:1073.1, R.S. 11:263, R.S. 33:2955 and the District's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

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The investments are reflected at fair value except for the following which are permitted per GASB Statement No. 31:

1. Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. Money market investments and *participating* interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost.

Definitions:

Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

The District participates in the Louisiana Asset Management Pool, Inc. (LAMP) which is an external investment pool that is not SEC-registered. Because the LAMP is an arrangement sponsored by a type of governmental entity, it is exempt by statute from regulation by the SEC.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

GASB Statement No. 40, Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: Lamp is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

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- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investment is 74 days as of September 30, 2025.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

LAMP issues financial reports. These financial reports can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

H. SUPPLIES AND INVENTORY Inventories of supplies and minor equipment are valued at lower of cost (first-in, first-out) or latest invoice price.

I. ASSETS WHOSE USE IS LIMITED Assets whose use is limited include funds set aside in accordance with agreements with third-party payers and funds held in accordance with the provisions of debt agreements.

J. PREPAID ITEMS Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

K. PROPERTY, PLANT, AND EQUIPMENT Property and equipment acquisitions are recorded at cost. Property and equipment donated for the District's operations are valued at their fair market value on the date received. The threshold for capitalization is \$5,000 for individual items and \$5,000 for aggregate.

All exhaustible property and equipment are shown in the accompanying balance sheet at their original costs, less accumulated depreciation. Depreciation is recorded on the straight-line method over the estimated useful lives, as follows:

Land improvements	12-29 years
Buildings	16-40 years
Fixed equipment	5-20 years
Major moveable equipment	3-20 years

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Lease assets are initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the commencement of the lease term (including incentives received), plus applicable initial direct costs. Subsequently, the lease asset is amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the underlying asset, unless the lease contains a purchase option that is determined to be reasonably certain to be exercised, in which case the lease asset is amortized over the estimated useful life of the underlying asset.

The District has entered into contracts/agreements that convey control of the right to use another party's IT software. The District recognizes an intangible subscription asset and corresponding subscription liability in the financial statements for those contracts/agreements deemed in scope for recognition as a SBITA under GASB 96 guidance. At the commencement of the subscription term, the District initially measures the SBITA liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the subscription payments made.

The subscription asset is initially measured as the sum of (1) the initial subscription liability, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the subscription asset is amortized using the straight-line method over the shorter of the subscription term or the estimated useful life of the underlying asset. The District uses its estimated incremental borrowing rate to discount the future subscription payments to present value.

The subscription term includes the noncancellable period of the subscription plus periods covered by an option to extend, if it is reasonably certain that the District or SBITA vendor will exercise that option, or to terminate, if it is reasonably certain that the District or SBITA vendor will not exercise that option.

L. RESTRICTED NET POSITION Net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. It is the Districts policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

M. 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 statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

N. VACATION In lieu of vacation, holiday, and sick time, a paid time off (PTO) plan is the policy at Hardtner Medical Center. PTO is granted to all full-time employees after completion of ninety (90) days of continuous service. The employee will be allowed to accumulate PTO to a maximum of one and a half (1½) years accruals. The following is a table of accrual rates per pay period and maximum accruals based on continuous years of full-time employment:

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<u>Length of Service</u>	<u>Accrual Rate</u>	<u>Maximum Accrual</u>
1 day to 5 years	6.15 hours per 80 hrs. paid	240 hours
5 to 10 years	7.69 hours per 80 hrs. paid	300 hours
10 + years	9.23 hours per 80 hrs. paid	360 hours

Regular part-time, temporary full-time and temporary part-time employees are not eligible for PTO benefits. Employees are encouraged to take their PTO time off. PTO time cannot be sold and must be taken to be compensated. Exceptions are made by administrative approval only.

Extended sick leave is granted to all regular full-time employees. An accrual of 3.69 hours per pay period is accrued from the date of employment and available to use after 6 months of full-time continuous service. Employees are allowed to accumulate extended sick leave to a maximum of 480 hours. The leave must be taken to be compensated. Each hour of accumulated extended sick leave in excess of 480 hours (not to exceed 96 hours) will be converted into cash at a rate of 60% of the current hourly base rate in the payroll system for the employee. This payment is made on the last pay day in November each year.

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

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The fair 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 in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk- deposits: At year end, the District’s carrying amount of deposits was \$616,490 which includes \$157,107 of restricted cash and the bank balance was \$1,750,116. Of the bank balance, \$250,000 was covered by federal depository insurance. For the remaining bank balance, the District had securities held by the pledging financial institution’s trust department or agent but not in the District’s name. The District’s policy does not address custodial credit risk.

Interest rate risk-deposits: The District’s policy does not address interest rate risk.

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset’s fair value. Level 1 inputs are quoted prices in the active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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Investments' fair value measurements are as follows at September 30, 2025:

Description of investment	Fair Value	Fair Market Value Hierarchy	Credit Risk	Interest Rate Risk
U. S. Treasury notes	\$ 739,800	Level 1	N/A	< 3 years
Corporate bonds	610,318	Level 1	BBB- (S&P)	< 3 years
Corporate bonds	253,439	Level 1	BBB- (S&P)	3-5 years
Asset Backed Securities	202,365	Level 1	Aaa	3-5 years
Asset Backed Securities	153,276	Level 1	Aaa	6+ years
Mutual Funds	997,517	Level 1	N/A	N/A
Total	<u>2,956,715</u>			
LAMP	7,449,110			
Total investments	<u><u>\$ 10,405,825</u></u>			

Interest rate risk-investments: The District's policy does not address interest rate risk.

Credit rate risk-investments: The District's policy does not address credit rate risk.

Custodial credit risk- deposits: For an investment, this is the risk that, in the event of the failure of the counter party, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments include \$7,449,110 in LAMP and \$2,956,715 in accounts with an investment advisor. Additional disclosure concerning LAMP can be found at note 1(G). The District's policy does not address custodial credit risk.

NOTE 3 - ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS Accounts receivable - patients include unpaid amounts billed to discharged patients and third-party payers such as insurance companies and the fiscal intermediaries of the Social Security Administration on behalf of patients eligible for benefits under Title XVIII and XIX of the Social Security Act. Also included, are unbilled charges for those patients not discharged at September 30.

Estimated third-party payor settlements are amounts due for cost reports filed with Medicare and Medicaid for the periods 2017 through 2025.

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Other accounts receivable as of September 30, 2025 of \$2,375,182 is due to \$2,149,334 from State Direct Payment Program, \$213,460 from LaSalle Parish Ambulance Service District and \$12,388 in miscellaneous accounts receivable.

Other accounts receivable as of September 30, 2024 of \$1,532,809 is due to \$1,520,421 from State Direct Payment Program and \$12,388 in miscellaneous accounts receivable.

NOTE 4 - CONTINGENCIES The District evaluates contingencies based upon the best available evidence. The District believes that no allowances for loss contingencies are considered necessary. To the extent that resolution of contingencies results in amounts which vary from the District's estimates, future earnings will be charged or credited.

Third-Party Government-Based Revenues Cost reimbursements are subject to examination by agencies administering the programs. The District is contingently liable for retroactive adjustments made by the Medicare and Medicaid programs as the result of their examinations as well as retroactive changes in interpretations applying statutes, regulations, and general instructions of those programs. The amount of such adjustments cannot be determined.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participating requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the District is in compliance with fraud and abuse statutes, as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

Risk Management The District is exposed to various risks of loss related to professional and general liability, director's and officer's liability, property damage, equipment breakdown, auto liability, employee theft, and worker's compensation. The District carries commercial insurance for these risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The District became partially self-insured for employees' group and health insurance coverage on June 1, 2002. Claims are funded through employee contributions and operating funds of the District. The District maintains stop-loss coverage with an insurance company for claims in excess of \$75,000 per claim for each participant with an aggregate reimbursement maximum per policy period of \$1,000,000. All known claims filed and an estimate of incurred but not reported claims based on experience of the District are made and accrued as necessary in the financial statements. The estimate of incurred but not reported claims at September 30, 2025 was \$259,863 which is reported on Statement A. This estimate is based on claims filed in the month following the fiscal year end which includes other incremental costs.

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The following is a summary of the self-insurance transactions for the year ended September 30, 2025:

Fiscal Year	Balance Beginning	Additions	Payments	Balance Ending
2022-2023	\$ 259,863	\$ 4,477,254	\$ 4,477,254	\$ 259,863
2023-2024	259,863	4,659,161	4,659,161	259,863
2024-2025	259,863	3,353,123	3,353,123	259,863

Construction Contracts The District had \$3,420,000 in construction contracts outstanding at September 30, 2025, with \$529,911 spent on these contracts at year end.

NOTE 5 - PENSION PLAN The District implemented a retirement plan for employees during 2008 consisting of a 401a plan and 457b plan. The District contributes 3% to the 401a plan and a 50% matching contribution (up to 6%) is also added to the 401a plan. The defined contributions plan is administered by Principal Life.

Employees covered by the plan are eligible to participate after 1 year of service. Employees must be 21 to participate. Contribution rates are determined and may be changed by the employer. Participants are fully vested after 5 years of service. The normal retirement date is 65 years of age. On a participant's retirement date, his/her vested account shall be distributed based on the distribution provisions of the Plan.

Forfeitures may first be used to pay administrative expenses. Forfeitures of matching contributions that have not been used to pay administrative expenses shall be applied to reduce employer contributions made after the forfeitures are determined. The amount of forfeitures in the fiscal year 2025 was \$2,139. The amount recognized as pension expense was \$679,187 in the 2025 fiscal year and \$644,903 for the 2024 fiscal year.

As of September 30, 2025, the pension plans had cash balances of \$5,926,563 from the 401a plan and \$7,792,443 from the 457b plan. For September 30, 2024, pension plans had cash balances of \$4,622,293 from the 401a plan and \$6,698,526 from the 457b plan.

The District's contributions to the plans for 2025 as follows:

	401a Plan
Employer 3 %	\$ 419,704
Employer Match	233,052
	457b Plan
Employee	\$ 662,170

The District's contributions to the plans for 2024 as follows:

	401a Plan
Employer 3 %	\$ 406,960
Employer Match	212,143
	457b Plan
Employee	\$ 625,766

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NOTE 6 – PROPERTY, PLANT AND EQUIPMENT The balances and changes in property, plant and equipment as of and for the year ended September 30, 2025 are as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Nondepreciable assets:				
Land	\$ 444,763	\$ -	\$ -	\$ 444,763
Construction in progress	1,588,069	2,321,756	1,876,808	2,033,017
	<u>2,032,832</u>	<u>2,321,756</u>	<u>1,876,808</u>	<u>2,477,780</u>
Depreciable assets:				
Land improvements	5,945,079	1,768,325	-	7,713,404
Buildings	20,674,613	108,482	-	20,783,095
Fixed equipment	1,359,308	158,527	-	1,517,835
Electronic health record equipment	2,789,853	23,311	-	2,813,164
Moveable equipment, furniture and fixtures	8,399,633	135,511	-	8,535,144
Total depreciable assets	39,168,486	2,194,156	-	41,362,642
Right to use assets:				
Moveable equipment, furniture and fixtures	8,864,294	-	-	8,864,294
Total depreciable and right to use assets	48,032,780	2,194,156	-	50,226,936
	<u>50,065,612</u>	<u>4,515,912</u>	<u>1,876,808</u>	<u>52,704,716</u>
Less accumulated depreciation:				
Land improvements	2,046,915	497,876	-	2,544,791
Buildings	9,584,004	1,025,521	-	10,609,525
Fixed equipment	1,125,837	46,568	-	1,172,405
Electronic health record equipment	2,496,045	90,471	-	2,586,516
Moveable equipment, furniture and fixtures	6,726,539	392,936	-	7,119,475
Total accumulated depreciation	21,979,340	2,053,372	-	24,032,712
Less accumulated amortization:				
Right to use assets:				
Moveable equipment, furniture and fixtures	1,649,148	808,266	-	2,457,414
Total accumulated depreciation/amortization	23,628,488	2,861,638	-	26,490,126
Property, plant and equipment, net	<u>\$ 26,437,124</u>	<u>\$ 1,654,274</u>	<u>\$ 1,876,808</u>	<u>\$ 26,214,590</u>

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The balances and changes in property, plant, and equipment as of and for the year ended September 30, 2024 are as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Nondepreciable assets:				
Land	\$ 304,226	\$ 140,537	\$ -	\$ 444,763
Construction in progress	6,267,473	2,072,232	6,751,636	1,588,069
	<u>6,571,699</u>	<u>2,212,769</u>	<u>6,751,636</u>	<u>2,032,832</u>
Depreciable assets:				
Land improvements	5,223,442	725,484	3,847	5,945,079
Buildings	14,981,551	5,693,062	-	20,674,613
Fixed equipment	1,321,281	38,027	-	1,359,308
Electronic health record equipment	2,523,392	266,461	-	2,789,853
Moveable equipment, furniture and fixtures	8,109,108	362,535	72,010	8,399,633
Total depreciable assets	<u>32,158,774</u>	<u>7,085,569</u>	<u>75,857</u>	<u>39,168,486</u>
Right to use assets:				
Moveable equipment, furniture and fixtures	936,658	7,927,636	-	8,864,294
Total depreciable and right to use assets	<u>33,095,432</u>	<u>15,013,205</u>	<u>75,857</u>	<u>48,032,780</u>
Total	<u>39,667,131</u>	<u>17,225,974</u>	<u>6,827,493</u>	<u>50,065,612</u>
Less accumulated depreciation:				
Land improvements	1,664,017	382,898	-	2,046,915
Buildings	8,560,308	1,023,696	-	9,584,004
Fixed equipment	1,051,248	74,589	-	1,125,837
Electronic health record equipment	2,396,085	99,960	-	2,496,045
Moveable equipment, furniture and fixtures	6,338,021	460,528	72,010	6,726,539
Total accumulated depreciation	<u>20,009,679</u>	<u>2,041,671</u>	<u>72,010</u>	<u>21,979,340</u>
Less accumulated amortization:				
Right to use assets:				
Moveable equipment, furniture and fixtures	861,114	788,034	-	1,649,148
Total accumulated depreciation/amortization	<u>20,870,793</u>	<u>2,829,705</u>	<u>72,010</u>	<u>23,628,488</u>
Property, plant and equipment, net	<u>\$ 18,796,338</u>	<u>\$14,396,269</u>	<u>\$ 6,755,483</u>	<u>\$ 26,437,124</u>

**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**Notes to the Basic Financial Statements
As of and for the Years Ended September 30, 2025 and 2024**

NOTE 7 - LONG-TERM DEBT

In 2013, the District issued Hospital Revenue Bonds, Series 2012, in the amount of \$1,285,000 with a stated interest rate of 4.50% with a maturity date of October 1, 2027. These bonds are related to the renovation of patient rooms in the hospital and are repaid with service revenues of the District. The District issued Hospital Revenue Bonds, Series 2018 dated October 1, 2018, for \$6,000,000 with a stated interest rate of 4.95% with a maturity date of October 1, 2039, for construction of a family clinic. The District issued Hospital Revenue Bonds, Series 2021 dated October 1, 2021, for \$5,000,000 with a stated interest rate of 3.00% for construction of an outpatient building. The District issued Hospital Revenue Bonds, Series 2025 dated May 6, 2025, for \$4,200,000 with a stated interest rate of 5.35% for an infrastructure project.

In the event that the District defaults on the payment of interest or principal, the owner of the bonds shall be entitled to appoint a receiver of the District in an appropriate judicial proceeding in a court of competent jurisdiction.

The annual debt service requirements are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 545,000	\$ 541,306	\$ 1,086,306
2027	700,000	581,849	1,281,849
2028	724,000	550,703	1,274,703
2029	635,000	520,996	1,155,996
2030	665,000	492,609	1,157,609
2031-2035	3,795,000	1,987,581	5,782,581
2036-2040	4,720,000	1,049,543	5,769,543
2041-2044	2,170,000	232,547	2,402,547
Total	<u>\$ 13,954,000</u>	<u>\$ 5,957,134</u>	<u>\$ 19,911,134</u>

Following is a schedule of changes in long term debt for the year ended September 30, 2025:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Due in One Year
Direct Borrowings:					
Certificates of indebtedness, Series 2006	\$ 179,000	\$ -	\$ 179,000	\$ -	\$ -
Revenue Bonds Payable	10,269,000	4,200,000	515,000	13,954,000	545,000
Lease liability	155,021	-	28,461	126,560	29,679
SBITA liability	7,151,512	-	674,988	6,476,524	700,391
Compensated absences*	1,209,937	141,017	-	1,350,954	1,158,263
	<u>\$ 18,964,470</u>	<u>\$ 4,341,017</u>	<u>\$ 1,397,449</u>	<u>\$ 21,908,038</u>	<u>\$ 2,433,333</u>

**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**Notes to the Basic Financial Statements
As of and for the Years Ended September 30, 2025 and 2024**

Following is a schedule of changes in long term debt for the year ended September 30, 2024:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Due in One Year
Direct Borrowings:					
Certificates of indebtedness, Series 2006	\$ 344,000	\$ -	\$ 165,000	\$ 179,000	\$ 179,000
Revenue Bonds Payable	10,615,290	334,710	681,000	10,269,000	515,000
Lease liability	67,967	155,021	67,967	155,021	28,757
SBITA liability	-	7,772,615	621,103	7,151,512	674,988
Compensated absences*	1,069,979	139,958	-	1,209,937	1,040,474
	<u>\$ 12,097,236</u>	<u>\$ 8,402,304</u>	<u>\$ 1,535,070</u>	<u>\$ 18,964,470</u>	<u>\$ 2,438,219</u>

*The beginning balance of compensated absences was restated due to the implementation of GASB 101. The additions and deletions are netted.

Sinking Fund Requirements:

Under the terms of the series 2012, 2018 and 2021 and 2025 hospital revenue bonds, the following requirements are stated:

Sinking Fund-A monthly payment of 1/12 of the current year principal and interest installment must be made into the Sinking Fund account which will be used to make payments on the bonds. The amount required to be on deposit in the Sinking Fund was \$787,731. The amount on deposit in the Sinking Fund account at September 30, 2025 was \$1,009,516.

Reserve Fund-The Reserve Fund is required to be funded to an amount equal to the highest scheduled principal and interest falling due in any year on all bonds payable from the Sinking Fund. Pursuant to the Bond Resolution, the District is to deposit monthly or before the 20th of each month a sum at least equal to 5% of the amount to be paid into the Sinking Fund, to continue until such time there has been accumulated therein a sum equal to the Reserve Fund requirement. The amount required to be on deposit at September 30, 2025 was \$212,243 and the amount on deposit in the Reserve Fund account was \$78,554.

Depreciation and Contingency Fund-A Depreciation and Contingency Fund is required to be created for extensions, renewals and replacements. The District is required to deposit monthly in this fund an amount equal to 5% of the amount to be paid into the Sinking Fund. The payments are to continue until an amount equal to the Reserve Fund requirement is on deposit in the Reserve Fund, then each month a sum equal to 10% of the Sinking Fund payment is to be made into the Contingency Fund. These deposits are to be made before the 20th of each month. The amount required to be on deposit at September 30, 2025 was \$212,243 and the amount on deposit in the Depreciation and Contingency Fund account was \$78,553.

The total required to be on deposit for these three funds was \$1,212,217. The total deposit for these three funds was \$157,107 in cash and \$1,009,516 in investments. These amounts are reported as restricted assets on the statement of net position. The total deposit for these restricted funds was \$45,594 less than the amount required in total.

**Hospital Service District Number One
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Olla, Louisiana**

**Notes to the Basic Financial Statements
As of and for the Years Ended September 30, 2025 and 2024**

NOTE 8 - LEASE LIABILITY The District has a lease liability for moveable equipment. The hematology system lease began September 4, 2024. The lease is a 60-month lease with monthly payments of \$2,869 and a stated interest rate of 4.2%. The right to use the equipment has a 5-year estimated useful life and a value of \$155,021 with accumulated amortization of \$31,004 at September 30, 2025.

The lease liabilities are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 29,679	\$ 4,749	\$ 34,428
2027	30,950	3,478	34,428
2028	32,275	2,153	34,428
2029	33,656	770	34,426
	<u>\$ 126,560</u>	<u>\$ 11,150</u>	<u>\$ 137,710</u>

NOTE 9 - SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENTS (SBITA) LIABILITY The District has a SBITA liability for software which began on November 13, 2023, when the system went live. The agreement is a 120-month agreement with monthly payments of \$77,352 and an imputed interest rate of 3.7%. The right to use the equipment has a 10-year estimated useful life and a value of \$7,772,615 with accumulated amortization of \$1,489,751 at September 30, 2025.

The SBITA liability is due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 700,391	\$ 227,833	\$ 928,224
2027	726,749	201,475	928,224
2028	754,100	174,124	928,224
2029	782,480	145,744	928,224
2030	811,927	116,297	928,224
2031-2035	2,700,877	161,148	2,862,025
	<u>\$ 6,476,524</u>	<u>\$ 1,026,621</u>	<u>\$ 7,503,145</u>

NOTE 10 - INCOME TAXES The District is a governmental entity and is not subject to federal and state income taxes.

NOTE 11 - AD VALOREM TAX The District levies taxes on real and business personal property located within LaSalle Parish's boundaries. Property taxes are levied by the District on property values assessed by the LaSalle Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**Notes to the Basic Financial Statements
As of and for the Years Ended September 30, 2025 and 2024**

The LaSalle Parish Sheriff's Office bills and collects property taxes for the District. Collections are remitted to the District monthly.

Property Tax Calendar

Millage rates adopted	September 4, 2024
Levy date	August 1, 2024
Tax bills mailed	November 1, 2024
Total taxes are due	December 31, 2024
Lien date	January 1, 2025
Tax sale - 2024 delinquent property	May 28, 2025

Assessed values are established by the LaSalle Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value.

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2024. Total gross assessed value was \$45,482,075 in calendar year 2024. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$5,463,850 of the assessed value in calendar year 2024.

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the enterprise fund on the basis explained in Note 1. Revenues in this fund are recognized in the accounting period in which they become measurable and when there exists an enforceable legal claim. The District considers January 1 the lien date, as the date that an enforceable legal claim exists. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll.

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**Notes to the Basic Financial Statements
As of and for the Years Ended September 30, 2025 and 2024**

The following is a summary of authorized and levied (tax rate per \$1,000 assessed value) ad valorem tax:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide tax:			
Operations and maintenance	10.13	8.28	2034

NOTE 12 - CHARITY CARE The District provides charity care to patients who are financially unable to pay for part or all of the healthcare services they receive. The District determines the cost associated with providing charity care by aggregating the applicable direct and indirect costs, including wage and related benefits, supplies, and other operating expenses. The District had \$39,009 in charity care write offs for the year ended September 30, 2025, and \$9,775 for the year ended September 30, 2024.

NOTE 13 - NEW GASB STANDARD In the current fiscal year, the District implemented GASB Statement No. 101 – *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The adoption of this standard resulted in an increase in the beginning balance of compensated absences liability and a decrease in the beginning net position of \$316,498 for the year ended September 30, 2024.

The District also implemented GASB Statement No. 102 – *Certain Risk Disclosures*. The statement requires the District to assess whether a concentration or constraint makes the District vulnerable to the risk of a substantial impact to revenue debt. Additionally, this statement requires the District to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within twelve months of the date the financial statements are issued. The implementation of this standard had no effect on the District.

NOTE 14 - RESTATEMENT OF BEGINNING NET POSITION

Error Correction During the current year the District determined that \$1,504,898 of employee retention credit accounts receivable would not be received. This was recorded in the 2023 fiscal year. Also, a debit balance in accounts payable of \$97,091 was corrected. These balances were in the 2023 fiscal year; therefore, the beginning net position of the 2024 fiscal year was reduced by \$1,601,989.

Change in Accounting Principle The adoption of GASB 101 resulted in an increase of \$316,498 in the beginning accrued vacation and sick leave and a reduction in the net position for the fiscal year ended September 30, 2024.

**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

SUPPLEMENTARY INFORMATION

**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**Schedule of Compensation Paid Board Members
For the Year Ended September 30, 2025**

Board members who served during the fiscal year and the amount of compensation received by each are presented below in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

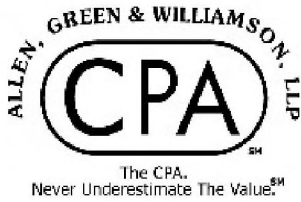
Mike Duke, Chairman	\$520
Rick Smotherman, Vice Chairman	520
Steve Tannehill	520
Steve Richardson	520
Jay Ivy	<u>520</u>
Total	<u>\$2,600</u>

**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer
For the Year Ended September 30, 2025**

Agency Head: Paul Mathews, Chief Executive Officer

<u>Purpose</u>	<u>Amount</u>
Salary	\$420,295
Benefits-insurance	1,704
Benefits-retirement	24,790
Benefits-Life Ins & LTD	1,985
Deferred compensation	28,632
Cell phone/Internet	2,979
Dues (not paid directly to agency head)	2,035
Travel	14,944
Registration fees (not paid directly to agency head)	5,145
Conference travel (not paid directly to agency head)	25,285



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Supervisor: Sandra Harper, CPA, CFE

Tax Senior: John Forsell, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

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*

Independent Auditor's Report

Board of Commissioners
Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, 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 the Hospital Service District Number One of the Parish of LaSalle, State of Louisiana, (the District) a component unit of the LaSalle 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, and have issued our report thereon dated March 31, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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.

**Hospital Service District Number One
Of the Parish of LaSalle, State of Louisiana
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Olla, Louisiana**

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 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.

Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson LLP

Allen, Green & Williamson, LLP
Monroe, Louisiana
March 31, 2026

**Hospital Service District Number One
Of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana**

**Schedule of Findings and Responses
For the Year Ended September 30, 2025**

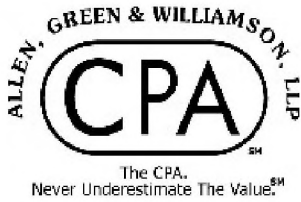
PART I - Summary of the Auditor's Results

Financial Statement Audit

- i. The type of audit report issued was unmodified.
- ii. There were no significant deficiencies identified that are required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America.
- iii. There were no instances of noncompliance identified that would be considered material to the financial statements, as defined by the Government Auditing Standards.

**Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
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AGREED-UPON PROCEDURES



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

Board Members
Hospital Service District Number One
of the Parish of LaSalle, State of Louisiana
A Component Unit of the LaSalle Parish Police Jury
Olla, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year ended September 30, 2025. The Hospital Service District Number One of the Parish of LaSalle, State of Louisiana, (the District), a component unit of the LaSalle Parish Police Jury's management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal year ended September 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Bank Reconciliations

1. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged).

- b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Collections (excluding electronic funds transfers)

2. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
3. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not responsible for collecting cash, unless another employee/official verifies the reconciliation.
4. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
5. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #1 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

6. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
7. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
8. Using the monthly statements or combined statements selected under #7 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

We were engaged by the Hospital Service District Number One of the Parish of LaSalle, State of Louisiana, (the District), a component unit of the LaSalle Parish Police Jury, to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Allen, Green & Williamson LLP

Allen, Green & Williamson, LLP
Monroe, Louisiana
March 31, 2026