



**ST. HELENA PARISH HOSPITAL SERVICE DISTRICT NO. 1**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**OCTOBER 31, 2025 and 2024**

**WITH**

**INDEPENDENT AUDITOR'S REPORTS**

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# ST. HELENA PARISH HOSPITAL SERVICE DISTRICT NO. 1

## MANAGEMENT'S DISCUSSION AND ANALYSIS

October 31, 2025

This portion of St. Helena Parish Hospital Service District No. 1's (the District) annual financial report presents background information and management's review of the District's financial performance during the fiscal year ended October 31, 2025. This section should be interpreted within the context of the financial statements as displayed in this report.

### Financial Highlights

- The District's assets exceeded its liabilities by \$28,684,569 at the end of the 2025 fiscal year, which represents an increase of approximately \$2.9 million (or 11.4%) from the end of the 2024 fiscal year. Of this amount, \$19,792,762 represents unrestricted net position and may be used to meet the District's ongoing obligations to its employees, patients, and creditors.
- For fiscal year 2025, the District's financial statements report an excess of revenue over expenses of \$2,939,869. If depreciation and amortization expense were not included, then an excess of \$3,472,493 would have occurred.
- For fiscal year 2025, the District's net patient revenue increased \$542,511 (or 3.7%); apartment and other operating revenues increased \$659,430 (or 16.3%) and operating expenses increased \$1,606,858 (or 9.4%). The increase in net patient service revenue was largely the result of more providers in the Rural Health Clinic and increased room and board rates for the nursing home, effective August 1, 2025. Other operating revenue increased as a result of the 340B pharmacy revenue program as well as more grant funding compared to the prior fiscal year end. Operating expenses increased as a result of higher salary and related benefits for the current fiscal year end.
- Ad valorem tax for the nursing home and hospital combined to generate \$1,351,077 and \$1,195,506 in nonoperating revenue during the years ended October 31, 2025 and 2024, respectively.

### Required Financial Statements

The basic financial statements of the District report information regarding the District using Governmental Accounting Standards Board (GASB) accounting principles. These statements offer short-term and long-term financial information about its activities. The statement of net position includes all of the District's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to the District's creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure, and assessing the liquidity and financial flexibility of the District.

All of the current year's revenues and expenses are accounted for in the statement of revenue, expenses, and changes in net position. This statement measures improvements in the District's operations over the past year and can be used to determine whether the District has been able to recover all of its costs through its patient service and other revenue sources.

The final required financial statement is the statement of cash flows. The primary purpose of this statement is to provide information about the District's cash flows from operations and financial activities, as well as define the sources of cash, its uses, and cash balance changes during the reporting period. Additional statistical information and notes are offered as support, explanation, and information.

## Financial Analysis of the Hospital Service District

The statement of net position and statement of revenue, expenses, and changes in net position report data about the District's activities. These two statements report the net position of the District and the change in net position. Increases or decreases in net position are one indicator regarding the financial integrity of the District. Other nonfinancial indicators include changes in state and local economic conditions, as well as regulatory changes regarding Medicare and Medicaid, especially as these may impact Critical Access Hospital status and related cost-based reimbursements.

### Net position

Summaries of the District's statements of net position as of October 31, 2025, 2024, and 2023, are displayed in the following table:

#### CONDENSED STATEMENTS OF NET POSITION As of October 31,

|                                     | 2025                 | 2024                 | 2023                 |
|-------------------------------------|----------------------|----------------------|----------------------|
| <b>Assets</b>                       |                      |                      |                      |
| Current assets                      | \$ 21,409,933        | \$ 19,632,768        | \$ 20,486,038        |
| Assets limited as to use            | 746,484              | 712,085              | 726,702              |
| Property, plant, and equipment, net | 10,560,625           | 9,181,411            | 6,488,707            |
| <b>Total assets</b>                 | <b>32,717,042</b>    | <b>29,526,264</b>    | <b>27,701,447</b>    |
| <b>Liabilities</b>                  |                      |                      |                      |
| Current liabilities                 | 1,746,910            | 1,367,647            | 2,762,239            |
| Long-term liabilities               | 2,285,563            | 2,413,917            | 2,535,273            |
| <b>Total liabilities</b>            | <b>4,032,473</b>     | <b>3,781,564</b>     | <b>5,297,512</b>     |
| <b>Net Position</b>                 | <b>\$ 28,684,569</b> | <b>\$ 25,744,700</b> | <b>\$ 22,403,935</b> |

The following table presents the components of the District's net position as of October 31, 2025, 2024, and 2023:

|                                  | 2025                 | 2024                 | 2023                 |
|----------------------------------|----------------------|----------------------|----------------------|
| Net investment in capital assets | \$ 8,145,323         | \$ 6,645,221         | \$ 3,736,877         |
| Restricted for debt service      | 746,484              | 712,085              | 726,702              |
| Unrestricted                     | 19,792,762           | 18,387,394           | 17,940,356           |
| <b>Total net position</b>        | <b>\$ 28,684,569</b> | <b>\$ 25,744,700</b> | <b>\$ 22,403,935</b> |

### Property, plant, and equipment

The following table presents the components of property, plant, and equipment as of October 31, 2025, 2024, and 2023:

|                                     | 2025                 | 2024                | 2023                |
|-------------------------------------|----------------------|---------------------|---------------------|
| Land                                | \$ 581,275           | \$ 492,775          | \$ 428,005          |
| Construction in progress            | 2,131,470            | 540,942             | 2,945,298           |
| Buildings                           | 13,562,791           | 13,329,981          | 8,175,199           |
| Equipment                           | 4,261,718            | 4,261,718           | 4,138,823           |
| Vehicles                            | 170,537              | 255,635             | 217,000             |
| Equipment under leases              | -                    | -                   | 235,391             |
|                                     | 20,707,791           | 18,881,051          | 16,139,716          |
| Less accumulated depreciation       | 10,147,166           | 9,699,640           | 9,651,009           |
| Property, plant, and equipment, net | <u>\$ 10,560,625</u> | <u>\$ 9,181,411</u> | <u>\$ 6,488,707</u> |

### Long-term debt

The District had outstanding debt of \$2,415,302 and \$2,536,190 at October 31, 2025 and 2024, respectively, which is comprised of one (1) note payable and two (2) hospital revenue bonds. The District incurred no additional indebtedness during the years ended October 31, 2025 and 2024. Long-term debt decreased by \$120,888 or 4.8% in fiscal year 2025, due to payments on long-term debt. For additional information, see Notes 6 through 8 to the financial statements.

Summary of revenue, expenses, and changes in net position

The following table presents a summary of the District's revenues and expenses for the latest three fiscal years:

**Condensed Statements of Revenue, Expenses, and Changes in Net Position  
Years Ended October 31,**

|                                 | 2025          | 2024          | 2023          |
|---------------------------------|---------------|---------------|---------------|
| Net patient service revenue     | \$ 15,037,976 | \$ 14,495,465 | \$ 12,631,838 |
| Other operating revenue         | 4,408,353     | 3,748,136     | 3,012,574     |
| Apartment revenue               | 299,192       | 299,979       | 301,935       |
| Total operating revenue         | 19,745,521    | 18,543,580    | 15,946,347    |
| Salaries                        | 10,516,515    | 9,386,211     | 8,368,715     |
| Other operating expenses        | 7,409,220     | 7,008,830     | 6,414,366     |
| Depreciation and amortization   | 532,624       | 473,856       | 423,503       |
| Apartment expense               | 310,111       | 292,715       | 268,716       |
| Total operating expenses        | 18,768,470    | 17,161,612    | 15,475,300    |
| Net nonoperating revenue        | 1,962,818     | 1,958,797     | 1,996,766     |
| Change in net position          | 2,939,869     | 3,340,765     | 2,467,813     |
| Net position, beginning of year | 25,744,700    | 22,403,935    | 19,936,122    |
| Net position, end of year       | \$ 28,684,569 | \$ 25,744,700 | \$ 22,403,935 |

**Sources of Revenue**

The District derives the majority of its total revenue from patient service operations. St. Helena Parish Hospital is a Critical Access Hospital and, as such, has been reimbursed for Medicare services on a cost basis since 2000.

The following table displays payor mix percentages as a function of total billed charges during the years ended October 31, 2025, 2024, and 2023:

|            | 2025 | 2024 | 2023 |
|------------|------|------|------|
| Medicare   | 13%  | 14%  | 14%  |
| Medicaid   | 27%  | 31%  | 35%  |
| Commercial | 56%  | 52%  | 48%  |
| Self-pay   | 4%   | 3%   | 3%   |
|            | 100% | 100% | 100% |

The District derives additional revenue from ad valorem taxes, grants, donations, and meals sold in the cafeteria.

## Operating and Financial Performance

The District's primary source of revenue is derived from patient services and is driven by admissions, which involves converting admissions and treatment into cash collections. The industry standard regarding management of receivables is the measure of outstanding days in accounts receivable. The following table displays both inpatient days and days in accounts receivable for the years ended October 31, 2025, 2024, and 2023.

|   | 2025  | 2024  | 2023  |
|---|-------|-------|-------|
| Inpatient days                          | 1,377 | 1,421 | 1,303 |
| Outstanding days in accounts receivable | 38    | 39    | 31    |

The District's statistical measure of days in accounts receivable is 38 days. The District does make aggressive attempts to procure payment from self-pay patients, but these receivables must stay on the books for a statutory amount of time to make a claim for uncompensated care reimbursement.

## Budget and Strategy for Fiscal Year 2026

The 2026 budget was approved by the Board of Commissioners during its regular meeting in October 2025. Highlights and expectations regarding 2026 follow:

Concerning revenue and patient utilization, the District expects an inpatient census of 4, which is consistent with 2025. The ancillary departments of the District are budgeted for the same or modest utilization increases. Areas for outpatient growth opportunities include IOP, Lab, Observation, Radiology, and Therapy. Ad valorem taxes for 2026 are budgeted for \$1,150,000.

The Board of Commissioners considers many factors during the budget approval process each year. For fiscal year 2026, the primary focus was the status of the economy and health care environment, which takes into account market forces and environmental factors such as:

- Payor mix and reimbursement changes
- Continuation at the current level of the Directed Payment Program
- Workforce shortages, primarily in nursing and other clinically skilled positions and related employee costs

The District is in the process of securing the appropriate funding for a major project to renovate, expand, and modernize their existing facility. Management hopes to break ground on this multi-year project in 2026, and overall constructions costs are estimated at approximately \$34,800,000. Upon completion, the project will provide the following benefits –

- New acute-care unit with 16 beds
- Renovate five (5) original semi-private rooms for nine (9) overflow beds (25 total beds)
- Renovate one existing patient wing into a ten (10) bed inpatient behavioral health unit
- New Emergency Department (ED) with ample public waiting, exam/treatment rooms, and modern trauma rooms
- New inpatient pharmacy constructed to serve new acute-care and ED areas
- Renovate/expand existing inpatient lab to serve new acute-care and ED
- New Outpatient Diagnostics Center for lab and imaging

- Cosmetic renovations of Nursing Home
- Renovations throughout remainder of existing facility for code compliance
- Complete replacement of existing HVAC systems
- Med gas, plumbing, and electrical upgrades are required to support overall project scope
- Site, landscaping, and parking will be reconfigured to accommodate new additions and promote efficient traffic flow, ambulances, and deliveries.

### **Contacting the District's Chief Financial Officer**

This financial report is intended to provide the community, patients, and creditors with a general overview of the District's financial position and demonstrate accountability regarding all revenues received. If further information is required, requests should be submitted in writing to:

Chief Financial Officer  
St. Helena Parish Hospital  
16874 Highway 43 North  
Greensburg, LA 70441



## INDEPENDENT AUDITOR'S REPORT

Mr. Naveed Awan, Chief Executive Officer,  
and the Board of Commissioners of  
St. Helena Parish Hospital Service District No. 1

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

#### ***Opinion***

We have audited the accompanying financial statements of St. Helena Parish Hospital Service District No. 1 (the District), a component unit of St. Helena Parish Police Jury, as of and for the year ended October 31, 2025, 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 2025 financial statements referred to above present fairly, in all material respects, the financial position of the District, as of October 31, 2025, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

### ***Other Matter - Prior Period Financial Statements***

The financial statements as of October 31, 2024, were audited by Hawthorn, Waymouth & Carroll, L.L.P., who merged with HoganTaylor LLP as of January 1, 2026, and whose report dated April 24, 2025, expressed an unmodified opinion on those financial statements.

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i through vi 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 (GASB), 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 audits 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 an opinion on the financial statements as a whole. The accompanying schedule of net patient service revenue, schedule of operating expenses, and schedule of compensation, benefits and other payments to agency head or chief executive officer for the year ended October 31, 2025, 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 information has been subjected to the auditing procedures applied in the audits 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 schedule of net patient service revenue, schedule of operating expenses, and schedule of compensation, benefits and other payments to agency head or chief executive officer for the year ended October 31, 2025, are fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 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.

The image shows a handwritten signature in black ink that reads "Hogan Taylor LLP". The signature is written in a cursive, flowing style.

Baton Rouge, Louisiana  
May 8, 2026

**ST. HELENA PARISH HOSPITAL SERVICE DISTRICT NO. 1**

**STATEMENTS OF NET POSITION**

**October 31, 2025 and 2024**

|   | <u>2025</u>   | <u>2024</u>   |
|---|---------------|---------------|
| <b>Assets</b>   |               |               |
| Current assets:   |               |               |
| Cash and cash equivalents   | \$ 15,824,255 | \$ 14,674,249 |
| Patient accounts receivable (net of estimated uncollectibles<br>of \$331,644 for 2025 and \$377,932 for 2024) | 1,586,154     | 1,586,377     |
| Accounts receivable - other   | 2,469,146     | 1,565,543     |
| Estimated third-party payor settlements   | 784,881       | 1,122,705     |
| Inventory   | 462,927       | 441,468       |
| Prepaid expenses  | 282,570       | 242,426       |
|   | <hr/>         | <hr/>         |
| Total current assets  | 21,409,933    | 19,632,768    |
| Assets limited as to use  | 746,484       | 712,085       |
| Property, plant, and equipment, net   | 10,560,625    | 9,181,411     |
|   | <hr/>         | <hr/>         |
| Total assets  | 32,717,042    | 29,526,264    |
| <b>Liabilities</b>  |               |               |
| Current liabilities:  |               |               |
| Current maturities of note payable  | 18,018        | 16,513        |
| Current maturities of bonds payable   | 111,721       | 105,760       |
| Accounts payable  | 876,373       | 516,218       |
| Accrued liabilities   | 740,798       | 729,156       |
|   | <hr/>         | <hr/>         |
| Total current liabilities   | 1,746,910     | 1,367,647     |
| Long-term liabilities:  |               |               |
| Note payable, less current maturities   | 573,666       | 590,527       |
| Bonds payable, less current maturities  | 1,711,897     | 1,823,390     |
|   | <hr/>         | <hr/>         |
| Total long-term liabilities   | 2,285,563     | 2,413,917     |
|   | <hr/>         | <hr/>         |
| Total liabilities   | 4,032,473     | 3,781,564     |
| <b>Net Position</b>   |               |               |
| Net investment in capital assets  | 8,145,323     | 6,645,221     |
| Restricted for debt service   | 746,484       | 712,085       |
| Unrestricted  | 19,792,762    | 18,387,394    |
|   | <hr/>         | <hr/>         |
| Total net position  | \$ 28,684,569 | \$ 25,744,700 |
|   | <hr/>         | <hr/>         |

**ST. HELENA PARISH HOSPITAL SERVICE DISTRICT NO. 1**

**STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**

**Years ended October 31, 2025 and 2024**

|   | 2025          | 2024          |
|---|---------------|---------------|
| <b>Operating Revenue</b>                              |               |               |
| Net patient service revenue                           | \$ 15,037,976 | \$ 14,495,465 |
| Other operating revenue                               | 4,408,353     | 3,748,136     |
| Apartment revenue                                     | 299,192       | 299,979       |
|   | <hr/>         | <hr/>         |
| Total operating revenue                               | 19,745,521    | 18,543,580    |
| <b>Operating Expenses</b>                             |               |               |
| Salaries  | 10,516,515    | 9,386,211     |
| Outside services                                      | 2,188,795     | 2,205,028     |
| Supplies and other                                    | 1,855,402     | 1,783,016     |
| General and administrative                            | 3,365,023     | 3,020,786     |
| Depreciation and amortization                         | 532,624       | 473,856       |
| Apartment expense                                     | 310,111       | 292,715       |
|   | <hr/>         | <hr/>         |
| Total operating expenses                              | 18,768,470    | 17,161,612    |
| Operating income                                      | 977,051       | 1,381,968     |
| <b>Nonoperating Revenue (Expense)</b>                 |               |               |
| Ad valorem taxes                                      | 1,351,077     | 1,195,506     |
| Grant income  | 7,784         | 24,044        |
| Other income  | 20,580        | 37,553        |
| Interest income                                       | 668,135       | 811,561       |
| Interest expense                                      | (86,816)      | (93,523)      |
| Gain (loss) on sale of property, plant, and equipment | 2,058         | (16,344)      |
|   | <hr/>         | <hr/>         |
| Nonoperating revenue                                  | 1,962,818     | 1,958,797     |
| Change in net position                                | 2,939,869     | 3,340,765     |
| Net position, beginning of year                       | 25,744,700    | 22,403,935    |
|   | <hr/>         | <hr/>         |
| Net position, end of year                             | \$ 28,684,569 | \$ 25,744,700 |
|   | <hr/>         | <hr/>         |

**ST. HELENA PARISH HOSPITAL SERVICE DISTRICT NO. 1**

**STATEMENTS OF CASH FLOWS**

**Years ended October 31, 2025 and 2024**

|   | <u>2025</u>          | <u>2024</u>          |
|---|----------------------|----------------------|
| <b>Cash Flows from Operating Activities</b>   |                      |                      |
| Receipts from patients and third-party payors   | \$ 15,675,215        | \$ 14,191,250        |
| Receipts from other operating revenue   | 3,610,518            | 3,728,078            |
| Payments to employees and for employee-related costs  | (10,504,873)         | (9,508,997)          |
| Payments to suppliers for goods and services  | <u>(7,420,779)</u>   | <u>(8,522,286)</u>   |
| Net cash provided by (used in) operating activities   | 1,360,081            | (111,955)            |
| <b>Cash Flows from Noncapital Financing Activities</b>  |                      |                      |
| Ad valorem tax receipts   | 1,245,309            | 1,214,896            |
| Grant income  | 7,784                | 24,044               |
| Other income  | <u>22,638</u>        | <u>37,553</u>        |
| Net cash provided by noncapital financing activities  | 1,275,731            | 1,276,493            |
| <b>Cash Flows from Capital and Related Financing Activities</b>   |                      |                      |
| Purchases of property, plant, and equipment   | (1,911,838)          | (3,182,904)          |
| Principal payments on note payable  | (15,356)             | (14,434)             |
| Principal payments on bonds payable   | (105,532)            | (179,911)            |
| Principal payments on lease liability   | -                    | (21,295)             |
| Interest paid on long-term debt   | <u>(86,816)</u>      | <u>(93,523)</u>      |
| Net cash used in capital and related financing activities   | (2,119,542)          | (3,492,067)          |
| <b>Cash Flows from Investing Activities</b>   |                      |                      |
| Interest received   | <u>668,135</u>       | <u>811,561</u>       |
| Net cash provided by investing activities   | <u>668,135</u>       | <u>811,561</u>       |
| Net increase (decrease) in cash and cash equivalents  | 1,184,405            | (1,515,968)          |
| Cash and cash equivalents, beginning of year,<br>including \$712,085 and \$726,702 limited as to use<br>for 2025 and 2024, respectively | <u>15,386,334</u>    | <u>16,902,302</u>    |
| Cash and cash equivalents, end of year, including<br>\$746,484 and \$712,085 limited as to use<br>for 2025 and 2024, respectively       | <u>\$ 16,570,739</u> | <u>\$ 15,386,334</u> |

**ST. HELENA PARISH HOSPITAL SERVICE DISTRICT NO. 1**

**STATEMENTS OF CASH FLOWS (continued)**

**Years ended October 31, 2025 and 2024**

|   | <u>2025</u>         | <u>2024</u>         |
|---|---------------------|---------------------|
| <b>Reconciliation of Operating Income to Net Cash Provided</b>                                    |                     |                     |
| <b>By (Used In) Operating Activities:</b>   |                     |                     |
| Operating income:   | \$ 977,051          | \$ 1,381,968        |
| Adjustments to reconcile operating income to net cash provided by (used in) operating activities: |                     |                     |
| Depreciation and amortization   | 532,624             | 473,856             |
| Provision for bad debts   | 673,444             | 370,326             |
| Changes in operating assets and liabilities:  |                     |                     |
| Patient accounts receivable   | (673,221)           | (806,049)           |
| Accounts receivable - other   | (797,835)           | (20,058)            |
| Estimated third-party payor settlements   | 337,824             | (168,471)           |
| Inventory   | (21,459)            | (5,625)             |
| Prepaid expenses  | (40,144)            | (37,594)            |
| Accounts payable  | 360,155             | (1,177,522)         |
| Accrued liabilities   | 11,642              | (122,786)           |
|   | <u>383,030</u>      | <u>(1,493,923)</u>  |
| Total adjustments   |                     |                     |
|   | <u>\$ 1,360,081</u> | <u>\$ (111,955)</u> |

# ST. HELENA PARISH HOSPITAL SERVICE DISTRICT NO. 1

## NOTES TO FINANCIAL STATEMENTS

October 31, 2025 and 2024

### Note 1 – Summary of Significant Accounting Policies

#### Legal organization

On December 29, 1962, St. Helena Parish Police Jury passed a resolution creating St. Helena Parish Hospital Service District No. 1 (the District) under the authority of Chapter 10 of Title 46 of the Louisiana Revised Statutes of 1950, as amended.

The governing authority of the District consists of a board of six (6) commissioners, all of whom are qualified electors of the Parish of St. Helena. The Commissioners serve without pay, per diem, or reimbursement of expense, except actual out-of-pocket expenses incurred in the performance of their duties.

#### Nature of business

The District primarily earns revenue by providing inpatient, outpatient, and emergency care services to patients in the St. Helena Parish area. The District also operates a 72-bed nursing home and a 24-unit apartment complex for the elderly and handicapped.

#### Basis of accounting and presentation

The District's financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

As a proprietary fund, the District distinguishes operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing patient services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's proprietary fund are charges to customers related to patient services. Operating expenses for the District's proprietary fund include patient care expenses, general and administrative expenses, and depreciation of property, plant, and equipment. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

The District follows private-sector standards of accounting and financial reporting issued prior to December 1, 1989, to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

The District follows GASB standards for state and local governments which require that resources be classified for accounting and reporting purposes into the following three net position components:

- The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

- The *restricted* component of net position consists of restricted assets reduced by liabilities related to those assets. Restricted net position results when external constraints are placed on net asset use by creditors, grantors, contributors or laws through constitutional provisions or enabling legislation.
- The *unrestricted* component of net position is the net amount of the assets and liabilities that are not included in the determination of net investment in capital assets or the restricted components of net position. Unrestricted net position is often designated to indicate that management does not consider it to be available for general operations; however, these designations can be removed or modified.

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

### Reporting entity

As the governing authority of the Parish, for reporting purposes, St. Helena Parish Police Jury is the financial reporting entity for St. Helena Parish. The financial reporting entity consists of (a) the primary government (Police Jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Section 2100 of the 2011 GASB *Codification of Governmental Accounting and Financial Reporting Standards*, establishes criteria for determining which component units should be considered part of St. Helena Parish Police Jury for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit.
2. Financial accountability:
  - a. The primary government appoints a voting majority of the potential component unit's governing body (and) the primary government is able to impose its will on the potential component unit (or)
  - b. When a potential component unit is fiscally dependent on the primary government regardless of whether the organization has separately elected officials or boards.
3. Financial benefit/burden relationship between the Police Jury and the potential component unit.
4. Misleading to exclude: Paragraph 111 of Section 2100 covers other potential component units for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

Because the Police Jury appoints all members to the District's Board of Commissioners, the District was determined to be a component unit of St. Helena Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

### Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates. The most significant item on the statements of net position that involves a greater degree of accounting estimates subject to changes in the near future is the assessment of the allowance for doubtful

accounts. As additional information becomes available (or actual amounts are determinable), the recorded estimates are revised and reflected in operating results of the period in which they are determined.

#### Cash and cash equivalents

For purposes of the statements of cash flows, the District considers all highly-liquid investments purchased with an original maturity of three months or less to be cash equivalents.

#### Patient accounts receivable and allowance for doubtful accounts

Accounts receivable from patients, insurance companies, and third-party reimbursement contractual agencies are recorded at established charge rates. Certain third-party insured accounts (Medicare and Medicaid) are based on cost reimbursement agreements, which generally result in the District collecting more or less than the established charge rates with the difference recorded as "contractual adjustments." Final determination of settlement is subject to review by appropriate authorities.

The District provides an allowance for doubtful accounts equal to the estimated collection losses that will be incurred in collection of all receivables. Management estimates the losses based on historical collection experience coupled with a review of the current status of existing receivables. Accounts are subsequently written off based on individual credit evaluation and specific circumstances of the account.

#### Inventory

Inventory is valued at the lower of cost or net realizable value (first-in, first-out). Inventory is comprised of departmental supplies and pharmaceutical items.

#### Assets limited as to use

Assets whose use is limited under the terms of bond indentures are classified as assets limited as to use as shown in Note 3.

#### Property, plant, and equipment

Property, plant, and equipment are stated at cost, except for assets donated to the District. Donated assets are recorded at the appraised value at the date of donation. The District maintains a threshold level of \$5,000 or more for capitalizing fixed assets.

Equipment under leases is amortized using the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements.

Maintenance, repairs, replacements and improvements of minor amounts are expensed. Major renewals and betterments that extend the useful lives of capital assets are capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows:

|           |               |
|-----------|---------------|
| Buildings | 10 – 40 years |
| Equipment | 5 – 15 years  |
| Vehicles  | 5 years       |

## Leases

Leases are recorded in accordance with GASB No. 87, *Leases*. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of its useful life or the lease term. Key estimates related to leases include the discount rate used to discount the expected lease payments to present value, lease term and lease payments.

## Net patient service revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations.

The District is a Critical Access Hospital (CAH), which allows it to receive cost-based reimbursements from Medicare and Medicaid.

As a CAH, inpatient services, certain outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are reimbursed based on a cost reimbursement 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 classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the District. The District's Medicare cost reports have been audited by the Medicare fiscal intermediary through October 31, 2024.

Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. Inpatient costs are reimbursed at the prospectively determined peer group per diem, and outpatient costs are reimbursed at cost per the cost report. 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 October 31, 2020.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. These adjustments will be recorded in the year they are realized.

The District has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payments to the District under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates. To the extent management's estimates differ from actual results, the differences will be recorded in the year such differences arise.

Charity care

The District provides care, without charge or at amounts less than its established rates, to patients who meet certain criteria under its charity care policy. Because the District does not pursue collection of amounts qualifying as charity care, they are not included in gross patient service revenue.

Property taxes

The Sheriff of St. Helena Parish, as provided by state law, is the official tax collector of property taxes levied by the Parish and the Parish's special districts. The 2025 property tax calendar follows:

|                             |                   |
|-----------------------------|-------------------|
| Millage rates adopted       | April 17, 2025    |
| Tax bills mailed            | November 4, 2025  |
| Due date                    | January 15, 2026  |
| Certified delinquent notice | February 19, 2026 |

The District records the expected revenues to be received based on factors such as previous years' collections of assessments and the estimated taxable assessed value for the current year. State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. 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.

Paid time off

Paid time off (PTO) includes vacation and holiday pay. Sick pay is not vested and therefore not accrued. The District's policy is to recognize the cost of sick pay when actually paid to employees. Full-time employees earn and vest in PTO according to length of service as follows.

| <u>Length of Service</u> | <u>PTO Earned</u>   |
|--------------------------|---------------------|
| 90 days - 2 years        | 1.08 days per month |
| 3 - 5 years              | 1.50 days per month |
| 6 - 15 years             | 1.92 days per month |
| Over 16 years            | 2.33 days per month |

Unused PTO hours accumulate and carry over from year to year. Employees may accrue a maximum of 272 hours of PTO, including holidays. Accrued compensated absences at October 31, 2025 and 2024, were \$356,767 and \$352,448, respectively. These amounts are included in accrued liabilities on the statements of net position.

Income taxes

The District is exempt from income taxes under Internal Revenue Code Section 115. Accordingly, the accompanying financial statements do not include any provisions for income taxes.

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 and employee health and accident benefits.

The District is a member of a separate trust fund established by the Louisiana Hospital Association that encompasses self-insurance of statutory workers' compensation. The District continues to carry commercial insurance for portions of all other risks of loss. The management of the trust fund for statutory workers' compensation has complete control over the rate setting process.

The District has medical malpractice insurance up to \$100,000 through the Louisiana Hospital Association Trust Fund and an additional \$400,000 through the Patients Compensation Fund. Under current Louisiana law, its liability is limited to the statutory maximum of \$500,000.

**Note 2 – Cash and Cash Equivalents**

Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with any bank domiciled or having a branch office in the State of Louisiana. The District had cash and cash equivalents and cash under indenture agreements (book balances) totaling \$16,570,739 and \$15,386,334 as of October 31, 2025 and 2024, respectively.

These deposits are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance and/or the pledge of securities owned by the fiscal agent bank. The pledged securities are held in the name of the District in a holding or custodial bank that is mutually agreeable to both parties.

The District's deposits (collected bank balances) and the related federal deposit insurance and pledged securities held by the District at October 31, 2025 and 2024, were as follows:

|  | 2025          | 2024          |
|--|---------------|---------------|
| Cash in banks  | \$ 16,766,930 | \$ 15,579,283 |
| Insured by FDIC  | \$ 500,000    | \$ 500,000    |
| Collateralization by fair market value of securities held by pledging institutions | \$ 16,266,930 | \$ 15,079,283 |

In order to comply with debt agreements, the District deposits funds into reserve accounts on a monthly basis.

**Note 3 – Assets Limited as to Use**

Assets whose use is limited that are required for obligations classified as current liabilities are reported in current assets. The composition of assets whose use is limited under an indenture agreement include cash and cash equivalents of \$746,484 and \$712,085 as of October 31, 2025 and 2024, respectively.

**Note 4 – Accounts Receivable - Other**

As of October 31, 2025 and 2024, accounts receivable - other consisted of the following:

|                                    | <u>2025</u>         | <u>2024</u>         |
|------------------------------------|---------------------|---------------------|
| Uncollected ad valorem tax revenue | \$ 1,287,754        | \$ 1,181,986        |
| Accrued uncompensated care         | 797,066             | 172,545             |
| Grant funds receivable             | 247,362             | 157,234             |
| 340B pharmacy program receivable   | 86,627              | -                   |
| Interest receivable                | 50,337              | 53,778              |
|                                    | <u>\$ 2,469,146</u> | <u>\$ 1,565,543</u> |

**Note 5 – Property, Plant, and Equipment**

A schedule of changes in the District's property, plant, and equipment during the year ended October 31, 2025, is as follows:

|                              | <u>Beginning<br/>Balance</u> | <u>Additions<br/>and Transfers</u> | <u>Retirements<br/>and<br/>Transfers</u> | <u>Ending<br/>Balance</u> |
|------------------------------|------------------------------|------------------------------------|--|---------------------------|
| <b>Nondepreciable Assets</b> |                              |                                    |  |                           |
| Land:                        |                              |                                    |  |                           |
| Hospital                     | \$ 456,775                   | \$ 88,500                          | \$ -                                     | \$ 545,275                |
| Morgan Hills                 | 36,000                       | -                                  | -  | 36,000                    |
| Construction in progress     | 540,942                      | 1,590,528                          | -  | 2,131,470                 |
|                              | <u>1,033,717</u>             | <u>1,679,028</u>                   | <u>-</u>                                 | <u>2,712,745</u>          |
| Total nondepreciable assets  | 1,033,717                    | 1,679,028                          | -  | 2,712,745                 |
| <b>Depreciable Assets</b>    |                              |                                    |  |                           |
| Buildings:                   |                              |                                    |  |                           |
| Hospital                     | 11,320,861                   | 232,810                            | -  | 11,553,671                |
| Morgan Hills                 | 907,160                      | -                                  | -  | 907,160                   |
| Nursing Home                 | 1,101,960                    | -                                  | -  | 1,101,960                 |
| Equipment                    | 4,261,718                    | -                                  | -  | 4,261,718                 |
| Vehicles                     | 255,635                      | -                                  | (85,098)                                 | 170,537                   |
|                              | <u>17,847,334</u>            | <u>232,810</u>                     | <u>(85,098)</u>                          | <u>17,995,046</u>         |
| Total depreciable assets     | 17,847,334                   | 232,810                            | (85,098)                                 | 17,995,046                |

|  | Beginning<br>Balance | Additions<br>and Transfers | Retirements<br>and<br>Transfers | Ending<br>Balance    |
|--|----------------------|----------------------------|---------------------------------|----------------------|
| <b>Accumulated Depreciation and Amortization</b> |                      |                            |                                 |                      |
| Buildings:                                       |                      |                            |                                 |                      |
| Hospital   | 4,007,319            | 284,573                    | -                               | 4,291,892            |
| Morgan Hills                                     | 693,331              | 26,361                     | -                               | 719,692              |
| Nursing Home                                     | 1,099,150            | 15                         | -                               | 1,099,165            |
| Equipment  | 3,682,196            | 213,948                    | -                               | 3,896,144            |
| Vehicles   | 217,644              | 7,727                      | (85,098)                        | 140,273              |
| Total accumulated depreciation and amortization  | 9,699,640            | 532,624                    | (85,098)                        | 10,147,166           |
| Depreciable assets, net                          | 8,147,694            | (299,814)                  | -                               | 7,847,880            |
| Property, plant, and equipment, net              | <u>\$ 9,181,411</u>  | <u>\$ 1,379,214</u>        | <u>\$ -</u>                     | <u>\$ 10,560,625</u> |

At October 31, 2025, the District had commitments totaling \$1,038,780 related to hospital expansion and renovations.

A schedule of changes in the District's property, plant, and equipment during the year ended October 31, 2024, is as follows:

|                                | Beginning<br>Balance | Additions<br>and Transfers | Retirements<br>and<br>Transfers | Ending<br>Balance |
|--------------------------------|----------------------|----------------------------|---------------------------------|-------------------|
| <b>Nondepreciable Assets</b>   |                      |                            |                                 |                   |
| Land:                          |                      |                            |                                 |                   |
| Hospital                       | \$ 392,005           | \$ 64,770                  | \$ -                            | \$ 456,775        |
| Morgan Hills                   | 36,000               | -                          | -                               | 36,000            |
| Construction in progress       | 2,945,298            | 2,496,529                  | (4,900,885)                     | 540,942           |
| Total nondepreciable assets    | 3,373,303            | 2,561,299                  | (4,900,885)                     | 1,033,717         |
| <b>Depreciable Assets</b>      |                      |                            |                                 |                   |
| Buildings:                     |                      |                            |                                 |                   |
| Hospital                       | 6,193,991            | 259,080                    | 4,867,790                       | 11,320,861        |
| Morgan Hills                   | 879,248              | 27,912                     | -                               | 907,160           |
| Nursing Home                   | 1,101,960            | -                          | -                               | 1,101,960         |
| Equipment                      | 4,138,823            | 295,978                    | (173,083)                       | 4,261,718         |
| Vehicles                       | 217,000              | 38,635                     | -                               | 255,635           |
| Equipment under finance leases | 235,391              | -                          | (235,391)                       | -                 |
| Total depreciable assets       | 12,766,413           | 621,605                    | 4,459,316                       | 17,847,334        |

|  | Beginning<br>Balance | Additions<br>and Transfers | Retirements<br>and<br>Transfers | Ending<br>Balance |
|--|----------------------|----------------------------|---------------------------------|-------------------|
| <b>Accumulated Depreciation and Amortization</b> |                      |                            |                                 |                   |
| Buildings:                                       |                      |                            |                                 |                   |
| Hospital   | 3,809,129            | 224,391                    | (26,201)                        | 4,007,319         |
| Morgan Hills                                     | 667,313              | 26,018                     | -                               | 693,331           |
| Nursing Home                                     | 1,099,000            | 150                        | -                               | 1,099,150         |
| Equipment  | 3,721,772            | 174,498                    | (214,074)                       | 3,682,196         |
| Vehicles   | 202,472              | 15,172                     | -                               | 217,644           |
| Equipment under finance leases                   | 151,323              | 33,627                     | (184,950)                       | -                 |
| Total accumulated depreciation and amortization  | 9,651,009            | 473,856                    | (425,225)                       | 9,699,640         |
| Depreciable assets, net                          | 3,115,404            | 147,749                    | 4,884,541                       | 8,147,694         |
| Property, plant, and equipment, net              | \$ 6,488,707         | \$ 2,709,048               | \$ (16,344)                     | \$ 9,181,411      |

Depreciation and amortization expense for the years ended October 31, 2025 and 2024, was \$532,624 and \$473,856, respectively.

## Note 6 – Note Payable

### Note payable – USDA Rural Development

The District has a note payable to USDA Rural Development with interest at 8.75% for 50 years, maturing August 2041, with a monthly payment of \$5,735. Note is secured by the Morgan Hills Apartments.

A schedule of changes in the District's note payable during the year ended October 31, 2025, is as follows:

|                        | Beginning<br>Balance | Additions | Reductions  | Ending<br>Balance | Amount<br>Due within<br>One Year |
|------------------------|----------------------|-----------|-------------|-------------------|----------------------------------|
| Note payable           |                      |           |             |                   |                                  |
| USDA Rural Development | \$ 607,040           | \$ -      | \$ (15,356) | \$ 591,684        | \$ 18,018                        |

A schedule of changes in the District's note payable during the year ended October 31, 2024, is as follows:

|                        | Beginning<br>Balance | Additions | Reductions  | Ending<br>Balance | Amount<br>Due within<br>One Year |
|------------------------|----------------------|-----------|-------------|-------------------|----------------------------------|
| Note payable           |                      |           |             |                   |                                  |
| USDA Rural Development | \$ 621,474           | \$ -      | \$ (14,434) | \$ 607,040        | \$ 16,513                        |

Maturities for each of the next five years ending October 31, and thereafter, are as follows:

|            |                   |
|------------|-------------------|
| 2026       | \$ 18,018         |
| 2027       | 19,659            |
| 2028       | 21,450            |
| 2029       | 23,404            |
| 2030       | 25,536            |
| Thereafter | <u>483,617</u>    |
|            | <u>\$ 591,684</u> |

**Note 7 – Bonds Payable**

A schedule of changes in the District's bonds payable during the year ended October 31, 2025, is as follows:

|   | Beginning<br>Balance | Additions   | Reductions          | Ending<br>Balance   | Amount<br>Due within<br>One Year |
|---|----------------------|-------------|---------------------|---------------------|----------------------------------|
| Bonds Payable:                          |                      |             |                     |                     |                                  |
| Hospital Revenue Bonds:                 |                      |             |                     |                     |                                  |
| 25 Year                                 | \$ 464,344           | \$ -        | \$ (67,893)         | \$ 396,451          | \$ 72,362                        |
| 40 Year                                 | 1,464,806            | -           | (37,639)            | 1,427,167           | 39,359                           |
|   |                      |             |                     |                     |                                  |
| Total hospital revenue<br>bonds payable | <u>\$ 1,929,150</u>  | <u>\$ -</u> | <u>\$ (105,532)</u> | <u>\$ 1,823,618</u> | <u>\$ 111,721</u>                |

A schedule of changes in the District's bonds payable during the year ended October 31, 2024, is as follows:

|   | Beginning<br>Balance | Additions   | Reductions          | Ending<br>Balance   | Amount<br>Due within<br>One Year |
|---|----------------------|-------------|---------------------|---------------------|----------------------------------|
| Bonds Payable:                          |                      |             |                     |                     |                                  |
| Hospital Revenue Bonds:                 |                      |             |                     |                     |                                  |
| 25 Year                                 | \$ 528,135           | \$ -        | \$ (63,791)         | \$ 464,344          | \$ 67,989                        |
| 40 Year                                 | 1,500,926            | -           | (36,120)            | 1,464,806           | 37,771                           |
|   |                      |             |                     |                     |                                  |
| Total hospital revenue<br>bonds payable | 2,029,061            | -           | (99,911)            | 1,929,150           | 105,760                          |
| Limited Tax Bonds:                      |                      |             |                     |                     |                                  |
| Series 2016A                            | 63,000               | -           | (63,000)            | -                   | -                                |
| Series 2016B                            | 17,000               | -           | (17,000)            | -                   | -                                |
|   |                      |             |                     |                     |                                  |
| Total limited tax<br>bonds payable      | <u>80,000</u>        | <u>-</u>    | <u>(80,000)</u>     | <u>-</u>            | <u>-</u>                         |
|   |                      |             |                     |                     |                                  |
| Total bonds payable                     | <u>\$ 2,109,061</u>  | <u>\$ -</u> | <u>\$ (179,911)</u> | <u>\$ 1,929,150</u> | <u>\$ 105,760</u>                |

Hospital revenue bonds – 25 Year

Hospital Revenue Bonds of \$1,200,000 due in monthly installments of \$7,916 (principal and interest) for 25 years at an annualized rate of 6.125%, maturing August 2030. Bonds are secured by a pledge of net revenue from the operations of the District.

Hospital revenue bonds – 40 Year

Hospital Revenue Bonds of \$1,900,000 due in monthly installments of \$8,113 (principal and interest) for 40 years at an annualized rate of 4.125%, maturing July 2048. Bonds are secured by a pledge of net revenue from the operations of the District.

Hospital revenue bond covenants

The Hospital's 25 year and 40 year revenue bonds require the District to maintain three separate accounts: Sinking Fund, Reserve Fund, and Contingency Fund. The Sinking Fund is required to have an amount sufficient to pay promptly and fully the monthly principal and interest on the bonds due on the next payment date. The Reserve Fund must have an amount paid to it equal to 5% of the amount paid to the Sinking Fund each month. The amount shall continue until the Reserve Fund has accumulated a sum equal to the combined principal and interest falling due in any year on the bonds, which is the Debt Service Reserve Requirement. The Contingency Fund is established to cover depreciation, additions, improvements and replacements necessary to properly operate the District and shall also have 5% of the amount paid to the Sinking Fund deposited each month until the Debt Service Reserve Requirement is met. Once that requirement is met, the monthly payment into the Contingency Fund shall be increased to an amount equal to 10% of the monthly amount paid to the Sinking Fund and said payments should continue over the life of the bonds. These amounts have been classified as assets limited as to use.

Limited tax bonds – Series 2016A

Limited Tax Bonds of \$400,000 were due in annual principal installments ranging from \$51,000 to \$63,000 and semi-annual interest installments for seven years at an annualized rate of 2.75%, maturing March 2024. Bonds were secured by a pledge of the proceeds of a special five mills tax.

Limited tax bonds – Series 2016B

Limited Tax Bonds of \$100,000 were due in annual principal installments ranging from \$12,000 to \$17,000 and semi-annual interest installments for seven years at an annualized rate of 4.00%, maturing March 2024. Bonds were secured by a pledge of the proceeds of a special five mills tax.

Bond maturities for each of the next five years ending October 31, and thereafter, are as follows:

|            | Principal           | Interest          | Total               |
|------------|---------------------|-------------------|---------------------|
| 2026       | \$ 111,721          | \$ 80,627         | \$ 192,348          |
| 2027       | 118,031             | 74,317            | 192,348             |
| 2028       | 124,709             | 67,639            | 192,348             |
| 2029       | 131,932             | 60,416            | 192,348             |
| 2030       | 124,105             | 53,294            | 177,399             |
| Thereafter | 1,213,120           | 489,321           | 1,702,441           |
|            | <u>\$ 1,823,618</u> | <u>\$ 825,614</u> | <u>\$ 2,649,232</u> |

**Note 8 – Lease Liability**

The District entered into lease agreements for financing the acquisition of equipment. These leases were recorded at the lower of the present value of the future minimum lease payments or the fair value of the assets. The terms and due dates of the District's lease liabilities for the fiscal year ended October 31, 2024, include:

- Lease liability for an x-ray machine, due in monthly installments of \$2,589 including interest, through March 2024, with an imputed interest rate of 5.42%.
- Lease liability for a portable x-ray machine, due in monthly installments of \$1,727 including interest, through March 2024, with an imputed interest rate of 5.20%.

Interest rates on capitalized leases are imputed based on the lower of the District's incremental borrowing rate at the inception of each lease or the lessor's implicit rate of return.

A schedule of changes in the District's lease liability during the year ended October 31, 2024, is as follows:

|                                   | Beginning<br>Balance | Additions   | Reductions         | Ending<br>Balance | Amount<br>Due within<br>One Year |
|-----------------------------------|----------------------|-------------|--------------------|-------------------|----------------------------------|
| Leases:                           |                      |             |                    |                   |                                  |
| Optima x-ray                      | \$ 12,770            | \$ -        | \$ (12,770)        | \$ -              | \$ -                             |
| Optima portable x-ray             | 8,525                | -           | (8,525)            | -                 | -                                |
| Total obligations<br>under leases | <u>\$ 21,295</u>     | <u>\$ -</u> | <u>\$ (21,295)</u> | <u>\$ -</u>       | <u>\$ -</u>                      |

**Note 9 – Lease Expense**

The District leases equipment under various leases in which either the equipment does not meet the capitalization threshold or the leases have a remaining lease term less than twelve months. These leases are set to expire at various times through June 2028. Rent expense on these leases was \$42,340 and \$53,514 during the years ended October 31, 2025 and 2024, respectively. Future minimum lease payments on these non-cancelable leases are as follows:

|      |                  |
|------|------------------|
| 2026 | \$ 22,740        |
| 2027 | 21,200           |
| 2028 | <u>10,096</u>    |
|      | <u>\$ 54,036</u> |

**Note 10 – Pension Plan**

The District has a 403(b) defined contribution plan. Contributions are matched based on years of service of full-time employees, not to exceed 3% of salary deferrals for employees with less than ten years of service and 5% of salary deferrals for employees with ten years of service or more. For Director level employees, the District can match up to 100% of salary deferrals. Contributions to the plan totaled \$151,129 and \$147,290 for the years ended October 31, 2025 and 2024, respectively.

## Note 11 – Grant Income included in Other Operating Revenue

### Cooperative endeavor agreement (CEA)

In fiscal year 2023, the District voluntarily agreed to a CEA with other like-minded Louisiana hospitals, per Louisiana's Rural Hospital Preservation Act (RHPA). The intent of this arrangement is to pool hospital resources across the State to support access to healthcare in rural Louisiana. Under the CEA, the District deposits an amount, determined annually by the Rural Hospital Coalition (RHC), into an account, from which RHC is permitted to withdraw funds and make distributions to participating hospitals using a predetermined formula. Although the payments are formulaic in nature, they are not guaranteed, nor are they directly related to Medicaid reimbursement for the provisions of goods and healthcare services to patients. Accordingly, the receipts under this program (net of required funding by the District) are included in other operating revenues on the accompanying statements of revenue, expenses, and changes in net position.

For the fiscal year ended October 31, 2025, the District received \$1,552,902 in cash (net) and recorded a receivable of \$797,066, included on the statement of net position in accounts receivable – other. Total revenue recognized from the CEA for the year ended October 31, 2025, was \$2,177,423. For the fiscal year ended October 31, 2024, the District received \$2,254,287 in cash (net) and recorded a receivable of \$172,545, included on the statement of net position in accounts receivable – other. Total revenue recognized from the CEA for the year ended October 31, 2024, was \$2,234,316.

### Intergovernmental transaction (IGT) agreements

The District entered into an IGT agreement with the Louisiana Department of Health (LDH) in order to receive Medicaid supplemental payments for qualifying nursing facilities owned or operated by nonstate governmental organizations. The aggregate IGT grant income was \$1,701,333 and \$1,349,706 for the years ended October 31, 2025 and 2024, respectively, and is included in other operating revenues on the accompanying statements of revenue, expenses, and changes in net position.

The District entered into an IGT agreement with the LDH as part of Louisiana Physician IPA, Inc., which is a physician supplemental program. The aggregate IGT grant income was \$98,690 and \$101,214 for the years ended October 31, 2025 and 2024, respectively, and is included in other operating revenues on the accompanying statements of revenue, expenses, and changes in net position.

## Note 12 – Reconciliation of Cash and Cash Equivalents for Statements of Cash Flows

Total cash and cash equivalents as of October 31, 2025 and 2024, are as follows:

|                                 | <u>2025</u>          | <u>2024</u>          |
|---------------------------------|----------------------|----------------------|
| Cash and cash equivalents       | \$ 15,824,255        | \$ 14,674,249        |
| Assets limited as to use        | 746,484              | 712,085              |
| Total cash and cash equivalents | <u>\$ 16,570,739</u> | <u>\$ 15,386,334</u> |

**Note 13 – Concentration of Credit Risk**

The District is located in Greensburg, Louisiana and grants credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements. Revenue from patients and third-party payors was as follows during the years ended October 31, 2025 and 2024:

|                       | <u>2025</u> | <u>2024</u> |
|-----------------------|-------------|-------------|
| Medicare and Medicaid | 40%         | 45%         |
| Commercial            | 56%         | 52%         |
| Self-Pay              | 4%          | 3%          |
|                       | <u>100%</u> | <u>100%</u> |

**Note 14 – Subsequent Events**

Management evaluated all subsequent events through May 8, 2026, the date the financial statements were available to be issued.

In January 2026, the District received a commitment from Investar Bank for partial funding of a loan in connection with the United States Department of Agriculture (USDA) financing of renovations to the District's facilities. The commitment from the local bank is contingent upon the final approval of the USDA loan, which has not yet been received. As of the date of these financial statements, the District is in the process of securing the USDA loan and is awaiting final approval. There is no assurance that the USDA will approve the full financing as requested. The local bank's commitment represents a conditional agreement, subject to USDA's final approval.

**SUPPLEMENTARY INFORMATION**

**ST. HELENA PARISH HOSPITAL SERVICE DISTRICT NO. 1**

**SCHEDULES OF NET PATIENT SERVICE REVENUE**

**Years ended October 31, 2025 and 2024**

|                                       | <u>2025</u>          | <u>2024</u>          |
|---------------------------------------|----------------------|----------------------|
| <b>Patient Service Revenue</b>        |                      |                      |
| Cardiopulmonary                       | \$ 559,841           | \$ 777,706           |
| CT scan                               | 1,139,235            | 1,255,360            |
| Emergency services                    | 1,540,843            | 1,814,304            |
| Intensive outpatient psychiatry       | 166,115              | 226,130              |
| Laboratory                            | 1,860,829            | 2,054,689            |
| Medical supplies                      | 159,561              | 175,463              |
| Nursing home                          | 4,366,536            | 3,884,368            |
| Nursing services                      | 8,025                | 3,669                |
| Observation                           | 43,710               | 109,593              |
| Occupational therapy                  | 176,343              | 190,344              |
| Pharmacy                              | 740,963              | 637,047              |
| Physical therapy                      | 317,554              | 350,339              |
| Professional services                 | 1,251,482            | 1,363,494            |
| Radiology                             | 322,696              | 361,926              |
| Room and board                        | 829,150              | 864,100              |
| Rural health clinic                   | 1,724,095            | 372,507              |
| Speech therapy                        | 29,223               | 53,465               |
| Ultrasound                            | 99,089               | 96,101               |
|                                       | <hr/>                | <hr/>                |
| Gross patient service revenue         | 15,335,290           | 14,590,605           |
| Contractual adjustments and discounts | 376,130              | 275,186              |
| Provision for bad debts               | (673,444)            | (370,326)            |
|                                       | <hr/>                | <hr/>                |
| Net patient service revenue           | <u>\$ 15,037,976</u> | <u>\$ 14,495,465</u> |

**ST. HELENA PARISH HOSPITAL SERVICE DISTRICT NO. 1**

**SCHEDULES OF OPERATING EXPENSES**

**Years ended October 31, 2025 and 2024**

|                                 | <u>2025</u> | <u>2024</u> |
|---------------------------------|-------------|-------------|
| <b>Operating Expenses</b>       |             |             |
| Salaries:                       |             |             |
| Administration                  | \$ 987,131  | \$ 893,961  |
| Business office                 | 211,879     | 204,724     |
| Cardiopulmonary                 | 246,839     | 219,234     |
| Central supply                  | 112,081     | 100,137     |
| Dietary                         | 372,695     | 315,389     |
| Emergency services              | 357,337     | 348,620     |
| Housekeeping                    | 375,077     | 353,409     |
| Information technology          | 87,225      | 87,422      |
| Intensive outpatient psychiatry | 145,548     | 133,307     |
| Laboratory                      | 520,938     | 514,122     |
| Maintenance                     | 192,930     | 218,001     |
| Medical records                 | 57,673      | 44,873      |
| Nursing home                    | 3,044,112   | 2,836,299   |
| Nursing services                | 1,636,740   | 1,477,307   |
| Occupational therapy            | 175,357     | 165,963     |
| Pharmacy                        | 203,792     | 195,552     |
| Physical therapy                | 495,502     | 475,812     |
| Radiology                       | 385,510     | 390,057     |
| Rural health clinic             | 781,592     | 282,954     |
| Speech therapy                  | 48,235      | 55,802      |
| Transportation                  | 78,322      | 73,266      |
| Total salaries                  | 10,516,515  | 9,386,211   |
| Outside services:               |             |             |
| Professional fees               | 1,165,413   | 1,154,891   |
| Contract services               | 1,019,771   | 1,043,484   |
| Other                           | 3,611       | 6,653       |
| Total outside services          | 2,188,795   | 2,205,028   |
| Supplies and other:             |             |             |
| Food cost                       | 353,598     | 323,726     |
| Pharmacy                        | 151,040     | 156,715     |
| Medical supplies                | 1,350,764   | 1,302,575   |
| Total supplies and other        | 1,855,402   | 1,783,016   |

**ST. HELENA PARISH HOSPITAL SERVICE DISTRICT NO. 1**

**SCHEDULES OF OPERATING EXPENSES (continued)**

**Years ended October 31, 2025 and 2024**

|                                  | <u>2025</u>          | <u>2024</u>          |
|----------------------------------|----------------------|----------------------|
| General and administrative:      |                      |                      |
| Advertising                      | \$ 3,130             | \$ 100               |
| Bank charges                     | 27,925               | 12,823               |
| Bed tax                          | 261,906              | 257,835              |
| Dues and subscriptions           | 32,090               | 31,972               |
| Education                        | 42,511               | 14,969               |
| Employee benefits                | 151,129              | 147,290              |
| Gas                              | 9,622                | 60,458               |
| Group insurance                  | 966,118              | 807,190              |
| Insurance                        | 384,340              | 372,802              |
| Lease and rental expense         | 89,805               | 91,997               |
| Maintenance contracts            | 56,172               | 58,368               |
| Other                            | 91,625               | 93,300               |
| Payroll taxes                    | 774,797              | 689,137              |
| Postage                          | 434                  | 339                  |
| Repairs and maintenance          | 216,363              | 131,997              |
| Sewerage                         | 4,228                | 4,185                |
| Taxes - property                 | 4,667                | 17,148               |
| Telephone                        | 32,402               | 47,279               |
| Travel                           | 9,266                | 14,197               |
| Utilities                        | 202,258              | 164,029              |
| Water                            | 4,235                | 3,371                |
|                                  | <hr/>                | <hr/>                |
| Total general and administrative | 3,365,023            | 3,020,786            |
| Depreciation and amortization    | 532,624              | 473,856              |
| Apartment expense                | 310,111              | 292,715              |
|                                  | <hr/>                | <hr/>                |
| Total operating expenses         | <u>\$ 18,768,470</u> | <u>\$ 17,161,612</u> |

**ST. HELENA PARISH HOSPITAL SERVICE DISTRICT NO. 1**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO  
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

**Year ended October 31, 2025**

**Agency Head Name: Naveed Awan, Chief Executive Officer**

| <u>Purpose</u>                         | <u>Amount</u> |
|--|---------------|
| Salary                                 | \$ 351,743    |
| Incentive compensation                 | 50,000        |
| Benefits - insurance                   | 21,317        |
| Benefits - retirement                  | 46,846        |
| Car allowance                          | -             |
| Vehicle provided by agency             | -             |
| Per diem                               | -             |
| Reimbursements                         | -             |
| Travel                                 | -             |
| Registration fees                      | 3,190         |
| Conference travel                      | 6,354         |
| Continuing professional education fees | 345           |
| Housing                                | -             |
| Unvouchered expenses                   | -             |
| Special meals                          | -             |

**OTHER REPORT**



**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**

Mr. Naveed Awan, Chief Executive Officer,  
and the Board of Commissioners of  
St. Helena Parish Hospital Service District No. 1

We have audited, in accordance with the 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, the financial statements of St. Helena Parish Hospital Service District No. 1 (the District), a component unit of St. Helena Parish Police Jury, as of and for the year ended October 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated May 8, 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and responses as item 2025-001.

### **District's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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.

A handwritten signature in black ink that reads "Hogan Taylor LLP". The signature is written in a cursive, flowing style.

Baton Rouge, Louisiana  
May 8, 2026

**ST. HELENA PARISH HOSPITAL SERVICE DISTRICT NO. 1**

**SCHEDULE OF FINDINGS AND RESPONSES**

**Year ended October 31, 2025**

**Part I – Summary of Audit Results**

- 1) An unmodified opinion has been expressed on the financial statements of St. Helena Parish Hospital Service District No. 1 as of and for the year ended October 31, 2025, and the related notes to the financial statements.
- 2) No deficiencies in internal control over financial reporting that we consider to be material weaknesses were identified.
- 3) One instance of noncompliance that is required to be reported under *Government Auditing Standards* was identified.
- 4) A single audit in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* was not required.
- 5) A management letter was not issued for the year ended October 31, 2025.

**Part II – Findings Related to an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

*2025-001: Late Submission of Audit Report to the Louisiana Legislative Auditor*

**Criteria:**

Louisiana Revised Statute 24:513 requires that all local auditees submit their audited financial statements to the Louisiana Legislative Auditor (LLA) no later than six months after their fiscal year end.

**Condition:**

Financial statements were not timely filed with the Louisiana Legislative Auditor.

**Cause:**

More time was necessary to gather additional financial information.

**Effect:**

The District is not in compliance with Louisiana Revised Statute 24:513.

**Auditor's Recommendation:**

The District should adhere to its policies and procedures to ensure timely filing of all required reports.

**Management's Response:**

We are aware of the requirement to submit audited financial statements within six months after fiscal year end, and we will ensure that future filings are submitted timely.

**ST. HELENA PARISH HOSPITAL SERVICE DISTRICT NO. 1**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**Year ended October 31, 2025**

**Part I – Findings Related to an Audit of Financial Statements Performed in Accordance with  
*Government Auditing Standards***

No findings were noted.

**Part II – Management Letter**

A management letter was not issued for the year ended October 31, 2024.