



**Savoy Medical Management  
Group, Inc.  
d/b/a Savoy Medical Center  
A Component Unit of the Town of  
Mamou, Louisiana**

**Independent Auditor's Reports and Financial  
Statements**

December 31, 2025



**Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center**  
**A Component Unit of the Town of Mamou, Louisiana**  
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**December 31, 2025**

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## Independent Auditor's Report

Board of Trustees  
Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center  
Mamou, Louisiana

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the financial statements of Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center (Medical Center), a component unit of the Town of Mamou, Louisiana, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Medical Center's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Medical Center as of December 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Medical Center, 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.

#### ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, the Medical Center changed its financial reporting framework and corrected errors in the beginning balances of capital assets and net position. Our opinion is not modified with respect to this matter.

#### ***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 Medical Center's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Medical Center'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 Medical Center's ability to continue as a going concern for a reasonable period of time.

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2026, on our consideration of the Medical Center'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 Medical Center'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 Medical Center's internal control over financial reporting and compliance.

**Forvis Mazars, LLP**

**Little Rock, Arkansas  
September 28, 2026**

**Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center**  
**A Component Unit of the Town of Mamou, Louisiana**  
**Balance Sheet**  
**December 31, 2025**

**ASSETS**

**Current Assets**

|                                                              |              |
|--------------------------------------------------------------|--------------|
| Cash                                                         | \$ 2,945,927 |
| Restricted investments – current                             | 747,562      |
| Patient accounts receivable, net of allowance of \$1,193,857 | 2,979,172    |
| Estimated amounts due from third-party payors                | 685,293      |
| Other accounts receivable                                    | 1,920,055    |
| Supplies                                                     | 862,645      |
| Prepaid expenses                                             | 213,606      |

|                             |                   |
|-----------------------------|-------------------|
| <b>Total Current Assets</b> | <u>10,354,260</u> |
|-----------------------------|-------------------|

**Noncurrent Investments**

|                                          |                   |
|------------------------------------------|-------------------|
| Held by trustee for debt service         | 2,206,559         |
| Held by trustee for capital improvements | <u>23,922,877</u> |

|                                                  |                |
|--------------------------------------------------|----------------|
|                                                  | 26,129,436     |
| Less amount required to meet current obligations | <u>747,562</u> |

25,381,874

|                            |                  |
|----------------------------|------------------|
| <b>Capital Assets, Net</b> | <u>6,577,274</u> |
|----------------------------|------------------|

|                          |                |
|--------------------------|----------------|
| <b>Lease Assets, Net</b> | <u>663,067</u> |
|--------------------------|----------------|

|                     |                             |
|---------------------|-----------------------------|
| <b>Total Assets</b> | <u><u>\$ 42,976,475</u></u> |
|---------------------|-----------------------------|

**Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center**  
**A Component Unit of the Town of Mamou, Louisiana**  
**Balance Sheet**  
**December 31, 2025**

**(Continued)**

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**LIABILITIES AND NET POSITION**

**Current Liabilities**

|                                      |                  |
|--------------------------------------|------------------|
| Current maturities of long-term debt | \$ 1,275,000     |
| Current portion of lease liabilities | 345,502          |
| Accounts payable                     | 1,000,355        |
| Accrued expenses                     | 1,114,092        |
| Due to other governments             | <u>2,550,881</u> |

**Total Current Liabilities**

6,285,830

**Other Liabilities**

|                      |                |
|----------------------|----------------|
| Long-term debt       | 22,950,000     |
| Lease liabilities    | 382,797        |
| Compensated absences | <u>426,915</u> |

**Total Other Liabilities**

23,759,712

**Total Liabilities**

30,045,542

**Net Position**

|                                          |                  |
|------------------------------------------|------------------|
| Net investment in capital assets         | 5,648,810        |
| Restricted – expendable for debt service | 1,569,059        |
| Unrestricted                             | <u>5,713,064</u> |

**Total Net Position**

12,930,933

**Total Liabilities and Net Position**

\$ 42,976,475

**Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center**  
**A Component Unit of the Town of Mamou, Louisiana**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Year Ended December 31, 2025**

**Operating Revenues**

|                                                                                                                       |               |
|-----------------------------------------------------------------------------------------------------------------------|---------------|
| Net patient service revenue, net of provision for uncollectible accounts and contractual adjustments of \$113,871,270 | \$ 30,758,810 |
| Other revenue                                                                                                         | 14,786,488    |

|                                 |                   |
|---------------------------------|-------------------|
| <b>Total Operating Revenues</b> | <b>45,545,298</b> |
|---------------------------------|-------------------|

**Operating Expenses**

|                                            |            |
|--------------------------------------------|------------|
| Salaries and wages                         | 11,160,928 |
| Employee benefits                          | 1,868,523  |
| Supplies and other                         | 8,844,143  |
| Purchased services and professional fees   | 7,015,632  |
| Depreciation and amortization              | 1,099,669  |
| Lease and rental                           | 357,386    |
| Utilities                                  | 997,848    |
| Repairs and maintenance                    | 711,136    |
| Insurance                                  | 434,676    |
| Subscriptions and dues                     | 378,572    |
| Travel and entertainment                   | 57,824     |
| Intergovernmental transfer – access grants | 7,750,000  |

|                                 |                   |
|---------------------------------|-------------------|
| <b>Total Operating Expenses</b> | <b>40,676,337</b> |
|---------------------------------|-------------------|

|                         |                  |
|-------------------------|------------------|
| <b>Operating Income</b> | <b>4,868,961</b> |
|-------------------------|------------------|

**Other Nonoperating Revenues (Expenses)**

|                   |             |
|-------------------|-------------|
| Investment income | 1,047,606   |
| Interest expense  | (1,832,940) |

|                                                     |                  |
|-----------------------------------------------------|------------------|
| <b>Total Other Nonoperating Revenues (Expenses)</b> | <b>(785,334)</b> |
|-----------------------------------------------------|------------------|

|                                 |                  |
|---------------------------------|------------------|
| <b>Increase in Net Position</b> | <b>4,083,627</b> |
|---------------------------------|------------------|

|                                                      |                  |
|------------------------------------------------------|------------------|
| <b>Net Position, Beginning of Year (as Restated)</b> | <b>8,847,306</b> |
|------------------------------------------------------|------------------|

|                                  |                      |
|----------------------------------|----------------------|
| <b>Net Position, End of Year</b> | <b>\$ 12,930,933</b> |
|----------------------------------|----------------------|

**Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center**  
**A Component Unit of the Town of Mamou, Louisiana**  
**Statement of Cash Flows**  
**Year Ended December 31, 2025**

|                                                                                            |                     |
|--------------------------------------------------------------------------------------------|---------------------|
| <b>Cash Flows From Operating Activities</b>                                                |                     |
| Receipts from and on behalf of patients                                                    | \$ 32,298,287       |
| Payments to suppliers and contractors                                                      | (27,134,175)        |
| Payments to employees                                                                      | (13,029,451)        |
| Other receipts                                                                             | 12,980,090          |
| <b>Net Cash Provided by Operating Activities</b>                                           | <b>5,114,751</b>    |
| <b>Cash Flows From Capital and Related Financing Activities</b>                            |                     |
| Principal paid on bonds payable                                                            | (1,275,000)         |
| Interest paid on bonds payable                                                             | (1,658,362)         |
| Principal paid on lease liabilities                                                        | (288,116)           |
| Interest paid on lease liabilities                                                         | (31,041)            |
| Purchase of capital assets                                                                 | (2,248,998)         |
| <b>Net Cash Used in Capital and Related Financing Activities</b>                           | <b>(5,501,517)</b>  |
| <b>Cash Flows From Investing Activities</b>                                                |                     |
| Interest and dividends on investments                                                      | 998,523             |
| Purchase of investments                                                                    | (253,044,695)       |
| Proceeds from disposition of investments                                                   | 253,043,914         |
| <b>Net Cash Provided by Investing Activities</b>                                           | <b>997,742</b>      |
| <b>Increase in Cash</b>                                                                    | <b>610,976</b>      |
| <b>Cash, Beginning of Year</b>                                                             | <b>2,334,951</b>    |
| <b>Cash, End of Year</b>                                                                   | <b>\$ 2,945,927</b> |
| <b>Reconciliation of Operating Income to Net Cash<br/>Provided by Operating Activities</b> |                     |
| Operating income                                                                           | \$ 4,868,961        |
| Depreciation and amortization                                                              | 1,099,669           |
| Changes in operating assets and liabilities                                                |                     |
| Patient accounts receivable                                                                | (61,717)            |
| Other receivables                                                                          | (1,806,398)         |
| Supplies                                                                                   | 94,266              |
| Estimated amounts due from and to third-party payors                                       | 1,601,194           |
| Prepaid expenses and other assets                                                          | 45,009              |
| Accounts payable and accrued expenses                                                      | (726,233)           |
| <b>Net Cash Provided by Operating Activities</b>                                           | <b>\$ 5,114,751</b> |
| <b>Noncash Investing, Capital, and Financing Activities</b>                                |                     |
| Lease liabilities incurred for lease assets                                                | \$ 419,560          |
| Lease liability removed due to termination                                                 | \$ 482,903          |
| Lease asset removed due to termination                                                     | \$ 482,903          |

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

### ***Nature of Operations and Reporting Entity***

Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center (Medical Center) is an acute care Medical Center located in the Town of Mamou, Louisiana (Town). The Medical Center primarily earns revenues by providing inpatient, outpatient, and emergency care services to patients in the Evangeline Parish area. The Medical Center is organized as a nonprofit corporation under the laws of the state of Louisiana. The Town is the sole member of the Medical Center. The Medical Center is a component unit of the Town, and the governing body of the Town appoints members to the board of trustees.

### ***Change in Financial Reporting Framework and Restatement***

Previously issued financial statements presented the Medical Center under the Financial Accounting Standards Board (FASB) reporting model. Based on the Board approval process described above, it was subsequently determined that the Medical Center meets the definition of a governmental entity and is therefore required to prepare its financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental entities as established by the Governmental Accounting Standards Board (GASB). This restatement increased the previously reported change in net position by \$123,421; required a reduction of \$2,464,570 to the beginning balance net position, as well as a restatement of beginning lease assets, net and beginning lease liabilities of \$1,079,157 and \$1,079,758, respectively, that were previously undisclosed in the notes to financial statements; and the adoption of certain standards that had effective dates in prior reporting periods.

### ***Basis of Accounting and Presentation***

The financial statements of the Medical Center have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets, liabilities, and deferred inflows and outflows of resources from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated or voluntary nonexchange transactions are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions and program-specific, government-mandated or voluntary nonexchange transactions. Government-mandated or voluntary nonexchange transactions that are not program-specific (such as investment income and interest on capital asset-related debt) are included in nonoperating revenues and expenses. The Medical Center first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

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

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### ***Cash Equivalents***

The Medical Center considers all liquid investments with original maturities of three months or less to be cash equivalents. The Medical Center had no cash equivalents at December 31, 2025.

### ***Noncurrent Investments***

Noncurrent investments include assets held by trustees under bond indenture agreements and assets held by trustees for capital improvements. Amounts required to meet current liabilities of the Medical Center have been included in restricted investments – current on the balance sheet.

**Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center**  
**A Component Unit of the Town of Mamou, Louisiana**  
**Notes to Financial Statements**  
**December 31, 2025**

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***Patient Accounts Receivable***

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

***Supplies***

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

***Investments and Investment Income***

All investments are carried at fair value. Fair value is determined using quoted market prices.

Investment income includes dividend and interest income and the net change for the year in the fair value of investments carried at fair value.

***Capital Assets (Including Intangible Assets)***

Capital assets are recorded at cost at the date of acquisition or acquisition value at the date of donation if acquired by gift (except for intangible right-to-use lease equipment, the measurement of which is discussed below). Depreciation is computed using the straight-line method over the estimated useful life of each asset. The following estimated useful lives are being used by the Medical Center:

|                                     |               |
|-------------------------------------|---------------|
| Buildings and building improvements | 7 to 40 years |
| Equipment                           | 2 to 15 years |

***Lease Assets***

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

***Capital and Lease Asset Impairment***

The Medical Center evaluates capital and lease assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital or lease asset has occurred. If a capital or lease asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, accumulated depreciation is increased by the amount of the impairment loss.

During 2025, a leased computed tomography scanner was damaged during an ice storm and was fully impaired. Insurance recoveries were received during the year, and the net impact of approximately \$18,000 is included within supplies and other expense on the statement of revenues, expenses, and changes in net position

***Construction in Progress***

At December 31, 2025, construction in progress primarily represents costs incurred for renovations of the Medical Center. This project is expected to be completed in August 2027; total project costs are estimated to be \$24,000,000 and will be financed with proceeds from the Series 2024 Revenue Bonds.

**Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center**  
**A Component Unit of the Town of Mamou, Louisiana**  
**Notes to Financial Statements**  
**December 31, 2025**

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***Compensated Absences***

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

Compensated absence liabilities are computed using the regular pay and termination pay rates, as applicable, in effect at the balance sheet date plus an additional amount for salary-related payments, such as Social Security and Medicare taxes, computed using rates in effect at that date. The estimated compensated absences liability expected to be paid more than one year after the balance sheet date is included in compensated absences – long term.

***Risk Management***

The Medical Center 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. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

The Medical Center purchases medical malpractice insurance under a claims-made policy on a fixed premium basis. GAAP requires a healthcare provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon the Medical Center's claims experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

***Net Position***

Net position of the Medical Center is classified in three components on its balance sheet:

- Net investment in capital assets consists of capital, lease, and subscription assets net of accumulated depreciation and amortization and reduced by the outstanding balances of borrowings used to finance the purchase, use, or construction of those assets.
- Restricted net position is made up of noncapital assets that must be used for a particular purpose, as specified by creditors, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings.
- Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

***Net Patient Service Revenue***

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

***Charity Care***

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

**Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center**  
**A Component Unit of the Town of Mamou, Louisiana**  
**Notes to Financial Statements**  
**December 31, 2025**

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***Income Taxes***

The Medical Center has been recognized as exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Medical Center is subject to federal income tax on any unrelated business taxable income.

**Note 2. Deposits, Investments, and Investment Return**

***Deposits***

Custodial credit risk is the risk that in the event of a bank failure a government's deposits may not be returned to it. The Medical Center has an informal policy to follow compliance with state law.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies, or instrumentalities of the state of Louisiana; bonds of any city, county, school district, or special road district of the state of Louisiana; bonds of any state; or a surety bond having an aggregate value at least equal to the amount of the deposits.

At December 31, 2025, approximately \$2,678,000 of the Medical Center's bank balances of approximately \$3,178,000 was uninsured with collateral held by pledging financial institutions. At December 31, 2025, the Medical Center had \$0 uninsured and uncollateralized.

***Investments***

The Medical Center may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities and in bank repurchase agreements. It may also invest to a limited extent in corporate bonds and equity securities.

The Medical Center had the following investments and maturities at December 31, 2025:

| <b>Type</b>                     | <b>Fair Value</b>    | <b>Maturities in Years</b> |
|---------------------------------|----------------------|----------------------------|
|                                 |                      | <b>Less Than 1 Year</b>    |
| U.S. Treasury notes             | \$ 15,609,480        | \$ 15,609,480              |
| Money market mutual funds       | 3,032,035            | 3,032,035                  |
| Commercial paper                | 3,990,061            | 3,990,061                  |
| Brokered certificate of deposit | 2,500,000            | 2,500,000                  |
| U.S. Agency obligations – FNMA  | 997,860              | 997,860                    |
|                                 | <u>\$ 26,129,436</u> | <u>\$ 26,129,436</u>       |

***Interest Rate Risk***

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The Medical Center does not have a policy addressing interest rate risk.

**Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center**  
**A Component Unit of the Town of Mamou, Louisiana**  
**Notes to Financial Statements**  
**December 31, 2025**

***Credit Risk***

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Medical Center does not have a policy addressing credit risk. The Medical Center's investments were subject to credit risk as follows at December 31, 2025:

| <u>Type</u>                              | <u>Fair Value</u>    | <u>U.S.<br/>Government<br/>Guaranteed</u> | <u>Not Rated or<br/>Not Available</u> |
|------------------------------------------|----------------------|-------------------------------------------|---------------------------------------|
| U.S. Treasury notes                      | \$ 15,609,480        | \$ 15,609,480                             | \$ -                                  |
| Money market mutual funds                | 3,032,034            | -                                         | 3,032,034                             |
| Commercial paper                         | 3,990,062            | -                                         | 3,990,062                             |
| Brokered certificate of deposit          | 2,500,000            | -                                         | 2,500,000                             |
| U.S. Agency obligations - FNMA           | 997,860              | -                                         | 997,860                               |
| Total investments measured at fair value | <u>\$ 26,129,436</u> | <u>\$ 15,609,480</u>                      | <u>\$ 10,519,956</u>                  |

***Custodial Credit Risk***

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty the Medical Center will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the Medical Center's investments are held in safekeeping or trust accounts.

***Concentration of Credit Risk***

The Medical Center places no limit on the amount that may be invested in any one issuer. The following table reflects the Medical Center's investments in single issuers that represent more than 5% of total investments at December 31, 2025:

|                                                |       |
|------------------------------------------------|-------|
| U.S. Treasury notes                            | 59.7% |
| Goldman Sachs Financial Square Government Fund | 11.6% |
| Investar Bank CD                               | 9.6%  |

***Foreign Currency Risk***

This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The Medical Center was not exposed to foreign currency risk as of December 31, 2025.

**Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center**  
**A Component Unit of the Town of Mamou, Louisiana**  
**Notes to Financial Statements**  
**December 31, 2025**

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***Summary of Carrying Values***

The carrying values of deposits and investments shown above are included in the balance sheet as follows:

|                                                  |                      |
|--------------------------------------------------|----------------------|
| Carrying value                                   |                      |
| Deposits                                         | \$ 2,945,927         |
| Investments                                      | <u>26,129,436</u>    |
|                                                  | <u>\$ 29,075,363</u> |
| Included in the following balance sheet captions |                      |
| Cash                                             | \$ 2,945,927         |
| Held by trustee for debt service                 | 2,206,559            |
| Held by trustee for capital improvements         | <u>23,922,877</u>    |
|                                                  | <u>\$ 29,075,363</u> |

**Note 3. Patient Accounts Receivable**

The Medical Center grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payor agreements. Patient accounts receivable were as follows at December 31, 2025:

|                                           |                     |
|-------------------------------------------|---------------------|
| Medicare                                  | \$ 1,474,292        |
| Medicaid                                  | 1,288,676           |
| Other third-party payors                  | 1,277,551           |
| Patients                                  | <u>132,510</u>      |
|                                           | 4,173,029           |
| Less allowance for uncollectible accounts | <u>1,193,857</u>    |
|                                           | <u>\$ 2,979,172</u> |

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**Note 4. Capital and Lease Assets**

Capital assets activity was as follows for the year ended December 31, 2025:

|                                        | <b>Beginning<br/>Balance<br/>(As Restated)</b> | <b>Additions</b>    | <b>Disposals</b> | <b>Transfers</b> | <b>Ending<br/>Balance</b> |
|----------------------------------------|------------------------------------------------|---------------------|------------------|------------------|---------------------------|
| Land                                   | \$ 125,863                                     | \$ 17,500           | \$ -             | \$ -             | \$ 143,363                |
| Buildings and building<br>improvements | 3,494,676                                      | 191,360             | (58,644)         | 722,070          | 4,349,462                 |
| Equipment                              | 7,585,214                                      | 54,051              | -                | 792,727          | 8,431,992                 |
| Construction in progress               | 866,089                                        | 1,986,087           | -                | (1,514,797)      | 1,337,379                 |
|                                        | <u>12,071,842</u>                              | <u>2,248,998</u>    | <u>(58,644)</u>  | <u>-</u>         | <u>14,262,196</u>         |
| Less accumulated depreciation          |                                                |                     |                  |                  |                           |
| Buildings and building<br>improvements | (1,764,405)                                    | (161,873)           | 58,644           | -                | (1,867,634)               |
| Equipment                              | (5,232,239)                                    | (585,049)           | -                | -                | (5,817,288)               |
|                                        | <u>(6,996,644)</u>                             | <u>(746,922)</u>    | <u>58,644</u>    | <u>-</u>         | <u>(7,684,922)</u>        |
| Capital assets, net                    | <u>\$ 5,075,198</u>                            | <u>\$ 1,502,076</u> | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ 6,577,274</u>       |

Lease assets activity was as follows for the year ended December 31, 2025:

|                               | <b>Beginning<br/>Balance<br/>(As Restated)</b> | <b>Additions</b> | <b>Disposals</b>    | <b>Transfers</b> | <b>Ending<br/>Balance</b> |
|-------------------------------|------------------------------------------------|------------------|---------------------|------------------|---------------------------|
| Equipment                     | \$ 2,157,128                                   | \$ 419,560       | \$ (576,311)        | \$ -             | \$ 2,000,377              |
| Less accumulated amortization | (1,077,971)                                    | (352,747)        | 93,408              | -                | (1,337,310)               |
| Lease assets, net             | <u>\$ 1,079,157</u>                            | <u>\$ 66,813</u> | <u>\$ (482,903)</u> | <u>\$ -</u>      | <u>\$ 663,067</u>         |

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**Note 5. Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses included in current liabilities consisted of the following at December 31, 2025:

|                                                             |                     |
|-------------------------------------------------------------|---------------------|
| Payable to suppliers and contractors                        | \$ 782,528          |
| Payable to employees (including payroll taxes and benefits) | 266,604             |
| Bond interest payable                                       | 402,315             |
| Payable to patients and insurers                            | 663,000             |
|                                                             | <u>\$ 2,114,447</u> |
| Included in the following balance sheet captions            |                     |
| Accounts payable                                            | \$ 1,000,355        |
| Accrued expenses                                            | 1,114,092           |
|                                                             | <u>\$ 2,114,447</u> |

**Note 6. Long-Term Obligations**

The following is a summary of long-term obligation transactions for the Medical Center for the year ended December 31, 2025:

|                                   | <b>Beginning<br/>Balance<br/>(As Restated)</b> | <b>Additions</b>  | <b>Deductions</b>     | <b>Ending<br/>Balance</b> | <b>Current<br/>Portion</b> |
|-----------------------------------|------------------------------------------------|-------------------|-----------------------|---------------------------|----------------------------|
| Long-term debt                    |                                                |                   |                       |                           |                            |
| Revenue bonds payable             |                                                |                   |                       |                           |                            |
| Series 2024 <sup>(A)</sup>        | \$ 25,500,000                                  | \$ -              | \$ (1,275,000)        | \$ 24,225,000             | \$ 1,275,000               |
| Other long-term liabilities       |                                                |                   |                       |                           |                            |
| Accrued compensated               |                                                |                   |                       |                           |                            |
| absences <sup>1</sup>             | 317,533                                        | 109,382           | -                     | 426,915                   | -                          |
| Lease liabilities                 | 1,079,758                                      | 419,560           | (771,019)             | 728,299                   | 345,502                    |
| Total other long-term liabilities | 1,397,291                                      | 528,942           | (771,019)             | 1,155,214                 | 345,502                    |
| Total long-term obligations       | <u>\$ 26,897,291</u>                           | <u>\$ 528,942</u> | <u>\$ (2,046,019)</u> | <u>\$ 25,380,214</u>      | <u>\$ 1,620,502</u>        |

<sup>1</sup>The change in compensated absences payable is presented as the net amount

(A) Revenue Bonds Payable – Series 2024 – On October 21, 2024, the Louisiana Public Facilities Authority (Authority) issued \$25,500,000 in Medical Center Revenue Bonds Series 2024, with interest rates at 6.85% paid semi-annually and annual principal installments of \$1,275,000 through October 1, 2044, for the purpose of financing building and equipment renovations to the existing facility. These bonds are collateralized by pledged revenues as defined in the loan agreement between the Medical Center and the Authority. The bond includes a financial covenant that requires the Medical Center to maintain certain funding levels defined in the agreement in a debt service account. For the year ended

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December 31, 2025, the Medical Center met the required funding levels and was in compliance with the covenant.

***Debt Service Requirements***

Debt service requirements on long-term debt are as follows as of December 31, 2025:

| <u>Year Ending December 31,</u> | <u>Total to Be<br/>Paid</u> | <u>Principal</u>     | <u>Interest</u>      |
|---------------------------------|-----------------------------|----------------------|----------------------|
| 2026                            | \$ 2,934,413                | \$ 1,275,000         | \$ 1,659,413         |
| 2027                            | 2,847,075                   | 1,275,000            | 1,572,075            |
| 2028                            | 2,759,738                   | 1,275,000            | 1,484,738            |
| 2029                            | 2,672,400                   | 1,275,000            | 1,397,400            |
| 2030                            | 2,585,063                   | 1,275,000            | 1,310,063            |
| 2031–2035                       | 11,615,250                  | 6,375,000            | 5,240,250            |
| 2036–2040                       | 9,431,813                   | 6,375,000            | 3,056,813            |
| 2041–2044                       | 5,973,375                   | 5,100,000            | 873,375              |
|                                 | <u>\$ 40,819,127</u>        | <u>\$ 24,225,000</u> | <u>\$ 16,594,127</u> |

**Note 7. Lease Liabilities**

The Medical Center leases medical equipment, the terms of which expire in various years through 2031. The following is a schedule by year of payments under the leases as of December 31, 2025:

| <u>Year Ending December 31,</u> | <u>Total to Be<br/>Paid</u> | <u>Principal</u>  | <u>Interest</u>  |
|---------------------------------|-----------------------------|-------------------|------------------|
| 2026                            | \$ 366,376                  | \$ 345,502        | \$ 20,874        |
| 2027                            | 216,088                     | 205,749           | 10,339           |
| 2028                            | 91,749                      | 86,480            | 5,269            |
| 2029                            | 40,444                      | 37,363            | 3,081            |
| 2030                            | 34,369                      | 32,652            | 1,717            |
| 2031                            | 20,975                      | 20,553            | 422              |
|                                 | <u>\$ 770,001</u>           | <u>\$ 728,299</u> | <u>\$ 41,702</u> |

**Note 8. Medical Malpractice Claims**

The Medical Center purchases medical malpractice insurance under a claims-made (or occurrence-basis) policy on a fixed premium basis. GAAP requires a healthcare provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon the Medical Center's claims

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experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

## **Note 9. Net Patient Service Revenue**

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

*Medicare.* Certain inpatient acute care services are paid at prospectively determined rates per discharge based on clinical, diagnostic, and other factors. Certain services are paid based on cost-reimbursement methodologies subject to certain limits. Physician services are paid based upon established fee schedules. Outpatient services are paid using prospectively determined rates. The Medical Center is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare administrative contractor.

*Medicaid.* Reimbursements for Medicaid services are generally paid at prospectively determined rates per discharge, per occasion of service, or per covered member. The Medical Center is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicaid administrative contractor.

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

Approximately 81% of net patient service revenue is from participation in the Medicare and state-sponsored Medicaid programs, including managed care programs, for the year ended December 31, 2025. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

On July 3, 2025, the U.S. Congress enacted the *One Big Beautiful Bill Act* (OBBBA), a comprehensive budget reconciliation law introducing significant changes to federal healthcare programs, tax policy, and energy-related incentives. The legislation includes substantial reductions in Medicaid funding, modifications to provider tax structures, new eligibility and cost-sharing requirements for Medicaid beneficiaries, and a five-year \$50 billion rural health transformation fund. The state of Louisiana was awarded approximately \$208,000,000 from this fund for appropriations in 2026.

The OBBBA has not had a material impact on the financial results to date, as many aspects of the legislation are effective for future periods. The Medical Center is currently evaluating what impact the OBBBA may have on the financial results, cash flows, and financial position for future periods.

## **Note 10. Supplemental Funding Programs**

### ***Louisiana Medicaid Enhanced Rates***

The Medical Center receives Medicaid payments to provide an opportunity for the Medical Center to receive rates from Medicaid managed care organizations that approximate, based on available data, the rates that the Medical Center receives for Medicaid fee-for-service patients. During the year ended December 31, 2025, total revenues, net of expenses, recognized by the Medical Center to increase Medicaid managed care payments totaled approximately \$9,300,000. These net receipts are recorded as other operating revenues in the statement of revenues, expenses, and changes in net position.

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***Louisiana Supplemental Payment Programs***

The Medical Center also ensures the availability of quality healthcare services for the low-income and needy population by making additional transfers to support the Medicaid program. For the year ended December 31, 2025, the Medical Center incurred approximately \$7,750,000 in costs, which are included in intergovernmental transfer – access grants in the statement of revenues, expenses, and changes in net position. At December 31, 2025, the Medical Center has recorded a liability of approximately \$2,000,000 related to this program included on the balance sheet as due to other governments.

***Quality and Outcome Improvement Network***

The Medical Center participates in the Quality and Outcome Improvement Network, Inc. (QIN), which works with hospitals in the state and the Healthy Louisiana Medicaid managed care organizations to improve the availability and quality of care to high-risk Medicaid populations in Louisiana in exchange for supplemental payments for meeting certain quality metrics. Amounts received associated with the Medical Center's participation in QIN during the year ended December 31, 2025 totaled approximately \$3,200,000, which is recorded as other operating revenues in the statement of revenues, expenses, and changes in net position.

At December 31, 2025, outstanding receivables related to the programs discussed above were approximately \$1,843,000, which are recorded in other accounts receivable in the balance sheet. Laws and regulations governing the above programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

**Note 11. 340B Revenue**

The Medical Center participates in the 340B Drug Discount Program, which enables qualifying healthcare providers to purchase drugs from pharmaceutical suppliers at a substantial discount. The 340B Drug Pricing Program is managed by the Health Resources and Services Administration (HRSA) Office of Pharmacy Affairs. The Medical Center earns revenue under this program by purchasing pharmaceuticals at a reduced cost to fill prescriptions to qualified patients. The Medical Center has a network of participating pharmacies that dispense the pharmaceuticals to its patients under contract arrangement with the Medical Center.

The 340B gross receipts are included in other operating revenue on the statement of revenues, expenses, and changes in net position and total approximately \$782,000 for the year ended December 31, 2025. The drug replenishment costs and administrative and filing fees are included in supplies and other expenses on the statement of revenues, expenses, and changes in net position and totaled approximately \$439,000 for the year ended December 31, 2025. The net 340B revenue from this program is used in furtherance of the Medical Center's mission.

Regulations associated with this program are complex, and eligibility for the program is determined annually. These regulation changes may have a significant impact on the Medical Center in future years.

**Note 12. Charity Care**

In support of its mission, the Medical Center voluntarily provides free care to patients who lack financial resources and are deemed to be medically indigent. Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, they are not reported in net patient service revenue. In addition, the Medical Center provides services to other medically indigent patients under certain government-reimbursed public aid programs. Such programs pay providers amounts that are less than established charges for the services provided to the recipients and many times the payments are less than the cost of rendering the services provided.

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Management estimates that the direct and indirect costs related to services provided under the charity care policy were approximately \$56,000 for the year ended December 31, 2025, using a Medicare-based reasonable cost methodology.

The cost of charity care is estimated by applying the ratio of cost to gross charges to the gross uncompensated charges. In addition to uncompensated costs, the Medical Center also commits significant time and resources to endeavors and critical services that meet otherwise unfilled community needs. Many of these activities are sponsored with the knowledge that they will not be self-supporting or financially viable. Such programs include health screening and assessments, community educational services, and various support groups.

### **Note 13. Retirement Plan**

The Medical Center contributes to a defined contribution 403(b) retirement plan covering substantially all employees. Pension expense is recorded for the amount of the Medical Center's required contributions, determined in accordance with the terms of the plan. The plan is administered by the Medical Center. The Medical Center did not contribute to the Plan for the year ended December 31, 2025.

### **Note 14. Disclosures About Fair Value of Assets and Liabilities**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities

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***Recurring Measurements***

The following table presents the fair value measurements of assets and liabilities recognized in the financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2025:

|                                             |                      | Fair Value Measurements Using                                                 |                                                           |                                                    |
|---------------------------------------------|----------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
|                                             |                      | Quoted Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
|                                             | Total<br>Fair Value  |                                                                               |                                                           |                                                    |
| U S. Treasury notes                         | \$ 15,609,480        | \$ 15,609,480                                                                 | \$ -                                                      | \$ -                                               |
| Money market mutual funds                   | 3,032,035            | 3,032,035                                                                     | -                                                         | -                                                  |
| Commercial paper                            | 3,990,061            | -                                                                             | 3,990,061                                                 | -                                                  |
| Brokered certificate of deposit             | 2,500,000            | -                                                                             | 2,500,000                                                 | -                                                  |
| U S. agency obligations – FNMA              | 997,860              | -                                                                             | 997,860                                                   | -                                                  |
| Total investments measured at<br>fair value | <u>\$ 26,129,436</u> | <u>\$ 18,641,515</u>                                                          | <u>\$ 7,487,921</u>                                       | <u>\$ -</u>                                        |

***Investments***

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset-pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

**Note 15. Contingencies**

***Medical Malpractice Claims***

Estimates related to the accrual for medical malpractice claims are described in Notes 1 and 8.

***General Litigation***

The Medical Center is, from time to time, subject to claims and lawsuits that arose primarily in the ordinary course of its activities. The Medical Center evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of legal counsel, management records an estimate of the amount of ultimate expected loss, if any, for each. It is the opinion of management the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the balance sheet, change in net assets, and cash flows of the Medical Center. Events could occur that would change this estimate materially in the near term.

### ***Investments***

The Medical Center invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the balance sheet.

### **Note 16. Special Services Management Agreement**

On February 14, 2015, the Medical Center entered into a Special Services Management Agreement with Evangeline Clinical Services. The purpose of the agreement is to gain managerial and administrative expertise in the delivery and operations of the hospital and to clinically integrate with CHRISTUS Health Central Louisiana's (CHRISTUS) network of physicians, clinics, and hospitals in order to improve access, quality, availability, and efficiency of care for residents of the community. CHRISTUS will administer day-to-day operations of the hospital, subject to any required approvals and operational oversight from the Medical Center. In exchange for the services and cost incurred, the Medical Center will pay \$10,000 per month and an amount equal to each fiscal year's undisbursed operating revenue as defined by the contract. The term of this agreement is for an initial 15 years and shall automatically continue thereafter for an additional term of five years. On October 21, 2024, the agreement was amended to have an initial term effective through October 31, 2034 and automatically renew for additional terms of five years. In accordance with the terms of the agreement, the Medical Center's management fee amounted to \$120,000 for the year ended December 31, 2025. The Medical Center did not have any undisbursed operating revenue for the year ended December 31, 2025.

### **Note 17. Town of Mamou Grant**

Pursuant to an agreement with the Town of Mamou, Louisiana, dated January 14, 2024, the Medical Center pays an annual grant payment of \$120,000 to the Town to recognize the Town's commitment of resources in support of the Medical Center's goals. The annual payment is recorded as professional fees expense in the statement of revenues, expenses, and changes in net position.

### **Note 18. Government Assistance**

During the year ended December 31, 2020, the Medical Center received approximately \$4,300,000 of distributions from the CARES Act Provider Relief Fund (Provider Relief Fund). These distributions from the Provider Relief Fund are not subject to repayment, provided the Medical Center is able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for qualifying expenses or lost revenue attributable to COVID-19, as defined by the Department of Health and Human Services (HHS).

The Medical Center will continue to monitor compliance with the terms and conditions of the Provider Relief Fund. The terms and conditions governing the Provider Relief Fund are complex and subject to interpretation and change. If the Hospital is unable to attest to or comply with current or future terms and conditions, its ability to retain some or all of the distributions received may be affected. Additionally, the amounts recorded in the financial statements compared to the Medical Center's Provider Relief Fund reporting could differ. Provider Relief Fund payments are subject to government oversight, including potential audits.

During the year ended December 31, 2022, the Medical Center submitted their final report to HHS, reporting the remaining allocation of eligible expenses. At December 31, 2025, the Medical Center has included an estimated liability for potential overpayments of approximately \$550,000 in the event that certain expenses are challenged

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during any future grantor audits. This liability is included in the balance sheet as due to other governmental agencies.

**Note 19. Compensation, Benefits and Other Payments to Agency Head**

The Medical Center's agency head did not receive any compensation, benefits, or other payments from public funds for the year ended December 31, 2025.

**Note 20. Future Change in Accounting Principle**

GASB has issued Statement No. 103, *Financial Reporting Model Improvements*, which standardizes the presentation for various elements in governmental financial statements to eliminate diversity in practice and improve comparability. Affected areas include management's discussion and analysis, unusual or infrequent items, the definitions and presentation of operating and nonoperating revenues and expenses in proprietary funds, the presentation of major component units, budgetary comparison information, and financial trends data in the statistical section of separately issued reports. The requirements of GASB 103 are effective for fiscal years beginning after June 15, 2025. The Medical Center is evaluating the impact of GASB 103 on the financial statements.

GASB has issued Statement No. 104, *Disclosure of Certain Capital Assets*, which requires presentation of owned assets separately from intangible assets and detailed disclosures regarding capital assets held for sale. The requirements of GASB 104 are effective for fiscal years beginning after June 15, 2025. The Medical Center is evaluating the impact of GASB 104 on the financial statements.

**Note 21. Subsequent Events**

Subsequent events have been evaluated through September 28, 2026, which is the date the financial statements were available to be issued.

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

**Independent Auditor's Report**

Board of Trustees  
Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center  
Mamou, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center (Medical Center), a component unit of the Town of Mamou, Louisiana, which comprise the Medical Center's balance sheet as of December 31, 2025, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 28, 2026, which contained an "Emphasis of Matter" paragraph regarding a change in financial reporting framework and correction of errors in the beginning balances of capital assets and net position and an "Other Matter" paragraph regarding omission of required supplementary information.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Medical Center'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 Medical Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Medical Center'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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2025-001 and 2025-002 that we consider to be material weaknesses.

### ***Report on Compliance and Other Matters***

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

### ***The Medical Center's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Medical Center's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Medical Center'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.

**Forvis Mazars, LLP**

Little Rock, Arkansas  
September 28, 2026

**Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center**  
**A Component Unit of the Town of Mamou, Louisiana**  
**Schedule of Findings and Responses**  
**Year Ended December 31, 2025**

| Reference<br>Number | Finding                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| 2025-001            | <p data-bbox="370 394 1469 451">Criteria – Management is responsible for establishing and maintaining effective internal control over financial close and reporting functions.</p> <p data-bbox="370 487 1469 667">Condition – Not all balance sheet accounts were reconciled and reviewed throughout the year. Several adjustments were necessary to present the financial statements in accordance with GAAP, including a restatement to present financials under GASB rather than FASB accounting framework. Additionally, multiple passed adjustments and omitted disclosures were identified during the audit. These matters collectively indicate insufficient review over the financial statement preparation process.</p> <p data-bbox="370 703 1469 760">Cause – The Medical Center has a limited number of accounting and business office personnel and inadequate data retention to support certain balance sheet accounts.</p> <p data-bbox="370 795 1469 882">Effect or Potential Effect – Failure to maintain adequate internal control and review over financial close and reporting functions could prevent material misstatements due to error or fraud from being timely detected.</p> <p data-bbox="370 917 1469 1003">Recommendation – We recommend all balance sheet accounts be reconciled to appropriate supporting schedules or subledgers monthly and that those reconciliations be subjected to a documented review.</p> <p data-bbox="370 1039 1469 1241">Views of Responsible Officials and Planned Corrective Actions – Management concurs with the finding and recommendation and has begun reconciliations of all balance sheet accounts to appropriate supporting schedules or subledgers monthly and reviewing said reconciliations. However, due to resource constraints, full implementation of the recommendation may not be practicable. Management will continue to provide oversight and routinely weigh the costs and benefits of devoting the additional resources necessary to fully implement the recommendation.</p> |

**Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center**  
**A Component Unit of the Town of Mamou, Louisiana**  
**Schedule of Findings and Responses**  
**Year Ended December 31, 2025**

**(Continued)**

| <b>Reference<br/>Number</b> | <b>Finding</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2025-002                    | <p>Criteria – Management is responsible for establishing and maintaining effective internal control over financial reporting including adequate segregation of accounting functions</p> <p>Condition – The Medical Center did not have adequate segregation of duties within the accounting and cash inflows functions.</p> <p>Cause – The Medical Center has a limited number of accounting and business office personnel and has not been able to achieve a full segregation of incompatible functions. In addition, effective compensating controls are not in place to mitigate the risk of material misstatement due to error or fraud resulting from these conflicting duties.</p> <p>Effect or Potential Effect: – Failure to maintain adequate segregation of duties could prevent material misstatements due to error or fraud from being timely detected.</p> <p>Recommendation – Management should segregate incompatible functions and establish certain controls, including a documented review of all balance sheet reconciliations and all manual journal entries. Important incompatible functions that should be segregated include the ability to record adjustments to patient accounts as well as having access to patient cash or checks.</p> <p>Views of Responsible Officials and Planned Corrective Actions – Incompatible functions will be segregated to the fullest extent possible and management will provide greater oversight. However, due to resource constraints, full implementation of the recommendations may not be practicable. Management will continue to provide oversight and routinely weigh the costs and benefits of devoting the additional resources necessary to fully implement the recommendations.</p> |



**Savoy Medical Management  
Group, Inc.  
d/b/a Savoy Medical Center  
A Component Unit of the Town of  
Mamou, Louisiana**

**Independent Accountant's Report on Applying Agreed-Upon  
Procedures**

Year Ended December 31, 2025



## Independent Accountant's Report on Applying Agreed-Upon Procedures

Board of Trustees  
Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center  
Mamou, Louisiana

We have performed the procedures enumerated in the attachment to this report on the control and compliance areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures as of and for the year ended December 31, 2025. The management of Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center (Medical Center), a component unit of the Town of Mamou, Louisiana, is responsible for the control and compliance areas identified in LLA's Statewide Agreed-Upon Procedures.

The Medical Center has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of testing the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures as of and for the year ended December 31, 2025. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are described in the attachment to this report.

We were engaged by the Medical Center to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Under Louisiana Revised Statute 24:513, this report is distributed by LLA as a public document.

**Forvis Mazars, LLP**

**Little Rock, Arkansas  
September 28, 2026**

**Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center**  
**A Component Unit of the Town of Mamou, Louisiana**  
**Applying Agreed-Upon Procedures**  
**Year Ended December 31, 2025**

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**Written Policies and Procedures**

***Procedures***

1. Obtain and inspect the Medical Center's written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the Medical Center's operations):
  - a. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - b. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the public bid law, and (5) documentation required to be maintained for all bids and price quotes.
  - c. ***Disbursements***, including processing, reviewing, and approving.
  - d. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
  - e. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
  - f. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
  - g. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
  - h. ***Credit Cards (and debit cards, fuel cards, P-cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
  - i. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the Medical Center's ethics policy.
  - j. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
  - k. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

**Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center**  
**A Component Unit of the Town of Mamou, Louisiana**  
**Applying Agreed-Upon Procedures**  
**Year Ended December 31, 2025**

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- I. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

***Findings***

Purchasing policies did not include written policies addressing vendor listing changes or the documentation requirements for bids and price quotes.

Contracting policies did not include written policies addressing standard terms and conditions, legal review, or monitoring processes.

Travel and expense reimbursement policies did not include written policies addressing dollar thresholds by category of expense.

Ethics policies did not include written policies documenting the prohibitions as defined in R.S. 42:1111-1121 and did not include requirements for all employees to annually attest they have read the policies.

Information technology policies did not include written policies addressing the storage of backups in a separate physical location isolated from the network.

No exceptions were identified in the performance of the procedures other than those listed above.

**Board or Finance Committee**

***Procedures***

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the Medical Center's collections during the fiscal period.
  - c. For governmental entities, obtain the prior-year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior-year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
  - d. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective active plan at each meeting until the findings are considered fully resolved.

***Findings***

No exceptions were identified in the performance of the procedures listed above.

**Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center**  
**A Component Unit of the Town of Mamou, Louisiana**  
**Applying Agreed-Upon Procedures**  
**Year Ended December 31, 2025**

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**Bank Reconciliations**

***Procedures***

3. Obtain a listing of Medical Center bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the Medical Center's main operating account. Select the Medical Center's main operating account and randomly select four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - a. Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - b. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated or electronically logged); and
  - c. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

***Findings***

Management provided a listing of five bank accounts for the year ended December 31, 2025 and asserted that the listing was complete.

The selected bank reconciliations did not include documentation indicating that reconciling items that had been outstanding for more than 12 months had been researched.

No exceptions were identified in the performance of the procedures aside from the exception listed above.

**Collections (Excluding Electronic Funds Transfers)**

***Procedures***

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select five deposit sites (or all deposit sites if less than five).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a. Employees responsible for cash collections do not share cash drawers/registers.
  - b. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
  - c. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and the deposit.

**Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center**  
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**Applying Agreed-Upon Procedures**  
**Year Ended December 31, 2025**

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- d. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was in force during the fiscal period.
7. Randomly select two deposit dates for each of the five bank accounts selected for "Bank Reconciliations" procedure number 3 above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:
  - a. Observe that receipts are sequentially pre-numbered.
  - b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c. Trace the deposit slip total to the actual deposit per the bank statement.
  - d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - e. Trace the actual deposit per the bank statement to the general ledger.

***Findings***

Management provided a listing of deposit sites where deposits for cash/checks/money orders (cash) are prepared for the year ended December 31, 2025 and asserted the listing was complete.

Management provided a listing of cash/check/money orders (cash) collection locations for each deposit site for the year ended December 31, 2025 and asserted the listing was complete.

No exceptions were identified in the performance of the procedures listed above.

**Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases)**

***Procedures***

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select five locations (or all locations if less than five).
9. For each location selected under procedure number 8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.

**Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center**  
**A Component Unit of the Town of Mamou, Louisiana**  
**Applying Agreed-Upon Procedures**  
**Year Ended December 31, 2025**

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- b. At least two employees are involved in processing and approving payments to vendors.
  - c. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
  - e. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
10. For each location selected under procedure number 8 above, obtain the Medical Center's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction, and:
- a. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the Medical Center.
  - b. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure number 9 above, as applicable.
11. Using the Medical Center's main operating account and the month selected in "Bank Reconciliations" procedure number 3, randomly select five non-payroll related electronic disbursements (or all electronic disbursements if less than five) and observe that each electronic disbursement was:
- a. Approved by only those persons authorized to disburse funds (e.g., sign checks) per the Medical Center's policy.
  - b. Approved by the required number of authorized signers per the Medical Center's policy.

***Findings***

One of the five physical disbursements selected for procedure 10 above included a single signature indicating review/approval of the disbursement but did not meet the Medical Center's policy to have two signatures.

One of the five electronic disbursements selected for procedure 11 above had no documentation of approval. Two selections included a single signature indicating approval for disbursement but did not meet the Medical Center's policy to have two signatures.

No exceptions were identified in the performance of the procedures other than those listed above.

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

***Procedures***

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

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**A Component Unit of the Town of Mamou, Louisiana**  
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**Year Ended December 31, 2025**

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13. Using the listing prepared by management, randomly select five cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:
  - a. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported).
  - b. Observe that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under procedure number 13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.
15. Using the listing of terminated employees obtained in Payroll and Personnel procedure number 20, identify those individuals who had access to cards and randomly select five terminated employees (or all terminated employees with card access if less than five) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

### ***Findings***

Management provided a listing of all active credit cards and asserted that the listing was complete.

The combined monthly credit card statement selected under procedure 13(a) did not include documentation of written review or approval.

No exceptions were identified in the performance of the procedures other than the exception listed above.

### **Travel and Travel-Related Expense Reimbursements (Excluding Card Transactions)**

#### ***Procedures***

16. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select five reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:
  - a. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana ([www.doa.la.gov/doa/ost/ppm-49-travel-guide/](http://www.doa.la.gov/doa/ost/ppm-49-travel-guide/)) or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

**Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center**  
**A Component Unit of the Town of Mamou, Louisiana**  
**Applying Agreed-Upon Procedures**  
**Year Ended December 31, 2025**

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- b. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure number 1g).
- d. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

***Findings***

Management provided a listing of all travel and travel-related expenses and asserted the listing was complete.

No exceptions were identified in the performance of the procedures listed above.

**Contracts**

***Procedures***

- 17. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:
  - a. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
  - c. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment, and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval).
  - d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

***Findings***

Management provided a listing of all active vendors in effect during the year ended December 31, 2025 and asserted the listing was complete.

No exceptions were identified in the performance of the procedures listed above.

**Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center**  
**A Component Unit of the Town of Mamou, Louisiana**  
**Applying Agreed-Upon Procedures**  
**Year Ended December 31, 2025**

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## **Payroll and Personnel**

### ***Procedures***

18. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
19. Randomly select one pay period during the fiscal period. For the five employees or officials selected under procedure number 18 above, obtain attendance records and leave documentation for the pay period, and:
  - a. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - b. Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c. Observe that any leave accrued or taken during the pay period is reflected in the Medical Center's cumulative leave records.
  - d. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
20. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, and the Medical Center's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to Medical Center policy.
21. Obtain management's representation that employer and employee portions of third-party payroll-related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums) have been paid, and any associated forms have been filed, by required deadlines.

### ***Findings***

Management provided a list of all active and terminated employees for the year ended December 31, 2025 and asserted the listing was complete.

No written or electronic evidence was available indicating supervisors reviewed employee attendance and leave for the pay period selected.

No exceptions were identified in the performance of the procedures other than those listed above.

## **Ethics**

### ***Procedures***

22. Using the five randomly selected employees/officials from Payroll and Personnel procedure number 18, obtain ethics documentation from management and:
  - a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period as required by R.S. 42:1170.

**Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center**  
**A Component Unit of the Town of Mamou, Louisiana**  
**Applying Agreed-Upon Procedures**  
**Year Ended December 31, 2025**

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- b. Observe whether the Medical Center maintains documentation that demonstrates each employee and official were notified of any changes to the Medical Center's ethics policy during the fiscal period, as applicable.

23. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

***Findings***

No exceptions were identified in the performance of the procedures listed above.

**Debt Service**

***Procedures***

- 24. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8, of the Louisiana Constitution.
- 25. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

***Findings***

No exceptions were identified in the performance of the procedures listed above.

**Fraud Notice**

***Procedures***

- 26. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Medical Center reported the misappropriation(s) to the legislative auditor and the Medical Center attorney of the parish in which the Medical Center is domiciled as required by R.S. 24:523.
- 27. Observe the Medical Center has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

***Findings***

No exceptions were identified in the performance of the procedures listed above.

**Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center**  
**A Component Unit of the Town of Mamou, Louisiana**  
**Applying Agreed-Upon Procedures**  
**Year Ended December 31, 2025**

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**Information Technology Disaster Recovery/Business Continuity**

***Procedures***

28. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
  - a. Obtain and inspect the Medical Center's most recent documentation that it has backed up its critical data (if no written documentation, then inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week, was not stored on the government's local server or network, and was encrypted.
  - b. Obtain and inspect the Medical Center's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restorations) and observe evidence that the test/verification was successfully performed within past three months.
  - c. Obtain a listing of the Medical Center's computers currently in use, their related locations, and management's representation that the listing is complete. Randomly select five computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
29. Randomly select five terminated employees (or all terminated employees if less than five) using the list of terminated employees obtained in "Payroll and Personnel" procedure number 20. Observe evidence that the selected terminated employees have been removed or disabled from the network.
30. Using the five randomly selected employees/officials from "Payroll and Personnel" procedure number 18, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows: hired before June 9, 2020 – must have completed the training, and hired on or after June 9, 2020 – must have completed the training within 30 days of initial service or employment.

***Findings***

Management provided a computer listing in effect during the year ended December 31, 2025 and asserted the listing was complete.

We performed the procedures and discussed the results with management.

**Prevention of Sexual Harassment**

***Procedures***

31. Using the five randomly selected employees/officials from procedure number 18 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
32. Observe that the Medical Center has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the Medical Center's premises if the Medical Center does not have a website).

**Savoy Medical Management Group, Inc. d/b/a Savoy Medical Center**  
**A Component Unit of the Town of Mamou, Louisiana**  
**Applying Agreed-Upon Procedures**  
**Year Ended December 31, 2025**

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33. Obtain the Medical Center's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- a. Number and percentage of public servants in the agency who have completed the training requirements;
  - b. Number of sexual harassment complaints received by the agency;
  - c. Number of complaints that resulted in a finding that sexual harassment occurred;
  - d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e. Amount of time it took to resolve each complaint.

***Findings***

Three of the five employees selected for testing had not completed one hour of sexual harassment training during calendar year 2025 as required by R.S. 42:343.

The Medical Center's sexual harassment report was not dated on or before February 1, 2026.

No exceptions were identified in the performance of the procedures other than those listed above.

**Management's Response**

Management understands the importance of having policies and procedures in place and being able to monitor those policies and procedures for compliance. Management is in the process of updating all policy and procedure manuals Medical Center-wide and will consider the findings noted in this document as the policies and procedures are being updated. Management will also look at procedures that are currently in place that do not meet LLA's requirements to determine the changes necessary to ensure compliance.