

Financial Statements
September 30, 2025 and 2024

**Concordia Parish Hospital Service
District Number One of the Parish of
Concordia, State of Louisiana
d/b/a Trinity Medical**

Concordia Parish Hospital Service District Number One
of the Parish of Concordia, State of Louisiana
d/b/a Trinity Medical
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September 30, 2025 and 2024

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Independent Auditor's Report

To the Board of Commissioners
Concordia Parish Hospital Service District Number One
of the Parish of Concordia, State of Louisiana
d/b/a Trinity Medical
Ferriday, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of Concordia Parish Hospital Service District Number One of the Parish of Concordia, State of Louisiana d/b/a Trinity Medical (the Hospital), as of and for the years then ended September 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements as listed in the table of contents.

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

Basis for Opinion

We conducted our 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 Hospital and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2026, on our consideration of the Hospital's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Hospital'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 Hospital's internal control over financial reporting and compliance.

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

Dubuque, Iowa
February 25, 2026

This section of the Hospital's annual financial report presents background information and management's analysis of the Hospital's financial performance during the fiscal years ended September 30, 2025 and 2024. Please read it in conjunction with the financial statements beginning on page 9 and notes to the financial statements beginning on page 14 in this report.

Overview of the Financial Statements

The financial statements are comprised of the statements of net position; statements of revenues, expenses, and changes in net position; and the statements of cash flows. The financial statements also include notes that explain in more detail some of the information in the financial statements. The financial statements are designed to provide readers with a broad overview of the Hospital's finances.

The Hospital's financial statements offer short- and long-term information about its activities. The statements of net position include all of the Hospital's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to the Hospital's creditors (liabilities). The statements of net position also provide the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the Hospital.

All of the current year's revenues and expenses are accounted for in the statements of revenues, expenses, and changes in net position. These statements measure the success of the Hospital's operations over the past year and can be used to determine whether the Hospital has successfully recovered all of its costs through its patient service revenue and other revenue sources. Revenues and expenses are reported on an accrual basis, which means the related cash could be received or paid in a subsequent period.

The final statement is the statements of cash flows. These statements report cash receipts, cash payments and net changes in cash resulting from operating, investing, and financing activities. They also provide answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Financial Highlights

The statements of net position and the statements of revenues, expenses, and changes in net position report the net position and the changes in it. The net position - the difference between assets and liabilities - is a way to measure financial health or financial position. Over time, sustained increases or decreases in the net position is one indicator of whether its financial health is improving or deteriorating. However, other non-financial factors such as changes in economic condition, population growth, and new or changed governmental legislation should also be considered.

- The statement of net position at September 30, 2025 indicates total assets of \$76,620,471, total liabilities of \$60,660,156, and net position of \$15,960,315. The statement of net position at September 30, 2024 indicates total assets of \$75,389,821, total liabilities of \$59,644,976, and net position of \$15,744,845.

- The statement of revenues, expenses, and changes in net position for the year ended September 30, 2025, indicates total operating revenues of \$38,516,857 (which includes net patient service revenue of \$28,639,488 and other operating revenues of \$9,877,369), which increased 12% over the previous year, and total operating expenses of \$37,660,812, which increased 13% over the previous fiscal year, resulting in a gain from operations of \$856,045. A net nonoperating loss of \$640,575 brings the increase in net position to \$215,470. Increases in revenues were driven by patient volumes, as well as increases in the Hospital's intergovernmental transfer grant funds received by the Hospital. Increases in expenses were also driven by increased patient volumes, as well as increases in staff wages and benefits and general inflationary increases in expenses.
- The statement of revenues, expenses, and changes in net position for the year ended September 30, 2024, indicates total operating revenues of \$34,251,938 (which includes net patient service revenue of \$28,544,170 and other operating revenues of \$5,707,768), which increased 9% over the previous year, and total operating expenses of \$33,335,949, which increased 10% over the previous fiscal year, resulting in a gain from operations of \$915,989. A net nonoperating loss of \$685,982 brings the increase in net position to \$230,007. Increases in revenues were driven by patient volumes, as well as increases in the Hospital's intergovernmental transfer grant funds received by the Hospital. Increases in expenses were also driven by increased patient volumes, as well as increases in staff wages and benefits and general inflationary increases in expenses.
- The current assets exceeded current liabilities by \$20,240,056 at September 30, 2025, providing a current ratio of 5.54. The current assets exceeded current liabilities by \$18,407,606 at September 30, 2024, providing a current ratio of 7.66.
- The net capital assets, including net right to use leased assets, at September 30, 2025 and 2024 were \$27,116,192, and \$29,614,083, respectively.
- The net position increased by \$215,470 from September 30, 2024 to September 30, 2025 and by \$230,007 from September 30, 2023 to September 30, 2024.

TABLE 1
Condensed Statements of Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Assets			
Current Assets	\$ 24,694,065	\$ 21,170,588	\$ 19,833,681
Noncurrent Cash and Investments	4,825,434	4,620,370	4,424,313
Capital Assets, Net	27,116,192	29,614,083	32,393,238
Other Assets	<u>19,984,780</u>	<u>19,984,780</u>	<u>19,984,780</u>
Total assets	<u>\$ 76,620,471</u>	<u>\$ 75,389,821</u>	<u>\$ 76,636,012</u>
Liabilities and Net Position			
Current Liabilities	\$ 5,299,888	\$ 2,762,982	\$ 2,693,087
Noncurrent Liabilities	<u>55,360,268</u>	<u>56,881,994</u>	<u>58,428,087</u>
Total liabilities	<u>60,660,156</u>	<u>59,644,976</u>	<u>61,121,174</u>
Net Position			
Net deficit in capital assets	(9,176,897)	(7,062,623)	(6,000,677)
Restricted			
Expendable for debt service	2,449,748	2,336,748	2,224,118
Unrestricted	<u>22,687,464</u>	<u>20,470,720</u>	<u>19,291,397</u>
Total net position	<u>15,960,315</u>	<u>15,744,845</u>	<u>15,514,838</u>
Total liabilities and net position	<u>\$ 76,620,471</u>	<u>\$ 75,389,821</u>	<u>\$ 76,636,012</u>

TABLE 2
Condensed Statements of Revenues, Expenses and Changes in Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating Revenues	\$ 38,516,857	\$ 34,251,938	\$ 31,359,755
Operating Expenses	<u>37,660,812</u>	<u>33,335,949</u>	<u>30,203,790</u>
Operating Income	856,045	915,989	1,155,965
Nonoperating Revenues (Expenses), Net	<u>(640,575)</u>	<u>(685,982)</u>	<u>1,106,441</u>
Revenues in Excess of Expenses and Change in Net Position	215,470	230,007	2,262,406
Net Position, Beginning of Year	<u>15,744,845</u>	<u>15,514,838</u>	<u>13,252,432</u>
Net Position, End of Year	<u><u>\$ 15,960,315</u></u>	<u><u>\$ 15,744,845</u></u>	<u><u>\$ 15,514,838</u></u>

Operating Revenue

A majority of the total revenue is derived from patient service revenue. Patient service revenue includes revenue from the Medicare and Medicaid programs and patients, or their third-party payers, who receive care at the hospital.

Reimbursement for the Medicare and Medicaid programs and the third-party payers is based upon established contracts. The difference between the covered charges and the established contract is recognized as a contractual allowance. Other revenue includes medical records revenue, sales tax revenue and home health joint venture payments.

Capital Assets and Right to Use Leased Assets

During fiscal year 2025, total net capital assets decreased by approximately \$2,498,000. This decrease was related to changes in accumulated depreciation in excess of current year capital acquisitions. The Hospital did not enter into any new right to use leased asset arrangements during the year ended September 30, 2025. During fiscal year 2024, total net capital assets decreased by approximately \$2,779,000. This decrease was related to changes in accumulated depreciation in excess of current year capital acquisitions. The Hospital did enter into a new right to use leased asset arrangement for approximately \$12,000 during the year ended September 30, 2024.

Long-term Debt and Lease Liabilities

The noncurrent portion of long-term debt and lease liabilities were approximately \$55,360,000 and \$56,882,000 at end of fiscal years 2025 and 2024, respectively. The current portion of long-term debt and lease liabilities were approximately \$1,523,000 and \$791,000 at the end of fiscal years 2025 and 2024. At September 30, 2025, \$27,117,000 and \$2,040,000 were owed on the USDA Direct Loan and USDA Guaranteed Loan, respectively. At September 30, 2024, \$27,629,000 and \$2,134,000 were owed on the USDA Direct Loan and USDA Guaranteed Loan, respectively. Also included in total long-term debt for both years are debt obligations totaling \$27,670,000 related to debt transactions to access additional funds through the New Market Tax Credits Program. Current portion of long-term debt outstanding represents less than one percent of the Hospital's total assets at September 30, 2025 and 2024.

Economic and Other Factors and Next Year's Budget

The Hospital's Board and management considered many factors when preparing the fiscal year 2026 budget. Of primary consideration in the 2026 budget are the unknowns of health care reform and the continued difficulty in the status of the economy.

Items listed below were also considered:

- Medicare and Medicaid reimbursement rates
- Managed Care contracts
- Change in Commercial Payor contracts
- Staffing benchmarks
- Increased expectations for quality at a lower price
- Salary and benefit costs
- Surging drug costs
- Patient safety and quality initiatives
- Technology advances
- Impact of new service lines

Contacting the Hospital's Financial Department

This financial report is designed to provide our citizens, customers and creditors with a general overview of the entity's finances and to demonstrate the entity's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Trinity Medical Administration at the following address:

Trinity Medical
Attn: Chief Financial Officer
6569 Hwy 84
Ferriday, LA 71334

Trinity Medical
Statements of Net Position
September 30, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 10,470,556	\$ 11,113,812
Restricted cash for debt service	731,608	1,114,691
Receivables		
Patient, net of estimated uncollectibles of \$11,052,000 in 2025 and \$5,135,000 in 2024	7,395,524	5,867,531
Other	169,761	533,894
Estimated third-party payor settlements	4,915,726	1,521,980
Supplies	694,576	656,866
Prepaid expenses	316,314	361,814
Total current assets	24,694,065	21,170,588
Noncurrent Cash and Investments		
Internally designated for future capital improvements	2,308,379	2,193,432
Restricted for debt related costs	67,307	90,190
Restricted for debt service	2,449,748	2,336,748
Total noncurrent cash and investments	4,825,434	4,620,370
Capital Assets		
Capital assets not being depreciated	1,520,140	1,563,603
Capital assets being depreciated, net	25,545,511	27,826,831
Right to use leased assets, net	50,541	223,649
Total capital assets	27,116,192	29,614,083
Other Assets		
LHA Trust Fund	152,258	152,258
Investment in Ferriday Campus Redevelopment Company, LLC	41,250	41,250
Note receivable	19,791,272	19,791,272
Total other assets	19,984,780	19,984,780
Total assets	\$ 76,620,471	\$ 75,389,821

Trinity Medical
Statements of Net Position
September 30, 2025 and 2024

	2025	2024
Liabilities and Net Position		
Current Liabilities		
Current maturities of long-term debt	\$ 1,469,061	\$ 608,087
Current maturities of lease liabilities	53,947	182,778
Accounts payable - trade	2,502,482	807,404
Accrued expenses		
Salaries and wages	261,124	222,029
Compensated absences	523,668	478,951
Estimated health claims payable	419,830	400,725
Payroll taxes and other	44,675	37,907
Interest	25,101	25,101
Total current liabilities	5,299,888	2,762,982
Noncurrent Liabilities		
Long-term debt, less current maturities	55,357,761	56,825,541
Lease liabilities, less current maturities	2,507	56,453
Total noncurrent liabilities	55,360,268	56,881,994
Total liabilities	60,660,156	59,644,976
Net Position		
Net deficit in capital assets	(9,176,897)	(7,062,623)
Restricted		
Expendable for debt service	2,449,748	2,336,748
Unrestricted	22,687,464	20,470,720
Total net position	15,960,315	15,744,845
Total liabilities and net position	\$ 76,620,471	\$ 75,389,821

Trinity Medical
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating Revenues		
Net patient service revenue (net of provision for bad debts of \$9,636,000 in 2025 and \$4,425,000 in 2024)	\$ 28,639,488	\$ 28,544,170
Sales tax revenue	894,558	862,417
Supplemental payments	7,389,068	3,391,702
Other revenue	<u>1,593,743</u>	<u>1,453,649</u>
Total operating revenues	<u>38,516,857</u>	<u>34,251,938</u>
Operating Expenses		
Salaries and benefits	15,225,361	14,209,860
Supplies and other expenses	19,302,179	15,964,479
Depreciation and amortization	<u>3,133,272</u>	<u>3,161,610</u>
Total operating expenses	<u>37,660,812</u>	<u>33,335,949</u>
Operating Income	<u>856,045</u>	<u>915,989</u>
Nonoperating Revenues (Expenses)		
Interest expense	(983,341)	(1,024,067)
Investment income	342,366	330,126
Gain on disposal of capital assets	<u>400</u>	<u>7,959</u>
Nonoperating expenses, net	<u>(640,575)</u>	<u>(685,982)</u>
Revenues in Excess of Expenses and Changes in Net Position	215,470	230,007
Net Position, Beginning of Year	<u>15,744,845</u>	<u>15,514,838</u>
Net Position, End of Year	<u>\$ 15,960,315</u>	<u>\$ 15,744,845</u>

Trinity Medical
Statements of Cash Flows
Years Ended September 30, 2025 and 2024

	2025	2024
Operating Activities		
Receipts from and on behalf of patients	\$ 31,106,817	\$ 31,288,234
Payments to and on behalf of employees	(15,115,676)	(14,084,185)
Payments to suppliers and contractors	(17,959,496)	(16,158,811)
Other receipts	3,217,434	2,716,285
Net Cash from Operating Activities	1,249,079	3,761,523
Capital and Capital Related Financing Activities		
Purchase of capital assets	(640,196)	(370,938)
Proceeds from sale of capital assets	400	7,959
Principal paid on long-term debt	(606,806)	(1,324,739)
Interest paid on long-term debt	(974,887)	(989,336)
Principal payments on lease liabilities	(182,777)	(196,446)
Interest payments on lease liabilities	(8,454)	(34,731)
Interest income on note receivable	197,913	197,913
Net Cash used for Capital and Capital Related Financing Activities	(2,214,807)	(2,710,318)
Investing Activities		
Deposits for future capital improvements	(114,947)	(105,966)
Investment income	144,453	132,213
Net Cash from Investing Activities	29,506	26,247
Net Change in Cash and Cash Equivalents	(936,222)	1,077,452
Cash and Cash Equivalents, Beginning of Year	14,655,441	13,577,989
Cash and Cash Equivalents, End of Year	\$ 13,719,219	\$ 14,655,441
Reconciliation of Cash and Cash Equivalents to the Statements of Net Position		
Cash and cash equivalents	\$ 10,470,556	\$ 11,113,812
Restricted cash for debt service - current	731,608	1,114,691
Restricted cash for debt related costs	67,307	90,190
Restricted cash for debt service - noncurrent	2,449,748	2,336,748
Total cash and cash equivalents	\$ 13,719,219	\$ 14,655,441

Trinity Medical
Statements of Cash Flows
Years Ended September 30, 2025 and 2024

	2025	2024
Reconciliation of Operating Income to Net Cash from		
Operating Activities		
Operating income	\$ 856,045	\$ 915,989
Adjustments to reconcile operating income to net cash from operating activities		
Depreciation and amortization	3,133,272	3,161,610
Provision for bad debts	9,636,153	4,424,958
Changes in assets and liabilities		
Receivables	(11,164,146)	(4,590,609)
Estimated third-party payor settlements	(3,393,746)	(481,987)
Other receivables	364,133	35,219
Supplies	(37,710)	230,800
Prepaid expense	45,500	32,073
Accounts payable	1,695,078	(92,205)
Accrued expenses	114,500	125,675
	\$ 1,249,079	\$ 3,761,523
Net Cash from Operating Activities		
Supplemental Disclosure of Noncash Capital and Capital Related Financing Activities		
Lease liability for the acquisition of a right to use leased asset	\$ -	\$ 11,517

Note 1 - Reporting Entity and Summary of Significant Accounting Policies

The financial statements of Concordia Parish Hospital Service District Number One of the Parish of Concordia, State of Louisiana d/b/a Trinity Medical (the Hospital) have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and reporting policies and practices used by the Hospital are described below.

Reporting Entity

The Hospital was created by an ordinance of the Concordia Parish Police Jury on April 26, 1961, and was referred to as the Concordia Parish Hospital until January 13, 1986, when the name was changed to Riverland Medical Center until February 23, 2021, when the name was changed again to Trinity Medical. The Hospital is a 23-bed critical access hospital that provides inpatient, outpatient, emergency, private physician clinic and rural health clinic services to patients in Ferriday, Louisiana, and the surrounding area.

The Hospital is a political subdivision of the Concordia Parish Police Jury whose jurors are elected officials. Its commissioners are appointed by the Concordia Parish Police Jury. As the governing authority of Concordia Parish, for reporting purposes, the Concordia Parish Police Jury is the financial reporting entity for the Hospital. Accordingly, the Hospital was determined to be a component unit of the Concordia Parish Police Jury based on GASB Statement No. 14.

For financial reporting purposes, the Hospital has included all funds, organizations, agencies, boards, commissions, and authorities. The Hospital has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Hospital are such that exclusion would cause the Hospital's financial statements to be misleading or incomplete. The GASB has set forth criteria to be considered in determining financial accountability.

Blended Component Unit

Concordia Hospital Foundation (the Foundation) is included as a blended component unit of the Hospital. The financial statements include only the financial activity of the Hospital and the Foundation, collectively referred to as the Hospital.

Tax Exempt Status

The Foundation is organized as a Louisiana non-profit corporation and has been recognized by the Internal Revenue Service as exempt from Federal income tax under Internal Revenue Code Section 501(c)(3). The Foundation is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose, as applicable.

The Foundation believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Measurement Focus and Basis of Accounting

Measurement focus refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with GAAP. Revenues are recognized when earned, and expenses are recorded when the liability is incurred.

Basis of Presentation

The statement of net position displays the Hospital's assets and liabilities, with the difference reported as net position. Net position is reported in the following categories/components:

Net deficit in capital assets consists of net capital assets and right to use leased assets, reduced by the outstanding balances of any related debt obligations and lease liabilities attributable to the acquisition, construction or improvement of those assets or the related debt obligations and increased by balances of debt obligations.

Restricted net position:

Restricted – Expendable net position results when constraints placed on net position use are either externally imposed or imposed through enabling legislation.

Restricted – Nonexpendable net position is subject to externally imposed stipulations which require them to be maintained permanently by the Hospital.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Hospital's policy is to first apply the expense toward the most restrictive resources and then toward unrestricted resources.

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less, excluding internally designated or restricted cash and investments. For purposes of the statement of cash flows, the Hospital considers all cash and investments with an original maturity of three months or less as cash and cash equivalents.

Patient Receivables

Patient receivables are uncollateralized patient and third-party payor obligations. Unpaid patient receivables are not charged interest on amounts owed. Payments of patient receivables are allocated to the specific claim identified on the remittance advice or, if unspecified, are applied to the earliest claim.

The carrying amount of patient receivables is reduced by a valuation allowance that reflects management's estimate of amounts that will not be collected from patients and third-party payors. Management reviews patient receivables by payor class and applies percentages to determine estimated amounts that will not be collected from third parties under contractual agreements and amounts that will not be collected from patients due to bad debts. Management considers historical write-off and recovery information in determining the estimated provision for uncollectible accounts.

Supplies

Supplies are stated at lower of cost (first-in, first-out) or market and are expensed when used.

Noncurrent Cash and Investments

Noncurrent cash and investments are set aside by the Board of Directors for future capital improvements (and debt redemption), over which the Board retains control and may at its discretion subsequently use for other purposes, restricted by trustee for debt reserve and capital asset replacement, and restricted by donors. Certificates of deposit and other amounts considered deposits are recorded at historical cost. Investments are measured at fair value.

Investment Income

Interest, dividends, and gains and losses, both realized and unrealized, on investments and deposits are included in nonoperating activities when earned.

Capital Assets

Property and equipment acquisitions in excess of \$5,000 are capitalized and recorded at cost. Depreciation is provided over the estimated useful life of each depreciable asset and is computed using the straight-line method. The estimated useful lives of capital assets are as follows:

Land improvements	5-15 years
Buildings and fixed equipment	5-40 years
Equipment	3-20 years

Gifts of long-lived assets such as land, buildings, or equipment are reported as additions to unrestricted net position and are excluded from revenues in excess of expenses. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted net position.

Interest cost before the end of a construction period is recognized as an expense in the period in which the cost is incurred.

Right to Use Leased Assets

Right to use leased assets are recognized at the lease commencement date and represent the Hospital's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial indirect costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 10 years.

LHA Trust Fund

The Hospital participates in the Louisiana Hospital Association (LHA) Self-Insurance Workers' Compensation Trust Fund, which requires the Hospital to maintain certain deposit levels based on actual historical experience. The purpose of this agreement is to provide a means for participating members of the LHA a means of sharing the cost and administration of workers' compensation and employers' liability insurance by pooling such risk; jointly purchasing such insurance; reducing risk of loss through safety engineering and other loss prevention and control techniques; by providing for the processing and defense of claims brought against such members; and, to create a fund to pay specified losses or expenses incurred by such participating members under the Louisiana Workers' Compensation Law or employers' liability statutes; to purchase reinsurance or excess insurance contracts for the benefit of the Fund from domestic or foreign insurers; to provide essential protection to members; and to affect and return to Participants cost savings in the administration of such a fund, thereby reducing the cost of healthcare to the patient-consumer.

Impairment of Long-Lived Assets

The Hospital considers whether indicators of impairment are present and performs the necessary analysis to determine if the carrying values of assets are appropriate. No impairment was identified for the years ended September 30, 2025 and 2024.

Investment in Ferriday Campus Redevelopment Company, LLC

In 2021, the Hospital transferred the right, title, and interest of the old hospital campus to the Ferriday Campus Redevelopment Company, LLC, in exchange for 15% membership interest in the Ferriday Campus Redevelopment Company, LLC. This 15% membership interest is recorded at cost on the Hospital's statements of net position.

Note Receivable

The Hospital issued a note receivable to an unrelated third-party in connection with the New Market Tax Credits. The note is repayable over a 25-year period and was issued at an interest rate of 1.00%. The note receivable is included with other assets on the statements of net position.

Compensated Absences

The Hospital's employees accumulate a limited amount of earned but unused paid time-off days depending on years of service that are available for subsequent use or for payment upon termination or retirement. The cost of projected payouts, including any incremental salary-related costs, of compensated absences is recorded as a current liability on the statements of net position based on pay rates that are in effect at September 30, 2025 and 2024.

Estimated Health Claims Payable

The Hospital provides for self-insurance reserves for estimated incurred but not reported claims for its employee health plan. These reserves, which are included in current liabilities on the statements of net position, are estimated based upon historical submission and payment data, cost trends, utilization history, and other relevant factors. Adjustments to reserves are reflected in the operating results in the period in which the change in estimate is identified.

Lease Liabilities

Lease liabilities represent the Hospital's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the Hospital.

Pension

The Hospital contributes to a qualified defined contribution plan, Trinity Medical Money Purchase Pension Plan, as authorized under Internal Revenue Code of 1986, Section 401(a), 402(g), and other Code sections. The plan is intended to be a social security replacement plan. An employee is 100% vested upon entry to the plan with retirement age being 59 ½.

Operating Revenues and Expenses

The Hospital's statements of revenues, expenses, and changes in net position distinguish between operating and nonoperating activities. Operating activities of the Hospital result from exchange transactions associated with providing health care services – the Hospital's principal activity, and the costs of providing those services, including depreciation and amortization and excluding interest cost. All other revenues and expenses are reported as nonoperating.

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors and a provision for uncollectible accounts. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Charity Care

The Hospital provides health care services to patients who meet certain criteria under its charity care policy without charge or at amounts at less than established rates. Since the Hospital does not pursue collection of these amounts, they are not reported as patient service revenue. The Hospital was unable to identify any patients that qualified for charity care during the years ended September 30, 2025 and 2024. Charges for services and supplies furnished to patients who may qualify for charity care but are not documented according to the Hospital's policy are included in the provision for bad debts. See Note 9 for funds received through any supplemental payments, which help offset the cost of providing care to uninsured patients.

Grants and Contributions

The Hospital may receive grants as well as contributions from individuals and private organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as operating revenues. Amounts restricted to capital acquisitions are reported after revenues in excess of expenses.

340B Drug Pricing Program

The Hospital participates in the 340B Drug Pricing Program (340B Program), enabling the Hospital to receive discounted prices from drug manufacturers on outpatient pharmaceutical purchases and to enter into certain contracts with unrelated pharmacies who provide certain prescriptive drugs to Hospital patients who receive rural health clinic and outpatient services. This program is overseen by the Health Resources and Services Administration (HRSA) Office of Pharmacy Affairs (OPA). HRSA is currently conducting routine audits of these programs at health care organizations and increasing its compliance monitoring processes. Laws and regulations governing the 340B Program are complex and subject to interpretation and change. As a result, it is reasonably possible that material changes to financial statement amounts related to the 340B Program could occur in the near future. During 2025 and 2024, the Hospital recognized \$935,814 and \$989,365 of other operating revenue related to the 340B Program contracts with unrelated contract pharmacies.

Adoption of New Standard

The Hospital adopted GASB Statement No. 101, Compensated Absences. The provisions of this standard modernizes the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. There was not a significant effect on the Hospital's financial statements as a result of the implementation of this standard.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net position or changes in net position.

Note 2 - Net Patient Service Revenue

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

Medicare – The Hospital is licensed as a Critical Access Hospital (CAH). The Hospital is reimbursed for most acute care services under a cost methodology with final settlement determined after submission of annual cost reports by the Hospital and are subject to audits thereof by the Medicare intermediary. The Hospital's Medicare cost reports have been audited by the Medicare Administrative Contractor through the year ended September 30, 2023. Clinic services are paid on a cost basis or fixed fee schedule.

Medicaid – Inpatient acute services are reimbursed based on a prospectively determined per diem rate. Some outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology, while others are paid prospectively based on a fee schedule. The Hospital is reimbursed at a tentative rate for cost-based services with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid fiscal intermediary.

Other Payors – The Hospital has also entered into payment agreements with certain commercial insurance carriers and other organizations. The basis for payment to the Hospital under these agreements may include prospectively determined rates and discounts from established charges.

Concentration of gross revenues by major payor accounted for the following percentages of the Hospital's patient service revenues for the years ended September 30, 2025 and 2024:

	2025	2024
Medicare	46%	47%
Medicaid	25%	27%
Blue Cross	10%	9%
Other commercial	14%	12%
Private pay	5%	5%
Total	100%	100%

Laws and regulations governing the Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The net patient service revenue for the years ended September 30, 2025 and 2024, increased by approximately \$25,000 and \$148,000, respectively, due to the removal of allowances previously estimated that are no longer necessary as a result of final settlements, adjustments to amounts previously estimated and years that are no longer subject to audits, reviews, and investigations.

Note 3 - Deposits and Investments

Louisiana state statutes authorize the Hospital to invest in direct obligations of the United States Treasury and other federal agencies, time deposits with state banks and national banks having their principal office in the State of Louisiana, guaranteed investment contracts issued by highly rated financial institutions, and certain investments with qualifying mutual or trust fund institutions. The market value of collateral pledged must equal or exceed 100% of the deposits not covered by insurance.

At September 30, 2025 and 2024 the Hospital's carrying amounts of deposits and investments are as follows:

	2025	2024
Carrying Amount		
Checking and savings accounts	\$ 13,732,516	\$ 14,647,298
Certificates of deposit	2,295,082	2,201,575
Total deposits	\$ 16,027,598	\$ 16,848,873

Deposits and investments are reported in the following statements of financial position captions:

	2025	2024
Cash and cash equivalents	\$ 10,470,556	\$ 11,113,812
Internally designated for future capital improvements	2,308,379	2,193,432
Restricted for debt service	3,181,356	3,451,439
Restricted for debt related costs	67,307	90,190
Total deposits	\$ 16,027,598	\$ 16,848,873

Deposits – Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Hospital’s deposits may not be returned to it. Louisiana state statutes require that all deposits of the Hospital be protected by insurance or collateral. The fair value of the collateral pledged must equal 100% of the deposits not covered by insurance.

The Hospital’s deposits were entirely insured or entirely collateralized by securities held by the pledging bank’s trust department in the Hospital’s name at September 30, 2025 and 2024.

Interest Rate Risk

Interest rate risk is the exposure to fair value losses resulting from rising interest rates. The primary objectives, in order of priority, of all investment activities involving the financial assets of the Hospital are:

1. Safety. Safety and preservation of principal in the overall portfolio.
2. Liquidity. Maintaining the necessary liquidity to match expected liabilities.
3. Return. Obtaining a reasonable return.

The Hospital attempts to limit its interest rate risk while investing within the guidelines of its investment policy.

Note 4 - Notes Receivable

In connection with the New Market Tax Credit Program (NMTCP) financing, the Hospital, acting as leverage lender, entered into a leverage loan note receivable arrangement with an unrelated organization totaling \$19,791,272. The note bears interest at 1.00% over a 25-year term. The repayment term and the collateral on the note approximate the terms and the collateral of the NMTCP notes payable. Interest income earned on the note receivable is included as a non-operating activity in the statements of revenues, expenses, and changes in net position and as a capital and related financing activity in the statements of cash flows as the Hospital considers this part of its NMTCP financing arrangement.

Note 5 - Capital Assets

Capital asset additions, retirements, transfers, and balances for the year ended September 30, 2025 are as follows:

	Balance October 1, 2024	Additions	Transfers and Retirements	Balance September 30, 2025
Capital Assets Not Being Depreciated				
Land	\$ 1,520,140	\$ -	\$ -	\$ 1,520,140
Construction in progress	43,463	-	(43,463)	-
Total capital assets not being depreciated	<u>\$ 1,563,603</u>	<u>\$ -</u>	<u>\$ (43,463)</u>	<u>\$ 1,520,140</u>
Capital Assets Being Depreciated				
Land improvements	\$ 68,151	\$ 38,825	\$ -	\$ 106,976
Buildings and fixed equipment	32,417,018	478,039	43,463	32,938,520
Equipment	8,265,430	123,332	(5,205)	8,383,557
Total capital assets being depreciated	<u>40,750,599</u>	<u>\$ 640,196</u>	<u>\$ 38,258</u>	<u>41,429,053</u>
Less Accumulated Depreciation for				
Land improvements	29,132	\$ 8,214	\$ -	37,346
Buildings and fixed equipment	7,462,020	1,954,214	-	9,416,234
Equipment	5,432,616	999,731	(2,385)	6,429,962
Total accumulated depreciation	<u>12,923,768</u>	<u>\$ 2,962,159</u>	<u>\$ (2,385)</u>	<u>15,883,542</u>
Net capital assets being depreciated	<u>\$ 27,826,831</u>			<u>\$ 25,545,511</u>
Right to use Leased Assets Being Amortized				
Right to use leased building	\$ 124,189	\$ -	\$ -	\$ 124,189
Right to use leased equipment	499,624	-	-	499,624
Total right to used leased assets being amortized	<u>623,813</u>	<u>-</u>	<u>-</u>	<u>623,813</u>
Less Accumulated Amortization for				
Right to use leased building	94,620	23,655	-	118,275
Right to use leased equipment	305,544	149,453	-	454,997
Total accumulated amortization	<u>400,164</u>	<u>173,108</u>	<u>-</u>	<u>573,272</u>
Net right to use leased assets	<u>\$ 223,649</u>	<u>\$ (173,108)</u>	<u>\$ -</u>	<u>\$ 50,541</u>
Capital assets, net	<u>\$ 29,614,083</u>			<u>\$ 27,116,192</u>

Capital asset additions, retirements, transfers, and balances for the year ended September 30, 2024 are as follows:

	Balance October 1, 2023	Additions	Transfers and Retirements	Balance September 30, 2024
Capital Assets Not Being Depreciated				
Land	\$ 1,520,140	\$ -	\$ -	\$ 1,520,140
Construction in progress	-	43,463		43,463
Total capital assets not being depreciated	<u>\$ 1,520,140</u>	<u>\$ 43,463</u>	<u>\$ -</u>	<u>\$ 1,563,603</u>
Capital Assets Being Depreciated				
Land improvements	\$ 68,151	\$ -	\$ -	\$ 68,151
Buildings and fixed equipment	32,417,018	-	-	32,417,018
Equipment	7,937,955	327,475	-	8,265,430
Total capital assets being depreciated	<u>40,423,124</u>	<u>\$ 327,475</u>	<u>\$ -</u>	<u>40,750,599</u>
Less Accumulated Depreciation for				
Land improvements	23,148	\$ 5,984	\$ -	29,132
Buildings and fixed equipment	5,526,560	1,935,460	-	7,462,020
Equipment	4,405,773	1,026,843	-	5,432,616
Total accumulated depreciation	<u>9,955,481</u>	<u>\$ 2,968,287</u>	<u>\$ -</u>	<u>12,923,768</u>
Net capital assets being depreciated	<u>\$ 30,467,643</u>			<u>\$ 27,826,831</u>
Right to use Leased Assets Being Amortized				
Right to use leased building	\$ 124,189	\$ -	\$ -	\$ 124,189
Right to use leased equipment	616,967	11,517	(128,860)	499,624
Total right to used leased assets being amortized	<u>741,156</u>	<u>11,517</u>	<u>(128,860)</u>	<u>623,813</u>
Less Accumulated Amortization for				
Right to use leased building	70,965	23,655	-	94,620
Right to use leased equipment	264,736	169,668	(128,860)	305,544
Total accumulated amortization	<u>335,701</u>	<u>193,323</u>	<u>(128,860)</u>	<u>400,164</u>
Net right to use leased assets	<u>\$ 405,455</u>	<u>\$ (181,806)</u>	<u>\$ -</u>	<u>\$ 223,649</u>
Capital assets, net	<u>\$ 32,393,238</u>			<u>\$ 29,614,083</u>

Note 6 - Lease Obligations

The Hospital has entered into various agreements for office and medical equipment and clinic space. The lease terms range from three to six years. The lease terms began on various dates ranging from September 2020 through November 2023 with final payments due at various dates ranging from July 2025 through February 2027. At September 30, 2025 and 2024, the Hospital has recognized right to use leased assets of \$50,540 and \$223,649 and lease liabilities of \$56,454 and \$239,231, respectively, related to these agreements utilizing an incremental discount rate of approximately 4%, consistent with the Hospital's incremental borrowing rate.

A schedule of changes in lease liabilities during the years ended September 30, 2025 and 2024 are as follows:

	Balance October 1, 2024	Additions	Payments	Balance September 30, 2025	Amounts Due Within One Year
Leases	\$ 239,231	\$ -	\$ (182,777)	\$ 56,454	\$ 53,947
	Balance October 1, 2023	Additions	Payments	Balance September 30, 2024	Amounts Due Within One Year
Leases	\$ 424,160	\$ 11,517	\$ (196,446)	\$ 239,231	\$ 182,778

Remaining principal and interest payments on lease liabilities are as follows:

Years Ending September 30,	Principal	Interest
2026	\$ 53,947	\$ 905
2027	2,507	47
	\$ 56,454	\$ 952

Note 7 - Long-Term Liabilities

A schedule of changes in long-term liabilities during the years ended September 30, 2025 and 2024 are as follows:

	Balance October 1, 2024	Additions	Payments	Balance September 30, 2025	Due Within One Year
Direct Borrowings					
USDA Direct Loan	\$ 27,629,325	\$ -	\$ (512,184)	\$ 27,117,141	\$ 523,239
USDA Guaranteed Loan	2,134,303	-	(94,622)	2,039,681	99,943
Hope Loan A	7,006,704	-	-	7,006,704	208,054
Hope Loan B	2,693,296	-	-	2,693,296	79,974
The Reinvestment Fund A	10,742,556	-	-	10,742,556	318,985
The Reinvestment Fund B	4,257,444	-	-	4,257,444	150,676
USB Loan A	2,042,012	-	-	2,042,012	60,635
USB Loan B	927,988	-	-	927,988	27,555
Total direct borrowings	57,433,628	-	(606,806)	56,826,822	1,469,061
Compensated Absences*	478,951	44,717	-	523,668	523,668
Lease Liabilities (see Note 6)	239,231	-	(182,777)	56,454	53,947
	<u>\$ 58,151,810</u>	<u>\$ 44,717</u>	<u>\$ (789,583)</u>	<u>\$ 57,406,944</u>	<u>\$ 2,046,676</u>
	Balance October 1, 2023	Additions	Payments	Balance September 30, 2024	Due Within One Year
Direct Borrowings					
USDA Direct Loan	\$ 28,130,811	\$ -	\$ (501,486)	\$ 27,629,325	\$ 512,247
USDA Guaranteed Loan	2,957,556	-	(823,253)	2,134,303	95,840
Hope Loan A	7,006,704	-	-	7,006,704	-
Hope Loan B	2,693,296	-	-	2,693,296	-
The Reinvestment Fund A	10,742,556	-	-	10,742,556	-
The Reinvestment Fund B	4,257,444	-	-	4,257,444	-
USB Loan A	2,042,012	-	-	2,042,012	-
USB Loan B	927,988	-	-	927,988	-
Total direct borrowings	58,758,367	-	(1,324,739)	57,433,628	608,087
Compensated Absences*	440,152	38,799	-	478,951	478,951
Lease Liabilities (see Note 6)	424,160	11,517	(196,446)	239,231	182,778
	<u>\$ 59,622,679</u>	<u>\$ 50,316</u>	<u>\$ (1,521,185)</u>	<u>\$ 58,151,810</u>	<u>\$ 1,269,816</u>

* The roll-forward schedule only reports the net change in the compensated absences liability.

Scheduled principal and interest payments on long-term debt are as follows:

<u>Years Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,469,061	\$ 956,212	\$ 2,425,273
2027	1,709,524	930,017	2,639,541
2028	1,737,233	902,308	2,639,541
2029	1,765,509	874,033	2,639,542
2030	1,794,365	845,176	2,639,541
2031-2035	9,426,135	3,771,569	13,197,704
2036-2040	10,240,277	2,953,422	13,193,699
2041-2045	10,134,013	2,145,441	12,279,454
2046-2050	8,508,731	1,384,046	9,892,777
2051-2055	4,643,246	828,754	5,472,000
2056-2060	5,163,268	308,732	5,472,000
2061-2065	235,460	768	236,228
Total	<u>\$ 56,826,822</u>	<u>\$ 15,900,478</u>	<u>\$ 72,727,300</u>

The following are the terms and due dates of the Hospital's long-term debt at September 30:

- The USDA Direct Loan had an original loan value of \$28,500,000 and carries an interest rate of 2.125%, with monthly principal and interest payments in the amount of \$91,200, with final payment due December 2060. The USDA Direct Loan is secured by and payable in principal and interest by a pledge of the income and revenues of the Hospital's operations.
- The USDA Guaranteed Loan had an original loan value of \$3,000,000 and carries a current interest rate of 4.20%, with monthly principal and interest payments in the amount of \$15,304, with final payment due December 2050. The USDA Guaranteed Loan is secured by and payable in principal and interest by a pledge of the income and revenues of the Hospital's operations.

In 2019, the Concordia Hospital Foundation entered into a debt transaction to access additional funds through the New Market Tax Credit (NMTC) Program. These funds were used toward the construction of the new hospital building located in Ferriday, Louisiana. The NMTC Program permits taxpayers to claim federal tax credits for making Qualified Equity Investments (QEI) in a designated Community Development Entity (CDE). The CDE must use substantially all of the proceeds to make Qualified Low-Income Community Investments (QLICI). The tax credits are claimed over a seven-year period and equate to 39% of the QLICI's. The Foundation has partnered with investors, US Bancorp Community Development Corporation; Twain Investment Fund 333, LLC; Hope New Markets 12, LLC (Sub-CDE); The Reinvestment Fund NMTC Fund XLVII, LP (Sub-CDE); and USB Sub-CDE 184, LLC (Sub-CDE) to utilize the NMTC Program.

- Note payable to Hope New Markets 12, LLC (Hope Loan A), bears interest at a fixed rate of 1.0963%, quarterly interest only payments of \$19,204 through March 2026, principal and interest payments due quarterly beginning June 2026 through the maturity date of March 2049. The note is secured by a Master Lease Agreement between the Hospital and the Foundation and carries an interest and principal payment and project completion guarantee by the Foundation.

- Note payable to Hope New Markets 12, LLC (Hope Loan B), bears interest at a fixed rate of 1.0963%, quarterly interest only payments of \$7,382 through March 2026, principal and interest payments due quarterly beginning June 2026 through the maturity date of March 2049. The note is secured by a Master Lease Agreement between the Hospital and the Foundation and carries an interest and principal payment and project completion guarantee by the Foundation.
- Note payable to The Reinvestment Fund New Market Tax Credit Fund XLVII, LP, (The Reinvestment Fund A), bears interest at a fixed rate of 1.0963%, quarterly interest only payments of \$29,443 through March 2026, principal and interest payments due quarterly beginning June 2026 through the maturity date of March 2049. The note is secured by a Master Lease Agreement between the Hospital and the Foundation and carries an interest and principal payment and project completion guarantee by the Foundation.
- Note payable to The Reinvestment Fund New Market Tax Credit Fund XLVII, LP, (The Reinvestment Fund B), bears interest at a fixed rate of 1.0963%, quarterly interest only payments of \$11,669 through March 2026, principal and interest payments due quarterly beginning June 2026 through the maturity date of March 2049. The note is secured by a Master Lease Agreement between the Hospital and the Foundation and carries an interest and principal payment and project completion guarantee by the Foundation.
- Note payable to USBCDE Sub-CDE 184, LLC, (USB Loan A), bears interest at a fixed rate of 1.0963%, quarterly interest only payments of \$5,597 through March 2026, principal and interest payments due quarterly beginning June 2026 through the maturity date of March 2049. The note is secured by a Master Lease Agreement between the Hospital and the Foundation and carries an interest and principal payment and project completion guarantee by the Foundation.
- Note payable to USBCDE Sub-CDE 184, LLC, (USB Loan B), bears interest at a fixed rate of 1.0963%, quarterly interest only payments of \$2,543 through March 2026, principal and interest payments due quarterly beginning June 2026 through the maturity date of March 2049. The note is secured by a Master Lease Agreement between the Hospital and the Foundation and carries an interest and principal payment and project completion guarantee by the Foundation.

The seven-year compliance period for the NMTCs will end in March 2026, at which time the Foundation anticipates forgiveness of a portion of the outstanding principal balance, which would net approximately \$4,000,000 for the Foundation, after fees. Expenses related directly to long-term debt, including interest and other fees that have not been capitalized as part of the replacement facility project are recorded as non-operating interest and financing expense for the years ended September 30, 2025 and 2024. The future maturities noted above are presented based on the full amortization periods described above, although the NMTC QLICI notes are subject to an early termination in 2026. The note agreements limit additional borrowings, impose certain financial performance covenants, and require the Hospital and Foundation to maintain certain deposits.

Note 8 - Pension Plan

The Hospital contributes to a qualified defined contribution plan, Trinity Medical Money Purchase Pension Plan (Money Purchase Plan) as authorized under Internal Revenue Code of 1986, Section 401(a) and other Code sections. The Money Purchase Plan is intended to be a Social Security replacement plan. The Money Purchase Plan was restated July 1, 2015, to comply with the requirements of IRS Pre-approved Plan (PPA), pursuant to Revenue Procedure 2011-49. The Hospital and employees also contribute to a salary only deferral plan, Trinity Medical Employee 403(b) Plan (403(b) Plan), which was restated September 1, 2019 to comply with IRS PPA, pursuant to Revenue Procedures 2011-49. The Money Purchase Plan and the 403(b) Plan are administered by an unrelated third-party, Lincoln Financial Group.

An employee is 100% invested upon entry to the Money Purchase Plan with retirement age being age 59½. The Money Purchase Plan benefits include death and disability provisions and choice of four payment options upon retirement. The Money Purchase Plan provisions may be amended by the Money Purchase Plan trustee. The Hospital contributes 5% of salaries to the Money Purchase Plan. Employee mandatory contributions and Hospital matching contributions are deposited in the 403(b) Plan. Employee mandatory contributions are 6%, and employee voluntary contributions are up to the IRS contribution limits. The Hospital will match 50% of the employee voluntary contributions up to maximum contribution of 3%.

Pension expense charged to operations was \$599,956 and \$564,833 in 2025 and 2024, respectively.

Note 9 - Sales Tax Revenue

During the year ended September 30, 1985, the voters of the Concordia Parish passed a one-fourth cent sales tax for the operation and maintenance of the Hospital, which was renewed for an additional ten years in 1995, 2005, and 2015. An additional ten-year renewal was approved by voters in December 2024, extending the sales tax through 2035. The sales tax is collected by the Concordia Parish School Board for a five percent collection fee. The sales tax revenue is \$894,558 and \$862,417 for the fiscal years ended 2025 and 2024, respectively.

Note 10 - Supplemental Payments

The Louisiana Department of Health (LDH) obtained a Medicaid State Plan Amendment (SPA) approval from the Centers for Medicare and Medicaid Services (CMS) to make quarterly supplemental payments to hospitals based upon certain assumptions under a directed payment plan (DPP). Annually, LDH must submit the assumptions to CMS for approval. The basis for interim supplemental payments is the Hospital's historical paid claims and other factors. In future periods, LDH anticipates increasing or decreasing future DPP payments by the reconciliation amounts. As a result, there is at least a reasonable possibility that recorded amounts will change by a material amount in the near term.

The Hospital has also entered into an Intergovernmental Transfer Agreement (IGT) with LDH as part of Louisiana Medicaid Physician IPA, Inc., which is a physician supplemental program. Similar to the DPP, the Hospital receives interim amounts based on historical paid claims and other factors, subject to a final reconciliation. As a result, there is at least a reasonable possibility that recorded amounts will change by a material amount in the near term.

The following is a summary of the program's effect on the Hospital's financial statements:

	2025	2024
Statements of Net Position		
Program payments in estimated third-party payor settlements - Hospital	\$ 1,100,000	\$ 769,591
Program payments in estimated third-party payor settlements - Physician	2,971,701	-
Program assessments and fees included in accounts payable - Hospital	350,000	-
Program assessments and fees included in accounts payable - Physician	1,298,129	-
Statements of Revenues, Expenses, and Changes in Net Position		
Program payments included in supplemental payments - Hospital	4,417,367	3,391,702
Program payments included in supplemental payments - Physician	2,971,701	-
Program assessments and fees included in supplies and other expense - Hospital	1,358,694	-
Program assessments and fees included in supplies and other expense - Physician	1,298,129	-
Net Program Effect	4,732,245	3,391,702

Note 11 - Concentration of Credit Risk

The Hospital grants credit without collateral to its patients, most of whom are insured under third-party payor agreements. The mix of receivables from third-party payors and patients at September 30, 2025 and 2024 was as follows:

	2025	2024
Medicare	26%	28%
Medicaid	15%	16%
Commercial and other third-party payors	24%	26%
Self-pay	35%	30%
	100%	100%

Note 12 - Contingencies

Risk Management

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

Malpractice Insurance

The Hospital participates in the Louisiana Patient's Compensation Fund (PCF) established by the State of Louisiana to provide Medical professional liability coverage to healthcare providers. The fund provides for \$400,000 in coverage per occurrence above the first \$100,000 per occurrence for which the Hospital is at risk. The fund places no limitations on the number of occurrences covered. In connection with the establishment of the Patient's Compensation Fund, the State of Louisiana enacted legislation limiting the amount of healthcare provider settlement for professional liability of \$100,000 per occurrence and limited the PCF's exposure to \$400,000 per occurrence.

The Hospital's membership in the Louisiana Hospital Association Trust Fund provides additional coverage for professional medical malpractice liability. The trust fund bills members in advance, based upon an estimate of their exposure. At policy year-end, premiums are re-determined utilizing actual losses of the Hospital. The trust fund presumes to be a "Grantor Trust" and, accordingly, income and expenses are prorated to member hospitals. The Hospital has included these allocations of income and equity in the trust in its financial statements.

The Hospital is contingently liable for losses from professional liability not underwritten by the Louisiana Patient's Compensation Fund or the Louisiana Hospital Association Trust Fund as well as for assessments by the Louisiana Hospital Association Trust Fund.

Litigation, Claims, and Disputes

The Hospital is subject to the usual contingencies in the normal course of operations relating to the performance of its task under its various programs. In the opinion of management, the ultimate settlement of any litigation, claims, and disputes in process will not be material to the financial position, operations, or cash flows of the Hospital.

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. Compliance with these laws and regulations, specifically those relating to Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Federal government activity has increased with respect to investigations and allegations concerning possible violations by healthcare providers of regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenues from patient services.

Workers' Compensation Risk

The Hospital participates in the Louisiana Hospital Association Self-Insurance Workers' Compensation Trust Fund. Should the fund's assets not be adequate to cover claims made against it, the Hospital may be assessed its pro rata share of the resulting deficit. It is not possible to estimate the amount of additional assessments, if any. Accordingly, the Hospital is contingently liable for assessments by the Louisiana Hospital Association Trust Fund. The Trust Fund is also a "Grantor Trust" and income and expenses are prorated to member hospitals. The Hospital included these allocations of income and equity in the Trust in its financial statements.

Excess Liability Umbrella Insurance

The Hospital also has excess liability umbrella coverage on a claims-made basis subject to a limit of \$4,500,000 per occurrence and an annual aggregate limit of \$4,500,000. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, will be uninsured.

Self-Funded Employee Health Insurance Plan

The Hospital is self-insured to provide group medical and drug coverage for its employees. The Hospital entered into an agreement with IMA to be the third-party administrator to administer the Plan. The Plan year runs from November 1 through October 31. The Hospital funds its losses based on actual claims. The stop-loss insurance contract was executed with an insurance carrier that provides for payment of 100% of claims in excess of \$80,000 per year up to specific individual maximums of \$1,063,000. A liability is accrued for self-insured employee health claims, including both claims reported and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims' experience, recently settled claims, and frequency of claims. It is reasonably possible that the Hospital's estimate will change by a material amount in the near term. The following is a summary of changes in the Hospital's claims liability for the years ended September 30, 2025 and 2024:

Years Ended September 30,	Beginning Liability	Current Year Claims and Changes in Estimates	Claim Payments	Ending Liability
2025	\$ 400,725	\$ 2,310,430	\$ (2,291,325)	\$ 419,830
2024	396,252	2,013,172	(2,008,699)	400,725

Note 13 - Condensed Combining Information

Concordia Hospital Foundation (Foundation) was established in 2017 with the general intent to solicit and manage gifts of money and/or property primarily for the benefit of the Hospital. The following summarizes the combined information for the Hospital and Foundation, which has been presented as a blended component unit as of and for the years ended September 30, 2025 and 2024.

Condensed statement of net position as of September 30, 2025:

	Trinity Medical	Concordia Hospital Foundation	Eliminations	Total
Assets				
Current Assets	\$ 24,397,850	\$ 296,215	\$ -	\$ 24,694,065
Noncurrent Cash and Investments	4,758,127	67,307	-	4,825,434
Capital Assets	2,534,192	24,582,000	-	27,116,192
Other Assets	19,984,780	-	-	19,984,780
Total assets	<u>\$ 51,674,949</u>	<u>\$ 24,945,522</u>	<u>\$ -</u>	<u>\$ 76,620,471</u>
Liabilities and Net Position				
Current Liabilities	\$ 4,428,730	\$ 871,158	\$ -	\$ 5,299,888
Noncurrent Liabilities	28,536,147	26,824,121	-	55,360,268
Total liabilities	<u>32,964,877</u>	<u>27,695,279</u>	<u>-</u>	<u>60,660,156</u>
Net Position				
Net investment in capital assets Restricted	(6,156,204)	(3,020,693)	-	(9,176,897)
Expendable for debt service Unrestricted	2,449,748	-	-	2,449,748
	<u>22,416,528</u>	<u>270,936</u>	<u>-</u>	<u>22,687,464</u>
Total net position	<u>18,710,072</u>	<u>(2,749,757)</u>	<u>-</u>	<u>15,960,315</u>
Total liabilities and net position	<u>\$ 51,674,949</u>	<u>\$ 24,945,522</u>	<u>\$ -</u>	<u>\$ 76,620,471</u>

Condensed statement of revenues, expenses, and changes in net position for the year ended September 30, 2025:

	Trinity Medical	Concordia Hospital Foundation	Eliminations	Total
Operating Revenues				
Net patient service revenue	\$ 28,639,488	\$ -	\$ -	\$ 28,639,488
Other revenue	9,877,369	365,000	(365,000)	9,877,369
Total operating revenues	<u>38,516,857</u>	<u>365,000</u>	<u>(365,000)</u>	<u>38,516,857</u>
Operating Expenses				
Salaries, supplies and other expenses	34,863,937	28,603	(365,000)	34,527,540
Depreciation and amortization	477,121	2,656,151	-	3,133,272
Total operating expenses	<u>35,341,058</u>	<u>2,684,754</u>	<u>(365,000)</u>	<u>37,660,812</u>
Operating Income (Loss)	3,175,799	(2,319,754)	-	856,045
Nonoperating Expenses, Net	<u>(337,285)</u>	<u>(303,290)</u>	<u>-</u>	<u>(640,575)</u>
Revenues in Excess of (Less Than) Expenses and Change in Net Position	2,838,514	(2,623,044)	-	215,470
Net Position, Beginning of Year	<u>15,871,558</u>	<u>(126,713)</u>	<u>-</u>	<u>15,744,845</u>
Net Position, End of Year	<u>\$ 18,710,072</u>	<u>\$ (2,749,757)</u>	<u>\$ -</u>	<u>\$ 15,960,315</u>

Condensed statement of cash flows for the year ended September 30, 2025:

	Trinity Medical	Concordia Hospital Foundation	Eliminations	Total
Net cash from operating activities	\$ 909,862	\$ 339,217	\$ -	\$ 1,249,079
Net cash used for capital and capital related financing activities	(1,911,461)	(303,346)	-	(2,214,807)
Net cash from investing activities	29,450	56	-	29,506
Net change in cash and cash equivalents	(972,149)	35,927	-	(936,222)
Cash and cash equivalents, beginning of year	14,327,846	327,595	-	14,655,441
Cash and cash equivalents, end of year	<u>\$ 13,355,697</u>	<u>\$ 363,522</u>	<u>\$ -</u>	<u>\$ 13,719,219</u>

Condensed statement of net position as of September 30, 2024:

	Trinity Medical	Concordia Hospital Foundation	Eliminations	Total
Assets				
Current Assets	\$ 20,933,183	\$ 237,405	\$ -	\$ 21,170,588
Noncurrent Cash and Investments	4,530,180	90,190	-	4,620,370
Capital Assets	2,373,112	27,240,971	-	29,614,083
Other Assets	19,984,780	-	-	19,984,780
Total assets	<u>\$ 47,821,255</u>	<u>\$ 27,568,566</u>	<u>\$ -</u>	<u>\$ 75,389,821</u>
Liabilities and Net Position				
Current Liabilities	\$ 2,737,703	\$ 25,279	\$ -	\$ 2,762,982
Noncurrent Liabilities	29,211,994	27,670,000	-	56,881,994
Total liabilities	<u>31,949,697</u>	<u>27,695,279</u>	<u>-</u>	<u>59,644,976</u>
Net Position				
Net investment in capital assets	(6,723,784)	(338,839)	-	(7,062,623)
Restricted	-			
Expendable for debt service and capital assets	2,336,748	-	-	2,336,748
Unrestricted	20,258,594	212,126	-	20,470,720
Total net position	<u>15,871,558</u>	<u>(126,713)</u>	<u>-</u>	<u>15,744,845</u>
Total liabilities and net position	<u>\$ 47,821,255</u>	<u>\$ 27,568,566</u>	<u>\$ -</u>	<u>\$ 75,389,821</u>

Condensed statement of revenues, expenses, and changes in net position for the year ended September 30, 2024:

	Trinity Medical	Concordia Hospital Foundation	Eliminations	Total
Operating Revenues				
Net patient service revenue	\$ 28,544,170	\$ -	\$ -	\$ 28,544,170
Other revenue	5,707,768	365,000	(365,000)	5,707,768
Total operating revenues	34,251,938	365,000	(365,000)	34,251,938
Operating Expenses				
Salaries, supplies and other expenses	30,513,989	25,350	(365,000)	30,174,339
Depreciation and amortization	440,756	2,720,854	-	3,161,610
Total operating expenses	30,954,745	2,746,204	(365,000)	33,335,949
Operating Income (Loss)	3,297,193	(2,381,204)	-	915,989
Nonoperating Expenses, Net	(382,718)	(303,264)	-	(685,982)
Revenues in Excess of (Less Than) Expenses and Change in Net Position	2,914,475	(2,684,468)	-	230,007
Net Position, Beginning of Year	12,957,083	2,557,755	-	15,514,838
Net Position, End of Year	<u>\$ 15,871,558</u>	<u>\$ (126,713)</u>	<u>\$ -</u>	<u>\$ 15,744,845</u>

Condensed statement of cash flows for the year ended September 30, 2024:

	Trinity Medical	Concordia Hospital Foundation	Eliminations	Total
Net cash from operating activities	\$ 3,421,873	\$ 339,650	\$ -	\$ 3,761,523
Net cash used for capital and capital related financing activities	(2,406,973)	(303,345)	-	(2,710,318)
Net cash from investing activities	26,165	82	-	26,247
Net change in cash and cash equivalents	1,041,065	36,387	-	1,077,452
Cash and cash equivalents, beginning of year	13,286,781	291,208	-	13,577,989
Cash and cash equivalents, end of year	<u>\$ 14,327,846</u>	<u>\$ 327,595</u>	<u>\$ -</u>	<u>\$ 14,655,441</u>

Supplementary Information
September 30, 2025 and 2024

**Concordia Parish Hospital Service
District Number One of the Parish of
Concordia, State of Louisiana
d/b/a Trinity Medical**



Independent Auditor's Report on Supplementary Information

To the Board of Commissioners
Concordia Parish Hospital Service District Number One
of the Parish of Concordia, State of Louisiana
d/b/a Trinity Medical
Ferriday, Louisiana

We have audited the financial statements of the business-type activities of Concordia Parish Hospital Service District Number One of the Parish of Concordia, State of Louisiana d/b/a Trinity Medical (the Hospital), as of and for the years ended September 30, 2025 and 2024, and have issued our report thereon dated February 25, 2026, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole.

The schedules of net patient service revenue, other revenue, and operating expenses are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The schedule of per diem and other compensation paid to board members and schedule of compensation, benefits, and other payments to the Chief Executive Officer, which are the responsibility of management, have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Eide Bailly LLP

Dubuque, Iowa
February 25, 2026

Trinity Medical
Schedules of Net Patient Service Revenue
Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Patient Service Revenue		
Adults and pediatrics	\$ 6,443,167	\$ 5,632,708
Swing bed	3,306,000	1,945,350
Operating room	6,439,852	6,104,552
Recovery room	479,769	478,883
Anesthesia	209,560	192,806
Radiology	29,751,855	28,146,424
Laboratory	17,552,469	17,850,433
Blood bank	473,307	357,641
Respiratory therapy	978,934	7,973,860
Physical therapy	1,543,564	1,680,981
Occupational therapy	1,326,310	1,584,439
Speech therapy	1,032,364	1,006,930
EKG and EEG	1,360,764	1,244,702
Medical supplies	1,797,504	1,530,014
Pharmacy	8,500,170	7,062,006
Emergency room	23,706,931	22,786,278
Behavioral health	176	704
Ferriday Clinic	1,300,080	1,361,902
Living Well Clinic	458,359	348,616
Trinity Clinic	765,665	1,193,092
Womens Clinic	372,485	-
	<u>\$ 107,799,285</u>	<u>\$ 108,482,321</u>
*Total Patient Service Revenue - Reclassified		
Inpatient revenue	\$ 17,868,118	\$ 21,804,845
Outpatient revenue	<u>89,558,682</u>	<u>86,677,476</u>
	<u>107,426,800</u>	<u>108,482,321</u>
Contractual Adjustments		
Medicare	(14,993,382)	(19,374,942)
Medicaid	(14,685,715)	(16,357,125)
Other	<u>(39,844,547)</u>	<u>(39,781,126)</u>
	<u>(69,523,644)</u>	<u>(75,513,193)</u>
Net Patient Service Revenue	38,275,641	32,969,128
Provision for Bad Debts	<u>(9,636,153)</u>	<u>(4,424,958)</u>
Net Patient Service Revenue (Net of Provision for Bad Debts)	<u>\$ 28,639,488</u>	<u>\$ 28,544,170</u>

Trinity Medical
Schedules of Other Revenue
Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Other Revenue		
340B pharmacy program	\$ 935,814	\$ 989,365
Salary reimbursement	446,770	167,085
Hospital incentives	52,749	118,359
Clinic incentives	3,820	35,826
Medical records	17,902	14,737
Vending machine commissions	3,696	3,808
Other	<u>132,992</u>	<u>124,469</u>
Total Other Revenue	<u>\$ 1,593,743</u>	<u>\$ 1,453,649</u>

Trinity Medical
Schedules of Operating Expenses
Years Ended September 30, 2025 and 2024

	2025	2024
Routine Services		
Salaries and wages	\$ 2,900,532	\$ 2,909,358
Supplies and other expenses	438,856	533,596
	3,339,388	3,442,954
Operating Room		
Salaries and wages	629,991	588,214
Supplies and other expenses	1,059,779	1,233,010
	1,689,770	1,821,224
Anesthesia		
Supplies and other expenses	75,669	45,532
Radiology		
Salaries and wages	765,317	708,013
Supplies and other expenses	1,578,505	1,324,468
	2,343,822	2,032,481
Laboratory		
Salaries and wages	814,714	787,597
Supplies and other expenses	1,006,573	1,350,830
	1,821,287	2,138,427
Blood Bank		
Supplies and other expenses	138,505	100,315
Respiratory Therapy		
Salaries and wages	725,711	706,462
Supplies and other expenses	148,864	157,470
	874,575	863,932
Physical Therapy		
Supplies and other expenses	886,858	983,421
Medical Supplies		
Salaries and wages	145,085	136,935
Supplies and other expenses	125,088	137,207
	270,173	274,142
Pharmacy		
Salaries and wages	368,253	308,200
Supplies and other expenses	1,865,029	1,649,263
	2,233,282	1,957,463

Trinity Medical
Schedules of Operating Expenses
Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Emergency Room		
Salaries and wages	\$ 2,035,620	\$ 1,898,078
Supplies and other expenses	<u>3,167,318</u>	<u>2,739,285</u>
	<u>5,202,938</u>	<u>4,637,363</u>
Behavioral Health		
Salaries and wages	7,491	-
Supplies and other expenses	<u>3,500</u>	<u>-</u>
	<u>10,991</u>	<u>-</u>
Ferriday Clinic		
Salaries and wages	757,411	602,702
Supplies and other expenses	<u>208,878</u>	<u>119,088</u>
	<u>966,289</u>	<u>721,790</u>
Living Well Clinic		
Salaries and wages	278,462	279,165
Supplies and other expenses	<u>90,528</u>	<u>65,893</u>
	<u>368,990</u>	<u>345,058</u>
Trinity Clinic		
Salaries and wages	355,963	482,906
Supplies and other expenses	<u>498,198</u>	<u>446,589</u>
	<u>854,161</u>	<u>929,495</u>
Medical Records		
Salaries and wages	272,182	294,075
Supplies and other expenses	<u>30,928</u>	<u>57,533</u>
	<u>303,110</u>	<u>351,608</u>
Dietary		
Supplies and other expenses	<u>380,011</u>	<u>366,401</u>
Plant Operation and Maintenance		
Salaries and wages	185,800	218,471
Supplies and other expenses	<u>1,335,657</u>	<u>1,193,042</u>
	<u>1,521,457</u>	<u>1,411,513</u>
Housekeeping		
Supplies and other expenses	<u>485,168</u>	<u>445,790</u>
Laundry		
Supplies and other expenses	<u>150,159</u>	<u>109,656</u>

Trinity Medical
Schedules of Operating Expenses
Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Administrative Services		
Salaries and wages	\$ 1,517,137	\$ 1,479,498
Supplies and other expenses	<u>5,567,396</u>	<u>2,890,441</u>
	<u>7,084,533</u>	<u>4,369,939</u>
Womens Clinic		
Salaries and wages	301,699	-
Supplies and other expenses	<u>60,712</u>	<u>15,649</u>
	<u>362,411</u>	<u>15,649</u>
Unassigned Expenses		
Depreciation and amortization	3,133,272	3,161,610
Employee benefits	<u>3,163,993</u>	<u>2,810,186</u>
	<u>6,297,265</u>	<u>5,971,796</u>
Total Operating Expenses	<u>\$ 37,660,812</u>	<u>\$ 33,335,949</u>

Trinity Medical

Schedules of Per Diem and Other Compensation Paid to Board Members (Unaudited)
Years Ended September 30, 2025 and 2024

	2025	2024
Board Members		
Mr. Jim Graves	\$ 3,600	\$ 3,600
Mr. Fred Butcher	3,300	3,300
Mr. Fred Marsalis	3,600	3,600
Mr. James King	3,600	3,300
Dr. Kevin Ingram	2,400	3,000
Ms. Cherie Lipsey	3,600	3,300
Mr. Ryan Crum	3,600	3,300
Totals	\$ 23,700	\$ 23,400

Schedules of Compensation, Benefits, and Other Payments to Chief Executive Officer (Unaudited)
 Years Ended September 30, 2025 and 2024

Agency Head Name: Nekeisha Smith
 Position: CEO
 Time Period: October 1, 2024 to September 30, 2025

Purpose	Amount
Salary	\$ 258,207
Health insurance	-
Retirement (FICA replacement plan)	12,910
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	1,702
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Total	<u>\$ 272,819</u>

Agency Head Name: Nekeisha Smith
 Position: CEO
 Time Period: October 1, 2023 to September 30, 2024

Purpose	Amount
Salary	\$ 237,183
Health insurance	-
Retirement (FICA replacement plan)	11,859
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	1,802
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Total	<u>\$ 250,844</u>



**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

To the Board of Commissioners
Concordia Parish Hospital Service District Number One
of the Parish of Concordia, State of Louisiana
d/b/a Trinity Medical
Ferriday, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities of Concordia Parish Hospital Service District Number One of the Parish of Concordia, State of Louisiana d/b/a Trinity Medical (the Hospital), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements and have issued our report thereon dated February 25, 2026.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Hospital'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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

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

Hospital's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Hospital's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Hospital's response was not subjected to the 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 result of that testing, and not to provide an opinion on the effectiveness of the Hospital'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 Hospital's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dubuque, Iowa
February 25, 2026



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

To the Board of Commissioners
Concordia Parish Hospital Service District Number One
of the Parish of Concordia, State of Louisiana
d/b/a Trinity Medical
Ferriday, Louisiana

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Concordia Parish Hospital Service District Number One of the Parish of Concordia, State of Louisiana d/b/a Trinity Medical's (Hospital) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Hospital's major federal program for the year ended September 30, 2025. The Hospital's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

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

We have audited the financial statements of the business-type activities of the Hospital as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements. We issued our report thereon dated February 25, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Dubuque, Iowa
February 25, 2026

Trinity Medical
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures
Department of Agriculture			
Community Facilities Loans and Grants - Direct	10.766		\$ 27,629,325
Community Facilities Loans and Grants - Indirect	10.766		<u>1,920,873</u>
Total Community Facilities Loans and Grants			<u>29,550,198</u>
Total Federal Financial Assistance			<u>\$ 29,550,198</u>

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (schedule) includes the federal award activity of Concordia Parish Hospital Service District Number One of the Parish of Concordia, State of Louisiana d/b/a Trinity Medical (Hospital) under programs of the federal government for the year ended September 30, 2025. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Hospital, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Hospital.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Note 3 - Indirect Cost Rate

The Hospital does not draw for indirect administrative expenses and has not elected to use the 10% de minimis cost rate.

Note 4 - Community Facilities Loans and Grants Program (Federal Assistance Listing 10.766)

Total expenditures as reported on the schedule under the Community Facilities Loans and Grants – Direct represents the beginning of the year outstanding direct loan balance plus advances made on the loan during the year. The outstanding balance at September 30, 2025 was \$27,117,141.

Total expenditures as reported on the schedule under the Community Facilities Loans and Grants – Indirect represents 90% of the beginning of the year outstanding loan balance. The outstanding balance at September 30, 2025 was \$2,039,681. The guaranteed portion of the loan balance was \$1,835,713.

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	No
Significant deficiency identified not considered to be material weaknesses	Yes
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major program	
Material weaknesses identified	No
Significant deficiency identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major program	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)	No

Identification of major program

	Federal Financial Assistance Listing
<u>Name of Federal Program</u>	<u>Listing</u>
Community Facilities Loans and Grants	10.766
Dollar threshold used to distinguish between Type A and Type B Programs	\$1,000,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

**2025-001 Preparation of Financial Statements
Significant Deficiency**

Criteria: A properly designed system of internal control over financial reporting includes the preparation of an entity's financial statements and accompanying notes to the financial statements, by internal personnel of the entity. Management is responsible for establishing and maintaining internal control over financial reporting and procedures related to the fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles (GAAP).

Condition: The Hospital does not have an internal control system designed to provide for the preparation of the financial statements, including the accompanying footnotes and statement of cash flows, as required by GAAP. As auditors, we were requested to draft the financial statements and accompanying notes to the financial statements.

Cause: The outsourcing of these services is not unusual in an organization of your size. We realize that obtaining the expertise necessary to prepare the financial statements, including all necessary disclosures, in accordance with GAAP, can be considered costly and ineffective.

Effect: The effect of this condition is that the year-end financial reporting is prepared by a party outside of the Hospital. The outside party does not have the constant contact with ongoing financial transactions that internal staff have. As a result, adjustments or reclassifications of interim financial statement amounts may be necessary. Furthermore, the preparation of the financial statements as part of the audit engagement may result in financial statements and related information included in financial statement disclosures not being available for management purposes as timely as it would be if prepared by Hospital personnel. It is the responsibility of the Hospital's management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Recommendation: We recommend that management continue reviewing operating procedures in order to obtain the maximum internal control over financial reporting possible under the circumstances to enable staff to draft the financial statements internally.

Views of Responsive Individuals: Management agrees with the finding.

**2025-002 Segregation of Duties
Significant Deficiency**

Criteria: One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible.

Condition: An effective system of internal control will be designed such that duties are performed by different employees, so that no one individual handles transactions from inception to completion.

Cause: The limited number of office personnel prevents a proper segregation of accounting functions necessary to assure optimal internal control. This is not an unusual condition in organizations of your size.

Effect: Inadequate segregation of duties could adversely affect the Hospital's ability to detect and correct unintentional and intentional misstatements in a timely period by employees in the normal course of performing their assigned functions.

Recommendation: We realize that with a limited number of office employees, complete segregation of duties is difficult. We also recognize that in some instances it may not be cost effective to employ additional personnel for the purpose of segregating duties. However, the Hospital should continually review its internal control procedures, other compensating controls and monitoring procedures to obtain the maximum internal control possible under the circumstances.

Views of Responsive Individuals: Management agrees with the finding.

Section III – Federal Award Findings and Questioned Costs

There were no federal findings and questioned costs to report.