Pinnacle Family Health, Inc.
West Monroe, Louisiana

Annual Financial Report
December 31, 2025 and 2024

HMV
CERTIFIED PUBLIC
ACCOUNTANTS

PINNACLE FAMILY HEALTH, INC.

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2025 AND 2024

TABLE OF CONTENTS

AUDITED FINANCIAL STATEMENTS

SUPPLEMENTARY INFORMATION

OTHER REPORTS

AUDITED FINANCIAL STATEMENTS

PREMIER PLAZA
1900 N. 18TH STREET, SUITE 300 | MONROE, LOUISIANA 71201
318.388.3108 (P) | 318.429.2124 (F)

Board of Directors
Pinnacle Family Health, Inc.
West Monroe, Louisiana

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Pinnacle Family Health, Inc. (Pinnacle) (formerly Greater Ouachita Coalition for Providing Aids Resources and Education) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pinnacle Family Health, Inc. as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Pinnacle and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Pinnacle's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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, including omissions, 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 Pinnacle'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 Pinnacle'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 20-22 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and also is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2026 on our consideration of Pinnacle's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Pinnacle'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 Pinnacle's internal control over financial reporting and compliance.

Heard, McElroy & Vestal, LLC

Monroe, Louisiana
June 30, 2026

PINNACLE FAMILY HEALTH, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2025 AND 2024

	2025	(Restated) 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,477,183	$ 647,215
Investments	192,957	169,714
Grants receivable	237,469	697,557
340B program receivable	1,197,458	870,355
Medical services accounts receivable, net	168,728	216,377
Inventories	29,276	32,024
Due from others	16,653	-
Prepaid expenses	-	36,238
Total current assets	3,319,724	2,669,480
Right-of-use lease asset	2,009,249	2,428,831
Other assets:		
Property and equipment, net	2,030,162	2,236,207
Total assets	$ 7,359,135	$ 7,334,518
Liabilities and net assets		
Current liabilities:		
Accounts payable	$ 589,836	$ 510,684
Accrued expenses	89,101	70,515
Current portion of long-term debt	8,640	8,406
Current portion of lease liability	438,858	419,582
Deferred revenue	10,203	-
Total current liabilities	1,136,638	1,009,187
Long-term liabilities		
Deferred compensation liability	236,250	196,667
Long-term debt, net of current portion	117,473	126,415
Lease liability, net of current portion	1,570,391	2,009,249
Total long-term liabilities	1,924,114	2,332,331
Total liabilities	3,060,752	3,341,518
Net assets		
Without donor restrictions		
Undesignated	4,298,383	3,993,000
Total net assets	4,298,383	3,993,000
Total liabilities and net assets	$ 7,359,135	$ 7,334,518

The accompanying notes are an integral part of these financial statements.

PINNACLE FAMILY HEALTH, INC.

STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	(Restated) 2024
Support and Revenues		
Federal grant funding	$ 2,609,422	$ 2,512,660
Governmental grants other	-	1,500
Nongovernmental grants	-	20,971
Contributions	3,634	17,562
340B revenue	12,133,471	9,263,304
Medical service income, net	1,260,205	1,329,287
Net investment return	27,328	17,878
Other income	-	530
Total support and revenues	16,034,060	13,163,692
Expenses		
Program Services		
Part C Ryan White	571,326	421,337
Part B Ryan White	1,785,250	1,863,160
Part D Ryan White	153,334	27,040
Medical LAL Clinic and 340B	11,592,748	9,419,077
Prevention and wellness	76,027	70,324
Dental clinic	206,057	446,244
ARP - LAL	-	3,092
Broadway Cares	19,702	2,845
Total program services	14,404,444	12,253,119
Supporting Services		
Management & general	1,324,233	1,563,871
Total supporting services	1,324,233	1,563,871
Total expenses	15,728,677	13,816,990
Change in net assets without donor restrictions	305,383	(653,298)
Net assets without donor restrictions at beginning of year, as previously reported	3,993,000	4,580,855
Prior period adjustment	-	65,443
Net assets without donor restrictions, beginning of year, as restated	3,993,000	4,646,298
Net assets without donor restrictions at end of year	$ 4,298,383	$ 3,993,000

The accompanying notes are an integral part of these financial statements.

PINNACLE FAMILY HEALTH, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2025

	Program Services											Supporting Services	Totals
		Part B Ryan White											
	Part C Ryan White	Medical / Related Services	TBRA	STRMU	Part D Ryan White	Medical Clinic & 340B	Prevention	ARP LAL	Dental Clinic	Broadway Cares	Total	Management and General Expense	2025
Bad Debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 31,312	$ -	$ 31,312	$ -	$ 31,312
Bank charges	-	-	-	-	-	-	-	-	28	-	28	9,518	9,546
Advertising	-	-	-	-	-	-	-	-	-	-	-	84,929	84,929
Continuing education	-	-	-	-	-	10,394	-	-	-	-	10,394	-	10,394
Cleaning	-	-	-	-	-	3,630	-	-	-	-	3,630	2,255	5,885
Contract labor	8,458	5,633	-	-	-	198,567	-	-	-	-	212,658	-	212,658
Dues and subscriptions	-	-	-	-	-	46,759	-	-	-	-	46,759	11,690	58,449
Building expenses	-	-	-	-	-	-	-	-	-	-	-	5,208	5,208
Miscellaneous	-	1,419	-	-	-	4,802	-	-	5,241	-	11,462	9,418	20,880
Office expense	-	24,489	-	-	-	34,899	-	-	505	-	59,893	106,285	166,178
Professional fees	-	-	-	-	-	-	-	-	-	-	-	58,958	58,958
Postage	-	4,307	-	-	-	-	-	-	-	-	4,307	14,677	18,984
Telephone and internet	-	16,169	-	-	-	27,992	-	-	891	-	45,052	37,276	82,328
Utilities	-	6,812	-	-	-	16,749	-	-	700	-	24,261	9,652	33,913
Direct assistance:													
Food	-	503,139	-	-	-	-	-	-	-	-	503,139	-	503,139
HIV Clinic	12,656	-	-	-	-	-	-	-	-	-	12,656	-	12,656
Dental	5,238	-	-	-	597	-	-	-	(549)	-	5,286	-	5,286
Housing	-	138,737	194,017	10,464	-	-	-	-	-	16,159	359,377	-	359,377
Medicine	-	-	-	-	-	8,762,561	-	-	1,480	-	8,764,041	-	8,764,041
Transportation	-	15,720	-	-	-		-	-	-	-	15,720	-	15,720
Utilities	-	13,473	5,681	341	-	-	-	-	-	3,543	23,038	457	23,495
Other	-	-	-	-	-	53,636	-	-	20,820	-	74,456	-	74,456
Medical expense	-	1,683	-	-	-	210,648	-	-	-	-	212,331	(33,566)	178,765
Educational materials	-	-	-	-	-	-	15,659	-	-	-	15,659	38	15,697
Equipment rental	-	-	-	-	-	-	-	-	-	-	-	22,818	22,818
Equipment repairs	-	-	-	-	-	28,848	-	-	-	-	28,848	9,616	38,464
Insurance	-	11,898	-	-	-	76,200	-	-	3,114	-	91,212	14,622	105,834
Health insurance	32,681	72,896	-	-	10,835	101,499	7,316	-	3,946	-	229,173	12,491	241,664
Workman's compensation	-	3,163	-	-	-	-	-	-	204	-	3,367	-	3,367
Rent	-	87,846	-	-	-	265,726	-	-	10,367	-	363,939	157,093	521,032
Salaries and wages	469,844	575,448	6,431	-	129,070	1,391,206	46,229	-	117,204	-	2,735,432	657,754	3,393,186
Deferred compensation	-	-	-	-	-	-	-	-	103	-	103	39,480	39,583
Retirement	8,966	16,194	-	-	3,409	34,753	1,882	-	-	-	65,204	13,780	78,984
Payroll taxes	33,483	42,542	-	-	9,423	111,957	3,341	-	9,755	-	210,501	38,293	248,794
Interest expense	-	-	-	-	-	-	-	-	-	-	-	4,803	4,803
Travel	-	833	-	-	-	-	1,600	-	936	-	3,369	36,690	40,059
Vehicle expense	-	25,915	-	-	-	5,875	-	-	-	-	31,790	-	31,790
Total expenses before depreciation	571,326	1,568,316	206,129	10,805	153,334	11,386,703	76,027	-	206,057	19,702	14,198,399	1,324,233	15,522,632
Depreciation	-	-	-	-	-	206,045	-	-	-	-	206,045	-	206,045
Total expenses, year ended December 31, 2025	$ 571,326	$ 1,568,316	$ 206,129	$ 10,805	$ 153,334	$ 11,592,748	$ 76,027	$ -	$ 206,057	$ 19,702	$ 14,404,444	$ 1,324,233	$ 15,728,677

The accompanying notes are an integral part of these financial statements.

PINNACLE FAMILY HEALTH, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services											Supporting Services	Totals
		Part B Ryan White											
	Part C Ryan White	Medical / Related Services	TBRA	STRMU	Part D Ryan White	Medical Clinic & 340B	Prevention	ARP LAL	Dental Clinic	Broadway Cares	Total	Management and General Expense	2024
Bank charges	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3	$ -	$ 3	$ 7,557	$ 7,560
Advertising	-	-	-	-	-	-	-	-	-	-	-	167,444	167,444
Continuing education	-	-	-	-	-	15,458	-	-	-	-	15,458	-	15,458
Cleaning	-	4,125	-	-	-	14,466	-	-	-	-	18,591	3,616	22,207
Contract labor	17,286	11,370	-	-	-	162,571	-	-	-	-	191,227	-	191,227
Dues and subscriptions	-	-	-	-	-	41,616	-	-	-	-	41,616	10,385	52,001
Building expenses	-	-	-	-	-	-	-	-	-	-	-	50,873	50,873
Miscellaneous	-	1,968	-	-	-	11,810	-	-	1,473	-	15,251	35,023	50,274
Office expense	-	26,408	-	-	-	73,621	-	-	54,651	-	154,680	170,676	325,356
Professional fees	-	-	-	-	-	-	-	-	-	-	-	93,442	93,442
Postage	-	5,978	-	-	-	-	-	-	-	-	5,978	11,984	17,962
Telephone and internet	-	17,654	-	-	-	42,101	-	-	1,391	-	61,146	62,387	123,533
Utilities	-	10,122	-	-	-	16,749	-	-	1,069	-	27,940	5,583	33,523
Direct assistance:													
Food	-	570,662	-	-	-	-	-	-	-	-	570,662	-	570,662
HIV Clinic	20,617	-	-	-	-	-	-	-	-	-	20,617	-	20,617
Dental	19,804	-	-	-	-	-	-	-	-	-	19,804	-	19,804
Housing	-	114,178	200,637	9,527	-	-	-	-	-	1,550	325,892	-	325,892
Medicine	-	-	-	-	-	6,687,740	-	-	-	-	6,687,740	-	6,687,740
Transportation	-	9,941	-	-	-	371	-	-	-	-	10,312	-	10,312
Utilities	-	11,971	6,612	1,308	-	-	-	-	-	1,295	21,186	-	21,186
Other	-	-	-	-	-	83,058	-	-	79,975	-	163,033	-	163,033
Medical expense	-	7,108	-	-	-	210,648	-	-	-	-	217,756	-	217,756
Educational materials	-	-	-	-	-	-	4,850	3,092	-	-	7,942	-	7,942
Equipment rental	-	6,203	-	-	-	-	-	-	-	-	6,203	16,663	22,866
Equipment repairs	-	-	-	-	-	10,821	-	-	-	-	10,821	3,607	14,428
Insurance	-	2,014	-	-	-	40,496	-	-	306	-	42,816	13,499	56,315
Health insurance	22,005	75,695	-	-	2,289	84,177	7,356	-	7,501	-	199,023	2,468	201,491
Workman's compensation	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	71,517	-	-	-	245,124	-	-	20,734	-	337,375	81,707	419,082
Salaries and wages	310,428	603,728	21,894	-	22,932	1,349,652	50,875	-	258,249	-	2,617,758	664,755	3,282,513
Deferred compensation	-	-	-	-	-	-	-	-	-	-	-	59,167	59,167
Retirement	9,081	16,635	-	-	427	35,240	2,070	-	-	-	63,453	17,356	80,809
Payroll taxes	22,116	48,427	-	-	1,392	108,366	3,710	-	18,281	-	202,292	36,122	238,414
Interest expense	-	-	-	-	-	-	-	-	-	-	-	4,441	4,441
Travel	-	50	-	-	-	-	1,463	-	2,611	-	4,124	45,116	49,240
Vehicle expense	-	7,428	-	-	-	2,473	-	-	-	-	9,901	-	9,901
Total expenses before depreciation	421,337	1,623,182	229,143	10,835	27,040	9,236,558	70,324	3,092	446,244	2,845	12,070,600	1,563,871	13,634,471
Depreciation	-	-	-	-	-	182,519	-	-	-	-	182,519	-	182,519
Total expenses, year ended December 31, 2024	$ 421,337	$ 1,623,182	$ 229,143	$ 10,835	$ 27,040	$ 9,419,077	$ 70,324	$ 3,092	$ 446,244	$ 2,845	$ 12,253,119	$ 1,563,871	$ 13,816,990

The accompanying notes are an integral part of these financial statements.

PINNACLE FAMILY HEALTH, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	(Restated) 2024
Cash Flows From Operating Activities		
Change in net assets	$ 305,383	$ (653,298)
Adjustment to reconcile change in net assets		
to net cash provided by operating activities:		
(Gain) on investments	(27,328)	(17,878)
Depreciation expense	206,045	182,519
(Increase) decrease in:		
Grants receivable	460,088	(254,657)
340B receivable	(327,103)	(294,257)
Medical services accounts receivable, net	47,649	(42,507)
Inventories	2,748	67,326
Due from others	(16,653)	-
Prepaid expenses	36,238	(36,238)
Increase (decrease) in:		
Accounts payable	79,152	375,306
340B program overpayment liability	-	(655,579)
Accrued expenses	18,586	15,923
Deferred compensation liability	39,583	59,167
Deferred revenue	10,203	-
Net cash provided (used) by operating activities	834,591	(1,254,173)
Cash Flows From Investing Activities		
Proceeds from sale of investments	40,145	35,575
Purchase of investments	(36,060)	(31,482)
Purchases of property and equipment	-	(759,197)
Net cash provided (used) by investing activities	4,085	(755,104)
Cash Flows From Financing Activities		
Payment of long-term debt	(8,708)	(8,098)
Net cash used by investing activities	(8,708)	(8,098)
Net increase (decrease) in cash	829,968	(2,017,375)
Cash at beginning of year	647,215	2,664,590
Cash at end of year	$ 1,477,183	$ 647,215
Supplemental Disclosures		
Cash paid for interest	$ 4,803	$ 4,441

The accompanying notes are an integral part of these financial statements.

1. Description of Organization

The mission of Pinnacle Family Health, Inc. (Pinnacle) is to provide accessible, comprehensive, and high-quality healthcare, behavioral health, and support services for people in an affirming and inclusive setting, with a particular emphasis on people who are low-income and medically underserved, people who are LGBTQ+, and people living with HIV. Originally incorporated as Greater Ouachita Coalition Providing Aids Resources and Education, in anticipation of opening a new primary care clinic the organization changed its name to Pinnacle Family Health, Inc. in May 2022, to more accurately describe the breadth of services provided to the community.

2. Summary of Significant Accounting Policies

The accounting policies of Pinnacle conform to generally accepted accounting principles as applicable to not-for-profit organizations. The more significant accounting policies of Pinnacle are described below:

Use of Estimates

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

Basis of Presentation

The financial statements of Pinnacle have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require Pinnacle to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of Pinnacle. These net assets may be used at the discretion of Pinnacle's management and the board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Pinnacle or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. At December 31, 2025, and 2024, all net assets were classified as net assets without donor restrictions.

Functional Expenses

Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions, primarily personnel costs, are allocated on the basis of estimates of time and effort or other reasonable bases consistently applied.

Programs

Pinnacle's principal programs and primary funding sources are:

Federally Qualified Health Center Look-Alike (FQHC LAL)

Pinnacle has been designated as a Federally Qualified Health Center Look-Alike (FQHC LAL) by the Bureau of Primary Health Care (BPHC) of the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (DHHS) since November 01, 2019. The health center's current FQHC LAL designation period expires on 04/30/2027. The health center strives to provide affirming and inclusive care that is affordable and comprehensive for children and adults in Northeast Louisiana. Comprehensive healthcare services are provided to people spanning in age from pediatrics to geriatrics. Additionally, the health center has implemented a Sliding Fee Discount Program for individuals whose income is below 200% of the Federal Poverty Guidelines and who are uninsured or underinsured.

340B Drug Discount Program

Pinnacle is engaged in an agreement with Reliant Healthcare to stock prescription medications purchased at a discounted rate for the purpose of distribution to eligible patients of the health center. Pinnacle purchases the medications from wholesaler Morris and Dickson, and Reliant Healthcare holds and distributes them upon receipt of a valid medical provider's prescription. As compensation for the contract pharmacy services, the agreement stipulates that Pinnacle will pay Reliant a dispensing fee, plus a flat fee per prescription. The dispensing fee shall equal the sum of fifteen percent (15.00%) of the gross revenue generated (the total reimbursed amount including all co-payment and / or deductibles less applicable sales tax) plus a flat fee of $10.00 per prescription.

Ryan White Part B HIV Care Grant Program

Supportive Services

The purpose of this program is to develop or enhance access to a comprehensive continuum of high-quality HIV care and treatment for low-income people living with HIV, with the goals of reducing HIV incidence, increasing access to care and optimizing health outcomes, and reducing HIV-related health disparities. Funding for this program is through the Louisiana Office of Public Health STD/HIV/Hepatitis Program.

Housing Opportunities for Persons with AIDS

The purpose of this program is to provide housing opportunities for low-income persons living with HIV in order to prevent homelessness, including Tenant-Based Rental Assistance (TRBA) and Short-term rent, Mortgage and Utility Assistance (STRMU). Funding for this program is through the Louisiana Office of Public Health STD/HIV/Hepatitis Program.

Ryan White Part C Early Intervention Services (HIV Medical Care) Grant Program

The purpose of this program is to support outpatient HIV early intervention services and ambulatory care for uninsured/underinsured individuals through Early Intervention Services (EIS). This program allows grant recipients to enhance response to the HIV epidemic in their area through the provision of comprehensive primary HIV medical care and support services. Funding for this program is through the HIV/AIDS Bureau of the Health Resources and Services Administration of the U.S. Department of Health and Human Services.

Ryan White Part D Services for Women, Infants, Children, and Youth Program

The purpose of this program is to provide outpatient family-centered primary and specialty medical care and support services. These services help low-income women, infants, children, and youth with HIV. Funding for this program is through a subrecipient agreement with CrescentCare in New Orleans, who receives grant funding through HIV/AIDS Bureau of the Health Resources and Services Administration of the U.S. Department of Health and Human Services.

HIV Prevention Grant Programs

The purpose of this program is to provide HIV testing, counseling, and prevention materials within Region 8. Funding for this program is through the Louisiana Office of Public Health STD/HIV/Hepatitis Program.

Cash and Cash Equivalents

Pinnacle considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Medical Services

Patient accounts receivable are reported at net realizable value. Pinnacle grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements, primarily with Medicare, Medicaid, and various commercial insurance companies. For receivables associated with services provided to patients who have third-party coverage, Pinnacle estimates net realizable value based on the estimated contractual reimbursement percentage, which in turn is based on current contract provisions and historical paid claims by payor. Pinnacle does not charge interest on past due accounts.

340B Program

The 340B Program receivable as of December 31, 2025, represents December remittances not received as of year-end.

Investments

Investments are initially recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statement of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gain and losses on sales of securities are based on average cost and are recorded in the statement of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date. Net investment return is reported net of external investment expense.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in that principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). Pinnacle groups investments at fair value in up to three levels, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 Unobservable inputs that cannot be corroborated by observable market data.

Grants Receivable

Grants receivable represent amounts that have been expended for qualified purposes under various grant programs and are to be reimbursed in full by the grantor within the next twelve months.

Inventories

Food card and stock medication inventories are stated at cost, first-in, first-out basis.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally ranging from three to twenty years. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized. Deductions are made for retirements resulting from renewals or betterments. Property and equipment are composed of land, vehicles and leasehold improvements. Land was purchased in 2021 as the site of a new clinic building with construction planned for 2022. A different location was selected for the new clinic and the land is currently being held for investment.

	2025	2024
Land	$ 220,000	$ 220,000
Vehicles	67,623	67,623
Furniture and equipment	760,929	760,929
Leasehold improvements	1,460,502	1,460,502
Total fixed assets	2,509,054	2,509,054
Less-accumulated depreciation	(478,892)	(272,847)
Property and equipment, net	$ 2,030,162	$ 2,236,207

Leases

Pinnacle determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also may include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less), if any. Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Revenue and Revenue Recognition

Net patient service revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, after contractual adjustments. Patient accounts receivable include charges for amounts due from Medicare, Medicaid, commercial insurers and self-pay patients. Contractual adjustments represent the differences between amounts billed as patient service revenue and amounts contracted with third party payors and are accrued on an estimated basis in the period in which the related services are rendered and adjusted in future periods as final settlements are determined.

Pinnacle grants credit without collateral to its patients, most of whom are local residents insured under third-party payor agreements. Receivables are reported at their net realizable value from third-party payors, patients, and others for services rendered. Allowances (explicit price concessions) are provided for third-party payors based on estimated reimbursement rates. Allowances (implicit price concessions) are also provided for uncollectible accounts based upon a review of outstanding receivables, the nature of receivables, historical collection information, existing economic conditions, and reasonable, supportable forecasts of future losses. Write-off of uncollectible accounts is determined on a case-by-case basis after the account is deemed uncollectible.

Contributions

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Government Grants and Contracts

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Under ASU 2018-08, these arrangements constitute contributions since the grantor does not receive commensurate value for the consideration received by Pinnacle; rather the purpose of an arrangement is for the benefit of the general public. Therefore, Pinnacle 's management concluded that the agreements are conditional due to rights of return/release and barriers to entitlement to funds. Revenue is recognized when the condition is satisfied. Under ASU 2018-08, a refundable advance is recorded when Pinnacle receives assets in advance of the satisfaction of the conditions within these arrangements. At December 31, 2025, and 2024, the Organization had not received any cost-reimbursable grants for which the qualifying expenditures have not yet been incurred.

Economic Dependency

For the year ended December 31, 2025, Pinnacle receives approximately 16% of the Organization's total revenue through federal government grant funding and approximately 75% was derived from 340B pharmacy-related revenue. from its 340B Drug Program. A significant reduction in either funding source could have a material effect on the Organization's operations.

Compensated Absences

Employees of Pinnacle are entitled to paid vacations, sick days and other time off depending on job classification, length of service and other factors. Pinnacle does not accumulate vacation or sick time. The estimate of the amount of compensation for future absences is immaterial and, accordingly, no liability has been recorded in the accompanying financial statements. Pinnacle's policy is to recognize the costs of compensated absences when paid to employees.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs totaled $84,929 and $167,444 for the years ended December 31, 2025 and 2024, respectively.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year's financial statements.

3. Liquidity and Availability

Pinnacle regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, Pinnacle considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures.

As part of its liquidity management plan, Pinnacle invests cash in excess of current requirements in mutual funds and in a separate checking account used as a reserve account to provide funds to cover expenditures when grant payments are delayed. The majority of Pinnacle 's expenditures are based on government grant funding so that the amount of expenditures is directly related to grant funding available.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date as of December 31, comprise the following:

	2025	2024
Cash and cash equivalents	$ 1,477,183	$ 647,215
Investments	192,957	169,714
Grants receivable	237,469	697,557
340B program receivable	1,197,458	870,355
Medical services accounts receivable, net	168,728	216,377
Total	$ 3,273,795	$ 2,601,218

4. Investments

At December 31, 2025, investments are twenty-one publicly traded mutual funds, which consist of nine stock-based funds, six bond-based funds, five exchange traded products; and a money market fund. These investments are carried at fair value based on quoted prices in active markets on a trade-date basis and summarized as follows:

	As of December 31, 2025			As of December 31, 2024		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Mutual Fund	$ 148,922	$ 192,957	$ 44,035	$ 145,228	$ 169,714	$ 24,486

The primary investment objectives are liquidity and preservation of principal, while also earning a competitive market rate of return. The investment return and its classification can be found in the statements of activities.

5. Fair Value Measurements

The fair values of assets measured on a recurring basis are as follows:

	Fair Value	Quoted prices in active markets for identical assets (Level 1)
December 31, 2025		
Marketable securities	$ 192,957	$ 192,957
December 31, 2024		
Marketable securities	$ 169,714	$ 169,714

6. Inventories

Inventories at December 31, 2025, consisted of the following:

	2025	2024
Stock medications inventory	$ 21,876	$ 21,624
Food inventory	7,400	10,400
Total	$ 29,276	$ 32,024

7. Economic Injury Disaster Loan

Pinnacle received an Economic Injury Disaster Loan (EIDL) in the amount of $150,000 on May 15, 2020, due to the effects of the COVID-19 pandemic. The loan is payable in 360 monthly installments of $641 including interest at 2.75%, originally beginning in April 2022. The SBA extended the due date of the first payment to November 15, 2022, thirty months from the note date. Payments began in 2022 with all payments initially applied to accrued interest. The note is now being amortized. The note is collateralized by all tangible and intangible personal property of the organization.

Aggregate maturities of this loan as of December 31, 2025, are as follows:

2026	$ 8,640
2027	8,881
2028	9,128
2029	9,382
2030	9,644
Thereafter	80,437
Total	$ 126,113

8. Net Patient Service Revenue

During fiscal year 2020, Pinnacle adopted FASB ASU 2014-09, *Revenue from Contracts with Customers (Topic 606),* and ASU 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date,* using the modified retrospective method (ASC 606). The overall impact of adoption was not material to the accompanying financial statements, with the primary changes related to presentation of certain information, as described below, and expanded disclosures related to revenue recognition principles, disaggregation of revenues and other matters.

As part of the adoption of ASC 606, Pinnacle elected certain available practical expedients under the standard. First, Pinnacle elected the practical expedient that allows nonrecognition of the promised amount of consideration from patients and third-party payers for the effects of a significant financing component due to Pinnacle 's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payer pays for that service will be one year or less. Any financing component is not deemed to be significant to the respective contracts. Additionally, Pinnacle has applied the practical expedient whereby all incremental customer contract acquisition costs are expensed as they are incurred, as the amortization period of the asset that Pinnacle otherwise would have recognized is one year or less in duration.

Management has determined that Pinnacle has an unconditional right to payment only subject to the passage of time for services provided to date based on just the need to finalize billing for such services (i.e., charge lag) at the balance sheet date. Pinnacle provides outpatient services only so there is minimal lagging time between the date services are provided and the billing date. Thus, management has determined that Pinnacle does not have any amounts that should be reflected separately as contract assets.

As a result of the adoption of ASC 606, estimated uncollectible amounts from patients that were previously presented as the provision for uncollectible accounts in the statements of activities are now considered implicit price concessions (as defined in ASC 606) and, therefore, included in net patient service revenue. Such implicit price concessions reflected in net patient service revenue in the accompanying financial statements for the year ended December 31, 2025 and 2024 were $29,893 and $11,325. Implicit price concessions are presented as a direct reduction of patient accounts receivable.

9. Related Parties

Pinnacle Asset Holdings, LLC (Holdings) was organized in 2022 as a 501(c)(2) organization to purchase the property that was renovated for a new community health center facility which opened in early 2024. Renovations to the facility began in 2023 and the facility was leased to Pinnacle beginning April 1, 2024. Although Holdings has its own separate board of directors, Holdings and Pinnacle share a common officer. To date, Pinnacle has contributed $1,410,085 toward construction costs which is included in leasehold improvements in the financial statements. Total rent paid by Pinnacle to Holdings was $518,352 and $388,764 for the years ended December 31, 2025 and 2024, respectively. Pinnacle has also guaranteed the notes payable with Homeland Bank that Holdings will incur related to the purchase and renovation of the facility building. The loan amounts as of December 31, 2025, and December 31, 2024, were $4,437,122 and $4,680,897, respectively.

10. Financial Instruments

Concentrations of Credit Risk

Financial instruments that potentially expose Pinnacle to concentrations of credit and market risk consist primarily of cash equivalents and investments. Cash equivalents are maintained at high-quality financial institutions and credit exposure is limited at any one institution. Cash balances are insured by the Federal Deposit Insurance Corporation up to $250,000 per depositor, per insured bank, for each account ownership category; balances in excess of federally insured limits are uninsured. Pinnacle has not experienced any losses in such accounts and management believes it is not exposed to significant credit risk on cash and cash equivalents. Pinnacle ’s investments do not represent significant concentrations of market risk in as much as Pinnacle ’s investment portfolio is adequately diversified among issuers, industries, and geographic regions.

Collateralization Policy

Pinnacle does not require collateral to support financial instruments subject to credit risk unless otherwise disclosed.

11. Income Taxes

Pinnacle is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code but must file an annual return with the Internal Revenue Service that contains information on its financial operations. Pinnacle is required to review various tax positions it has taken with respect to its exempt status and determine whether in fact it continues to qualify as a tax-exempt entity. It must also consider whether it has nexus in jurisdictions in which it has income and whether a tax return is required in those jurisdictions. In addition, as a tax-exempt entity, Pinnacle must assess whether it has any tax positions associated with unrelated business income subject to income tax. Pinnacle does not expect any of these tax positions to change significantly over the next twelve months. Any penalties and interest related to late filing or other requirements would be recognized as penalties expense in Pinnacle’s accounting records.

Pinnacle is required to file U.S. federal Form 990 for informational purposes. The Pinnacle’s federal income tax returns remain subject to examination for three years by the Internal Revenue Service.

12. Lease Expense

Effective April 1, 2024, Pinnacle signed a 3-year lease with a 3-year renewal option with Pinnacle Asset Holdings for a new clinic and office space. The monthly rent will be $43,196 for the initial and renewal lease term.

The rental expense related to this lease was $518,352 for the year ended December 31, 2025.

Lease expense	Year Ending December 31, 2025
Finance lease expense	
Amortization of ROU assets	-
Interest on lease liabilities	-
Operating lease expense	518,352
Short-term lease expense	-
Variable lease expense	-
Sublease income	-
Total	518,352
Other Information	
(Gains) losses on sale-leaseback transactions, net	-
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from finance leases (i.e. Interest)	-
Financing cash flows from finance leases (i.e. principal portion)	-
Operating cash flows from operating leases	518,352
ROU assets obtained in exchange for new finance lease liabilities	-
ROU assets obtained in exchange for new operating lease liabilities	-
Weighted-average remaining lease term in years for finance leases	-
Weighted-average remaining lease term in years for operating leases	4.25
Weighted-average discount rate for finance leases	-
Weighted-average discount rate for operating leases	4.50%

Maturity Analysis	Operating
2026-12	518,352
2027-12	518,352
2028-12	518,352
2029-12	518,352
2030-12	129,588
Total undiscounted cash flows	2,202,996
Less: present value discount	193,747
Total lease liabilities	2,009,249

13. Employee Benefits

In January 2021, Pinnacle adopted the Acuff and Associates, Inc. Prototype 401(k) Profit-Sharing Plan. The plan covers all employees age 21 or older with one year of service. The Company contributes to the 401(k) plan an amount equal to 100% of the participant's elective deferral contribution up to 4% of compensation and may contribute additional amounts at the option of Pinnacle's Board of Directors. Contributions related to the plan for the year ended December 31, 2025 and 2024 were $78,984 and $80,809, respectively.

Effective July 1, 2022, Pinnacle adopted a Retention Incentive arrangement for the Chief Executive Officer under which, upon his departure in good standing from his position with Pinnacle, he will be paid the equivalent of one month's salary for each full year served as Chief Executive Officer, beginning on July 1, 2017. The liability for this arrangement as of December 31, 2025 and 2024, respectively, was $236,250 and $196,667 and is reflected in the financial statements as deferred compensation expense and liability.

Pinnacle also adopted a Section 162 Executive Bonus Plan for the Chief Executive Officer and Chief Financial Officer under which an annual bonus is paid to each in the form of a non-qualified deferred annuity. Both officers are immediately fully vested in the Bonus Plan.

14. Prior-Period Adjustment

The Organization restated its previously issued financial statements as of and for the year ended December 31, 2024 to correct amounts related to the estimation of accounts receivable and related allowance for doubtful accounts. The correction resulted from management's re-estimation of amounts expected to be collected that existed as of December 31, 2024. The restatement increased medical services income and decreased allowance for doubtful accounts by $65,443.

15. Subsequent Events

Management has evaluated subsequent events through June 30, 2026, the date the financial statements were available to be issued and determined that no subsequent events require adjustment to or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

PINNACLE FAMILY HEALTH, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2025

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	Assistance Listing Number	Expenditures
United States Department of Housing and Urban Development		
Passed Through Louisiana Office of Public Health:		
Housing Opportunities for Persons with AIDS	14.241	$ 216,934
United States Department of Health and Human Services		
Passed Through Louisiana Office of Public Health:		
HIV Care Formula Grants	93.917	1,564,534
HIV Prevention Activities - Health Dept Based	93.940	76,027
		1,640,561
Received as Subrecipient via NO/AIDS Task Force dba CrescentCare:		
Ryan White Part D - Women, Infants and children	93.153	153,334
Total Passthrough Awards		2,010,829
United States Department of Health and Human Services		
Direct Programs:		
Ryan White Part C Outpatient EIS Program	93.918	571,326
Total Direct Awards		571,326
Total Federal Expenditures		$ 2,582,155

See accompanying Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

   The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Pinnacle Family Health, Inc. under programs of the federal government for the year ended December 31, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 Pinnacle Family Health, Inc., it is not intended to and does not present the financial position, change in net assets, or cash flows of Pinnacle Family Health, Inc.

2. Summary of Significant Accounting Policies

   a) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

   b) Pinnacle Family Health, Inc. has not elected to use the 15 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. Pinnacle Family Health, Inc. did not expend any federal awards in the form of noncash assistance during the fiscal year.

PINNACLE FAMILY HEALTH, INC.

SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS

AND OTHER PAYMENTS TO AGENCY HEAD

FOR THE YEAR ENDED DECEMBER 31, 2025

Agency Head: Mark Windham	-
Salary and expense account	-
Bonus	-
Benefits - insurance	-
Benefits - retirement	-
Benefits - mileage reimbursement	-

Note: Pinnacle Family Health, Inc. is a nonprofit entity that receives public funds. However, no public funds were used to pay compensation, reimbursements, benefits, or other payments to the agency head.

OTHER REPORTS

PREMIER PLAZA
1900 N. 18TH STREET, SUITE 300 | MONROE, LOUISIANA 71201
318.388.3108 (P) | 318.429.2124 (F)

Board of Directors
Pinnacle Family Health, Inc.
West Monroe, Louisiana

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*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Pinnacle Family Health, Inc. (a nonprofit organization) as of and for the year ended December 31, 2025, and the related notes to financial statements, which collectively comprise Pinnacle's basic financial statements, and have issued our report thereon dated June 30, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pinnacle'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 Pinnacle's internal control. Accordingly, we do not express an opinion of the effectiveness of Pinnacle's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Heard, McElroy & Vestal, LLC

Monroe, Louisiana
June 30, 2026

PREMIER PLAZA
1900 N. 18TH STREET, SUITE 300 | MONROE, LOUISIANA 71201
318.388.3108 (P) | 318.429.2124 (F)

Board of Directors
Pinnacle Family Health, Inc.
West Monroe, Louisiana

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pinnacle Family Health, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Pinnacle Family Health, Inc.'s major federal programs for the year ended December 31, 2025. Pinnacle Family Health, Inc.'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, Pinnacle Family Health, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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 Pinnacle Family Health, Inc. 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 each major federal program. Our audit does not provide a legal determination of Pinnacle Family Health, Inc.'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 internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Pinnacle'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 Pinnacle Family Health, Inc.'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 generally accepted auditing standards, *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 judgement made by a reasonable user of the report on compliance about Pinnacle Family Health, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement 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 Pinnacle Family Health'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 Pinnacle Family Health, Inc.'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 Pinnacle Family Health, Inc.'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 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.

Heard, McElroy & Vestal, LLC

Monroe, Louisiana
June 30, 2026

PINNACLE FAMILY HEALTH, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2025

A. Summary of Audit Results

1. The auditors' report expressed an unmodified opinion on the financial statements of Pinnacle Family Health, Inc. (Pinnacle).
2. No material weaknesses or significant deficiencies in internal control relating to the audit of the financial statements are reported.
3. No instances of noncompliance were disclosed during the audit.
4. No material weaknesses in internal control over compliance relating to the audit of a major federal award program are reported.
5. The auditor's report on compliance for the major federal award programs for Pinnacle expresses an unmodified opinion.
6. There were no audit findings related to major federal award programs for Pinnacle.
7. The programs tested as major programs included:

Program	ALN
HIV Care Formula Grants	93.917

8. The threshold for distinguishing Types A and B programs was $1,000,000.
9. Pinnacle was determined to be a low-risk auditee.

B. Findings – Financial Statement Audit

None

C. Findings and Questioned Costs – Major Federal Award Programs

None

Findings – Financial Statement Audit

None

Findings – Major Federal Award Programs

None

Pinnacle Family Health, Inc.

Agreed-Upon Procedures Report
For the Year Ended December 31, 2025

HMV
CERTIFIED PUBLIC
ACCOUNTANTS

PREMIER PLAZA
1900 N. 18TH STREET, SUITE 300 | MONROE, LOUISIANA 71201
318.388.3108 (P) | 318.429.2124 (F)

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

Pinnacle Family Health, Inc. Board of Directors
West Monroe, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025, through December 31, 2025. Pinnacle Family Health, Inc ("Pinnacle") management is responsible for those C/C areas identified in the SAUPs.

Pinnacle has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025, through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
   a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
   b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
   c) ***Disbursements***, including processing, reviewing, and approving.
   d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

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

Findings: *No exceptions noted.*

<u>Board or Finance Committee</u>

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

   a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

   b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds.

   c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

d) Observe whether the board or finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Findings: *No exceptions noted.*

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

   a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

   b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

   c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Findings: *No exceptions noted.*

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

   a) Employees that are responsible for cash collections do not share cash drawers/registers.

   b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

   c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

   d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day).

   a) Observe that receipts are sequentially pre-numbered.

   b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

   c) Trace the deposit slip total to the actual deposit per the bank statement.

   d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer).

   e) Trace the actual deposit per the bank statement to the general ledger.

Findings: *No exceptions noted.*

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

   a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

   b) At least two employees are involved in processing and approving payments to vendors.

   c) The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.

   d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

   e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

a) Observe that the disbursement matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3 above, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g. sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

Findings: *No exceptions noted.*

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

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

13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card, obtain supporting documentation, and:

    a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

    b) Observe that finance charges and late fees were not assessed on the selected statements.

14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

15. Using the list of terminated employees obtained in the Payroll and Personnel procedures, identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Findings: *No exceptions noted.*

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

16. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

    a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

    b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

       Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

    c) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: *No exceptions noted.*

Contracts

17. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

    a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

    b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

    c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval).

    d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Findings*: No exceptions noted*

Payroll and Personnel

18. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

19. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:

    a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

    b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

    c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

    d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

20. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

21. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Findings: *No exceptions noted.*

Ethics

22. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above' obtain ethics documentation from management, and:

    a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period as required by R.S. 42:1170.

    b. Observe that the entity maintains documentation which demonstrates each employee and official was notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

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

Findings: *Procedure was not performed as Pinnacle was exempt from testing.*

Debt Service

24. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

25. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Findings: *Procedure was not performed as Pinnacle was exempt from testing.*

Fraud Notice

26. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

27. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Findings: *No exceptions noted.*

Information Technology Disaster Recovery/Business Continuity

28. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

    a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

    b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

    c. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

29. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure 19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

30. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows: a) Hired before June 9, 2020 - completed the training; and b) Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Findings: *We performed the procedure and discussed the results with management.*

Prevention of Sexual Harassment

31. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year, as required by R.S 42:343.

32. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

33. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:

    1. Number and percentage of public servants in the agency who have completed the training requirements;
    2. Number of sexual harassment complaints received by the agency;
    3. Number of complaints which resulted in a finding that sexual harassment occurred;
    4. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
    5. Amount of time it took to resolve each complaint.

Findings: *Procedure was not performed as Pinnacle was exempt from testing.*

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

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

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

Heard, McElroy & Vestal, LLC

Monroe, Louisiana
June 30, 2026