

ACADIA-ST. LANDRY HOSPITAL
SERVICE DISTRICT

FINANCIAL REPORT

JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Acadia-St. Landry Hospital Service District
Church Point, Louisiana

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of Acadia-St. Landry Hospital Service District (District), a component unit of the Acadia Parish Police Jury, as of June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District, as of June 30, 2025 and 2024, and the respective changes in financial position and cash flows thereof 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of a Matter

As discussed in Note 18 to the financial statements, the District had a prior year restatement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The supplementary information is for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
December 18, 2025

BASIC FINANCIAL STATEMENTS

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Statements of Net Position
June 30, 2025 and 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,291,149	\$ 3,542,581
Investments	5,044,341	4,574,678
Patient accounts receivable, net of allowance for bad debt \$921,834 and \$517,730 for 2025 and 2024, respectively	2,565,997	1,511,300
Inventories	283,663	260,683
Prepaid expenses	188,081	256,590
Estimated third-party payor settlements	955,309	1,378,345
Other receivables	278,160	21,265
Total current assets	11,606,700	11,545,442
CAPITAL ASSETS		
Property, plant and equipment, net	3,029,409	2,484,212
Total assets	\$14,636,109	\$ 14,029,654
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 1,065,379	\$ 521,792
Accrued expenses	325,589	269,841
Compensated absences	432,001	238,312
Total current liabilities	1,822,969	1,029,945
NONCURRENT LIABILITIES		
Compensated absences	264,774	-
Total liabilities	2,087,743	1,029,945
NET POSITION		
Net investment in capital assets	2,621,206	2,484,212
Unrestricted	9,927,160	10,515,497
Total net position	12,548,366	12,999,709
Total liabilities and net position	\$14,636,109	\$ 14,029,654

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

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2025 and 2024

	2025	2024
Operating revenues:		
Net patient service revenues (net of provision for bad debts of \$997,736 in 2025 and \$652,131 in 2024)	\$ 14,653,107	\$ 13,277,670
Medicaid supplemental revenue	1,509,650	1,568,668
Other operating revenues	98,551	195,439
Total operating revenues	16,261,308	15,041,777
Operating expenses:		
Salaries and wages	6,341,768	5,538,011
Professional services	1,265,455	1,176,090
Other departmental expenses	9,577,003	9,286,418
Depreciation and amortization	193,678	193,502
Intergovernmental transfers - access grants	14,148	47,922
Total operating expenses	17,392,052	16,241,943
Operating loss	(1,130,744)	(1,200,166)
Non-operating revenues (expenses):		
Ad valorem taxes	559,999	543,736
Grant revenue	112,075	126,790
Realized and unrealized gain on investments	337,397	374,051
Investment income	150,725	113,199
Interest expense	(10,681)	(39,319)
Total non-operating revenues (expenses)	1,149,515	1,118,457
Increase (decrease) in net position	18,771	(81,709)
Net position, beginning, as restated	12,529,595	13,081,418
Net position, ending	\$ 12,548,366	\$ 12,999,709

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

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from and on behalf of patients	\$ 15,531,096	\$ 15,022,961
Payments to suppliers and contractors	(9,137,885)	(9,277,987)
Payments to employees	(7,800,308)	(6,970,899)
Other receipts and payments, net	<u>(183,297)</u>	<u>182,428</u>
Net cash used in operating activities	<u>(1,590,394)</u>	<u>(1,043,497)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Ad valorem taxes	<u>560,123</u>	<u>543,858</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Grants received	112,075	126,790
Payments for the purchase of property and equipment	(351,695)	(188,065)
Payments for debt	<u>-</u>	<u>(24,085)</u>
Net cash used in financing activities	<u>(239,620)</u>	<u>(85,360)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	150,725	488,031
Sales of investments	3,715,194	2,779,238
Purchases of investments	<u>(3,847,460)</u>	<u>(3,087,754)</u>
Net cash provided by investing activities	<u>18,459</u>	<u>179,515</u>
Net decrease in cash and cash equivalents	(1,251,432)	(405,484)
Cash and cash equivalents, beginning of year	<u>3,542,581</u>	<u>3,948,065</u>
Cash and cash equivalents, end of year	<u>\$ 2,291,149</u>	<u>\$ 3,542,581</u>

(Continued)

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Statements of Cash Flows (Continued)
For the Years Ended June 30, 2025 and 2024

	2025	2024
RECONCILIATION OF OPERATING LOSS TO NET		
CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (1,130,744)	\$ (1,200,166)
Adjustments to reconcile operating loss to net cash flows used by operating activities:		
Depreciation and amortization	193,678	193,502
Provision for bad debts	997,736	652,131
(Increase) decrease in assets-		
Patient accounts receivable	(2,052,433)	(886,338)
Inventories	(22,980)	22,811
Prepaid expenses	68,509	(75,579)
Estimated third-party payor settlements	423,036	410,830
Other receivables	(267,700)	34,911
Increase (decrease) in liabilities-		
Accounts payable	156,407	(267,135)
Accrued expenses	55,748	71,536
Compensated absences	(11,651)	-
Net cash used in operating activities	\$ (1,590,394)	\$ (1,043,497)
Noncash investing activities:		
Increase in fair value of investments	\$ 253,967	\$ 452,196

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

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements

(1) Organization and Significant Accounting Policies

Acadia-St. Landry Hospital Service District (the “Hospital Service District”) was established in 1967, by the Acadia and St. Landry Parish Police Juries, by virtue of the authority of Louisiana Revised Statutes (R. S.) 46:1051 et seq. The purpose of the Hospital Service District is to provide health services to Acadia and St. Landry parishes. The Board of Commissioners is appointed by the Acadia and St. Landry Parish Police Juries.

On November 1, 2004, the Hospital Service District converted from an Acute Inpatient Prospective Payment System (IPPS) Hospital to a Critical Access Hospital (CAH). This conversion significantly changed the way the Hospital Service District was being reimbursed for Medicare patients. Under the previous Medicare payment methodology, the Hospital Service District was being paid on a Prospective Payment System (PPS). Under the CAH Medicare payment methodology, the Hospital Service District is paid 101% of its reasonable costs for Medicare purposes, except for Inpatient Psychiatric services which were paid based on a blend of reasonable cost and PPS, subject to various limits and rules up to June 30, 2008. As of June 30, 2009, the Hospital Service District was fully PPS for Inpatient Psychiatric services.

A. Reporting Entity

As the governing authority of the Parish, for reporting purposes, the Acadia Parish Police Jury is the financial reporting entity for the Hospital Service District. Accordingly, the Hospital Service District was determined to be a component unit of the Acadia Parish Police Jury. The accompanying financial statements present only the Hospital Service District.

B. Basis of Accounting

The accompanying basic financial statements of the Hospital Service District have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) applicable to state and local governments. 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 Service District are described below.

The Hospital Service District utilizes the proprietary fund method of accounting whereby all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenses, gains, and losses are measured and reported using the economic resources measurement focus and the accrual basis of accounting. The Hospital Service District’s accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:514 and to the guide set forth in the *Louisiana Governmental Audit Guide*, and the *AICPA Audits of Providers of Health Care Services* published by the American Institute of Certified Public Accountants.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

In some instances, the GASB requires an entity to delay recognition of decreases in net position as expenditures until a future period. In other instances, entities are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There were no deferred outflows of resources and deferred inflows of resources as of June 30, 2025 and 2024.

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The Hospital Service District reports three components as follows:

- (1) Net investment in capital assets - This component consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- (2) Restricted net position - This component is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Hospital Service District's bonds. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.
- (3) Unrestricted net position - This component of net position consists of net position that does not meet the definition of the above two components and is available for general use.

C. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

D. Cash and Cash Equivalents

Cash includes amounts in demand deposits and on hand. For purposes of the statement of cash flows, highly liquid investments with an original maturity of three months or less are considered to be cash equivalents.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

E. Trade Receivables and Allowance for Uncollectible Accounts

Trade receivables are carried at the original billed amount less an estimate made for uncollectible accounts based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for uncollectible accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Trade receivables are written-off when deemed uncollectible. Recoveries of trade receivables previously written-off are recorded when received.

F. Investments

In accordance with professional standards, investments meeting the criteria specified in the standards are stated at fair value, which is either quoted market prices or the best estimate available. Investments which do not meet the requirements are stated at cost. Interest, dividends, and gains and losses, both realized and unrealized, are included in non-operating revenue. The unrealized gain on investments held at June 30, 2025 and 2024 was \$873,656 and \$619,688, respectively.

G. Inventories

Inventories are valued at the latest invoice price which approximates the lower of cost (first-in, first-out method) or market.

H. Net Patient Service Revenues

The Hospital Service District has agreements with third-party payors, which includes government programs which the Hospital Service District is paid based upon established charges, the cost of providing services, predetermined diagnosis rates, fixed per diem rates or discounts from established charges. Revenues are recorded at established charges. Revenues are recorded at estimated amounts due from patients and third-party payors for the services provided.

Net patient service revenues are reported at the estimated amounts realizable from patients, the third-party payer, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. 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. The Hospital Service District provides care to patients even though they are covered by contractual payment arrangements that do not pay full charges or may lack adequate insurance. As a result, the Hospital Service District is exposed to credit risks. The Hospital Service District manages such risks by providing appropriate allowances. The allowances are evaluated on a regular basis and are based upon management's periodic review of the collectability of the accounts considering historical experience, the nature and volume of the accounts and the agreement with the prospective third-party payor.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

I. Property, Plant and Equipment

The Hospital Service District records all property, plant and equipment acquisitions at historical cost, except for assets donated to the Hospital Service District. Donated assets are recorded at fair market value at the date of donation.

The Hospital Service District provides for depreciation of its plant and equipment using the straight-line method over the estimated useful lives of each class of depreciable assets. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation expense in the financial statements. The following estimated useful lives are generally used:

Building and improvements	15-20 years
Equipment	3-20 years

J. Compensated Absences

The District provides compensated absences in the form of vacation and sick leave to its employees. Employees can earn benefits based on years of service, employment classification, and collective bargaining agreements, as applicable. Effective for the fiscal year ended June 30, 2025, the District implemented GASB Statement No. 101, Compensated Absences, which establishes recognition and measurement requirements for all types of compensated absences.

The statement requires liabilities to be recognized when leave is earned and the leave is (1) attributable to services already rendered, (2) is not dependent on a future event outside the control of the government and employee, and (3) has a probability of being used or paid at a rate of more likely than not.

Employees of the District can earn from 300-450 hours of paid time off. When the employee reaches the maximum, further accumulation is ceased until PTO time is used; there is no cash option associated with this maximum bank. Only vacation accrued is paid at termination.

K. Grants and Donations

Revenues from grants and donations (including capital contributions of assets) are recognized when all eligibility requirements, including time requirements, are met. Grants and donations 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 other operating revenues. Amounts restricted to capital acquisitions are reported after non-operating revenues and expense.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

L. Operating Revenues and Expenses

The Hospital Service District's statements of revenues, expenses and changes in net position distinguish between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services, the Hospital Service District's principal activity.

Non-exchange revenues, including taxes, grants and contributions received for purposes other than capital asset acquisition, are reported as non-operating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

M. Advertising

The Hospital Service District expenses advertising cost as incurred. Advertising expense for the years ended June 30, 2025 and 2024 totaled \$18,716 and \$10,457, respectively.

N. Risk Management

The Hospital Service District is exposed to various risks of loss from tort; theft of, damage to and destruction of assets; business interruption; errors or omissions; employee injuries and illnesses; natural disasters; medical malpractice and employee health. Commercial insurance coverage is purchased for claims arising from such matters.

O. Restricted Resources

When the Hospital Service District has both restricted and unrestricted resources available to finance a particular program, it is the Hospital Service District's policy to use restricted resources before unrestricted resources.

P. Environmental Matters

The Hospital Service District is subject to laws and regulations relating to the protection of the environment. The Hospital Service District's policy is to accrue environmental and cleanup related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty, the potential financial impact of the Hospital Service District's continuing compliance efforts, management believes any future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of the Hospital Service District. At June 30, 2025 and 2024, management is not aware of any liability resulting from environmental matters.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

(2) Deposits and Investments

Under state law the Hospital Service District may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Hospital Service District may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2025, the Hospital Service District had demand deposits (book balances) totaling \$2,291,149.

Custodial credit risk is the risk that in the event of a bank failure of a depository financial institution, the Hospital Service District's deposits may not be recovered or the collateral securities that are in the possession of the outside party will not be recovered. These deposits are stated at cost, which approximates fair value. Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Hospital Service District or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at June 30, 2025, are secured as follows:

Bank balances	<u>\$2,340,224</u>
Federal deposit/SIPC insurance	\$ 550,843
Pledged securities	<u>1,789,381</u>
Total federal deposit insurance and pledged securities	<u>\$2,340,224</u>

Deposits in the amount of \$1,789,381 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Hospital Service District's name. The Hospital Service District does not have a policy for custodial credit risk.

The Hospital Service District's investing is performed in accordance with investment policies complying with state statutes. Funds may be invested in time deposits, money market investment accounts or certificates of deposit with financial institutions insured by FDIC; direct obligations of the United States Government and its agencies; investment grade (A-1/P-1) commercial paper of domestic United States corporations; one of the two highest short-term rating categories of either Standards & Poor's Corporation or Moody's Investors Service; government backed mutual trust funds; and mutual funds which invest in equities and fixed income securities.

Effective July 1, 2012, R.S. 33:2957 was enacted by the Legislature of Louisiana relative to the investments of hospital service districts, stating that any hospital service district may invest its funds as provided by R.S. 46:1073.1, except as provided therein. R.S. 46:1073.1 allows hospital service districts to invest funds as provided by law for investment of funds of the Louisiana State Employee Retirement System (LASERS), including but not limited to R.S. 11:263; however, any such investment may be made only in compliance with rules and regulations established by the hospital service district commission and in compliance with the provisions of R.S. 11:263 and any other law which provides for investments in which funds of LASERS may be invested.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

The Hospital Service District’s investments generally are reported at fair value, as discussed in Note 1. At June 30, 2025 and 2024, the Hospital Service District had the following investments, all of which were held in the Hospital Service District’s name by a custodial bank that is an agent of the Hospital Service District.

	June 30, 2025	
Investment Type	% of Portfolio	Fair Value
Mutual funds:		
Equities	52%	\$ 2,628,835
Fixed income	48%	2,415,506
Total	<u>100%</u>	<u>\$ 5,044,341</u>
	June 30, 2024	
Investment Type	% of Portfolio	Fair Value
Mutual funds:		
Equities	51%	\$ 2,328,469
Fixed income	49%	2,246,209
Total	<u>100%</u>	<u>\$ 4,574,678</u>

Interest Rate Risk – The state law does not address specific policies for managing interest rate risk. The Hospital Service District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates.

Credit Risk – Statutes authorize the Hospital Service District to invest in obligations of the U.S. Treasury, agencies and instrumentalities, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, banker’s acceptances, equities and fixed income mutual funds. At June 30, 2025 and 2024, the Hospital Service District did not have any rated investments.

Concentration of Credit Risk – In compliance with State statutes, the Hospital Service District “may invest more than 55% of the total portfolio in equities, so long as not more than 65% of the total portfolio is invested in equities and at least 10% of the total equity portfolio is invested in one or more index funds which seek to replicate the performance of the chosen index or indices.” The Hospital Service District may place no more than 5% of the market value of the fixed income portion of the portfolio in any one issuer at the time of purchase. However, there is no limit on the holdings of the direct obligations issued or guaranteed by the United States Government or its agencies.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

(3) Patient Accounts Receivable

Patient accounts receivable at June 30, 2025 and 2024 consisted of the following:

	2025	2024
Medicare	\$ 1,133,820	\$ 453,295
Medicaid	608,792	398,954
Other third-party payors	875,563	423,860
Patients	869,656	752,921
 Total patient accounts receivable	 3,487,831	 2,029,030
Less allowance for uncollectible amounts	(921,834)	(517,730)
 Patient accounts receivable, net	 \$ 2,565,997	 \$ 1,511,300

(4) Estimated Third-Party Settlements

The estimated third-party payors settlements receivable consisted of the following:

June 30, 2025:				
Cost Report Year	Medicare	Medicaid	UCC	Total
2019	\$ -	\$ 15,783	\$ -	\$ 15,783
2020	-	59,407	-	59,407
2021	-	38,076	-	38,076
2022	-	49,592	-	49,592
2023	-	151,710	-	151,710
2024	-	152,527	-	152,527
2025	3,927	479,193	5,094	488,214
Totals	\$ 3,927	\$ 946,288	\$ 5,094	\$ 955,309
June 30, 2024:				
Cost Report Year	Medicare	Medicaid	UCC	Total
2017	\$ -	\$ 29,494	\$ -	\$ 29,494
2018	-	33,712	-	33,712
2019	-	10,927	-	10,927
2020	-	145,235	-	145,235
2021	-	38,076	-	38,076
2022	57,343	118,584	-	175,927
2023	-	199,638	-	199,638
2024	568,480	176,856	-	745,336
Totals	\$ 625,823	\$ 752,522	\$ -	\$ 1,378,345

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

(5) Capital Assets

Capital asset activity for the years ended June 30, 2025 and 2024 were as follows:

	7/1/2024	Additions	Retirements	6/30/2025
Capital assets not being depreciated:				
Land	\$ 531,898	\$ -	\$ -	\$ 531,898
Construction in progress	661,747	660,184	-	1,321,931
Other capital assets:				
Land improvements	51,882	-	-	51,882
Buildings and improvements	3,749,096	21,517	-	3,770,613
Equipment	3,585,878	57,174	-	3,643,052
Total	8,580,501	738,875	-	9,319,376
Less accumulated depreciation:				
Land improvements	50,315	586	-	50,901
Buildings and improvements	3,046,927	101,535	-	3,148,462
Equipment	2,999,047	91,557	-	3,090,604
Total	6,096,289	193,678	-	6,289,967
Capital assets, net	\$ 2,484,212	\$ 545,197	\$ -	\$ 3,029,409
	7/1/2023	Additions	Retirements	6/30/2024
Capital assets not being depreciated:				
Land	\$ 531,898	\$ -	\$ -	\$ 531,898
Construction in progress	636,062	65,735	40,050	661,747
Other capital assets:				
Land improvements	51,882	-	-	51,882
Buildings and improvements	3,676,095	73,001	-	3,749,096
Equipment	3,536,549	49,329	-	3,585,878
Total	8,432,486	188,065	40,050	8,580,501
Less accumulated depreciation:				
Land improvements	49,668	647	-	50,315
Buildings and improvements	2,947,403	99,524	-	3,046,927
Equipment	2,905,716	93,331	-	2,999,047
Total	5,902,787	193,502	-	6,096,289
Capital assets, net	\$ 2,529,699	\$ (5,437)	\$ 40,050	\$ 2,484,212

Depreciation expense for the years ended June 30, 2025 and 2024 amounted to \$193,678 and \$193,502, respectively.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

(6) Changes in Noncurrent Liabilities

The following is a summary of noncurrent liabilities transactions for the year ended June 30, 2025 and 2024:

	<u>Balance</u> <u>7/1/2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2025</u>	<u>Due Within</u> <u>One Year</u>
Compensated absences *	\$708,426	\$ -	\$ 11,651	\$ 696,775	\$ 432,001
* restated					
	<u>Balance</u> <u>7/1/2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2024</u>	<u>Due Within</u> <u>One Year</u>
Note payable	\$ 23,913	\$ -	\$ 23,913	\$ -	\$ -

(7) Net Patient Service Revenues

The Hospital Service District 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 – On November 1, 2004, the Hospital Service District converted to a Critical Access Hospital (CAH) with a Distinct Part Psychiatric Unit. Inpatient acute care services and swing bed services rendered to Medicare program beneficiaries are reimbursed at cost plus 1%. Outpatient services are reimbursed at cost plus 1% (subject to limits and rules), while other outpatient laboratory services are reimbursed on a fee schedule. Inpatient Psychiatric services are reimbursed on a blended cost and PPS reimbursement methodology subject to certain limitations.

The Hospital Service District is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital Service District and audits thereof by the Medicare fiscal intermediary. The Hospital Service District's Medicare cost reports have been settled by the Medicare fiscal intermediary through June 30, 2019.

Medicaid – Inpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates per day. Certain outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology, subject to certain limits, while other outpatient services are reimbursed on a fee schedule. The Hospital Service District is reimbursed for outpatient services at an interim rate with final settlement determined after submission of annual cost reports by the Hospital Service District and audits thereof by the Medicaid fiscal intermediary. The Hospital Service District's Medicaid cost reports have been settled by the Medicaid fiscal intermediary through June 30, 2017.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

During the years ended June 30, 2025 and 2024, approximately 63.50% and 71.30%, respectively, of the Hospital Service District's gross patient service revenues were furnished to Medicare and Medicaid beneficiaries. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates may change by a material amount in the near term.

Current regulations limit uncompensated care cost incurred by the Hospital Service District in each fiscal year. These amounts are subject to audit by Medicaid and any overpayments will be recouped. Management has not estimated a reserve liability for the possible recoupment of these uncompensated care cost payments for June 30, 2025 and 2024, respectively. To the extent management's estimate differs from actual results, the differences will be used to adjust income in the period when such differences arise.

Future uncompensated cost payments are dependent upon state appropriations, which require approval by the state legislature. If the state should not fund or substantially change this program, it could have a significant impact on the Hospital Service District's revenue.

The Hospital Service District has entered into payment arrangements with certain commercial insurance carriers, health maintenance organization and preferred provider organizations. The basis for payment to the Hospital Service District under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined rates.

(8) Medicaid 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 thereafter, LDH must submit the assumptions to CMS for approval in future years. The basis for interim supplemental payments is the Hospital District's historical paid claims and other factors. In future state fiscal years, actual paid claims and other factors will be used to reconcile interim payments to final settled DPP amounts. LDH anticipates increasing or decreasing future DPP payments by the reconciliation amounts. The Hospital District has recognized approximately \$1,475,556 as of June 30, 2025 as Medicaid supplemental income after consideration was given for future adjustments which the Hospital District determined necessary. To the extent income recognized in the current period differs from actual results, Medicaid Supplemental income will be adjusted.

(9) Cooperative Endeavor Agreement

The Hospital District has agreed to a cooperative endeavor (DEA) with other like-minded Louisiana Hospitals per Louisiana's Rural Hospital Preservation Act. The intent of the agreement is to pool hospital resources across the State to support access to healthcare in rural Louisiana. Under the CEA, the Hospital District deposits an amount determined annually by the Rural Hospital Coalition (RHC), into an account, from which RHC is permitted to withdraw funds and make distributions to participating hospitals using a predetermined formula. Although the payments are formulaic in nature, they are not guaranteed, nor are they directly related to Medicaid reimbursement for provisions of goods and healthcare services to patients. Accordingly, the deposits made by the Hospital District to the RHC were less than the amount received by the Hospital District under the program, resulting in a net amount of \$34,094.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

(10) Ad Valorem Taxes

The Hospital Service District’s property tax is levied by the parish on the taxable real property in the district in late October of each year. Bills are sent out in November of each year, at which time the Hospital Service District records the tax revenue and becomes a lien in the following March. The taxes are based on assessed values determined by the Tax Assessor and are collected by the Sheriff. The Hospital Service District levied 10 mills for the fiscal years ended 2025 and 2024. For the years ended June 30, 2025 and 2024, property tax revenues, net of pension deductions, totaled \$559,999 and \$543,736, respectively.

(11) Concentration of Credit Risks

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

	2025	2024
Medicare	32.5%	22.3%
Medicaid	17.5%	19.7%
Other third-party payors	25.1%	20.9%
Patients	<u>24.9%</u>	<u>37.1%</u>
	<u>100.0%</u>	<u>100.0%</u>

(12) Deferred Compensation

The Hospital Service District offers employees a deferred compensation plan (Plan), which all employees are eligible to participate. The Plan was adopted under the provisions of Internal Revenue Code Section 457, and is administered by Security Benefit. The Hospital Service District does not have managerial or financial responsibility for plan assets. The Hospital Service District will match half (50%) of the employees’ contributions to the plan up to a maximum of 5% of the employees gross income per pay period. The Hospital Service District contributed \$101,301 and \$94,880 as of June 30, 2025 and 2024, respectively.

(13) Professional and General Liability Risk

The Hospital Service District participates in the Louisiana Patient’s Compensation Fund established by the State of Louisiana to provide medical professional coverage to healthcare providers. The fund provides for \$400,000 in coverage per occurrence above the first \$100,000 for which the Hospital Service District is at risk. The fund places no limitation 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 provided settlement for professional liability to \$100,000 per occurrence and limiting the Patient’s Compensation Fund’s exposure to \$400,000 per occurrence.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

The Hospital Service District has acquired additional coverage for professional medical malpractice and general liability through the Louisiana Hospital Association Trust Fund by purchasing a claims-made policy. Losses on medical malpractice and general liability claims are estimated based on deductibles and claims in excess of per-claim or aggregate coverage and incurred but not reported during the claim year. These estimates reflect the Hospital Service District's best estimates of the ultimate costs of reported and unreported claims, using the Hospital Service District's past experience, industry experience and identified asserted claims and reported incidents. No provision for losses on medical malpractice and general liability claims are recorded based on management's estimates that these matters will be resolved without material adverse effect on the Hospital Service District's future financial position or results from operations. There have been no significant reductions in insurance coverage during the fiscal year, nor have settlements exceeded coverage in the past three years.

(14) Contingencies

The Hospital Service District evaluates contingencies based upon the best available evidence. The Hospital Service District believes that no loss contingencies are considered necessary. To the extent that resolution of contingencies results in amounts which vary from the Hospital Service District's estimates, future earning will be charged or credited.

The principle contingencies are described below:

Third-party Government Revenues (Note 7) – Cost reimbursements are subject to examination by agencies administering the programs. The Hospital Service District is contingently liable for retroactive adjustments made by the Medicare and Medicaid programs as the result of their examinations as well as retroactive changes in interpretations applying statutes, regulations and general instructions of those programs. The amount of such adjustments cannot be determined.

The healthcare industry is subject numerous laws and regulations of Federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government program participating requirements, reimbursement for patient services and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Management believes that the Hospital Service District is in compliance with fraud and abuse statutes as well as other applicable governmental laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

(15) Fair Value Measurements

Professional standards require the disclosure for fair value measurements of financial assets and liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. The standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of inputs used to measure fair value are as follows:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b. Level 2 inputs are observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- c. Level 3 inputs are unobservable inputs for the asset or liability.

The following methods and assumptions were used by the District in estimating fair values of financial instruments:

- a. The carrying amount reported in the statement of net position for the following approximates fair value due to the short maturities of these instruments: cash, accounts receivable, and accounts payable.
- b. The fair value for investment securities are based on quoted market prices at the reporting date multiplied by the quantity held. The carrying value equals fair value.

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2025 and 2024:

<u>Description</u>	<u>June 30, 2025</u>			
	Total	(Level 1)	(Level 2)	(Level 3)
Equities	\$ 2,628,835	\$ 2,628,835	\$ -	\$ -
Fixed income	<u>2,415,506</u>	<u>-</u>	<u>2,415,506</u>	<u>-</u>
	<u>\$ 5,044,341</u>	<u>\$ 2,628,835</u>	<u>\$ 2,415,506</u>	<u>\$ -</u>

<u>Description</u>	<u>June 30, 2024</u>			
	Total	(Level 1)	(Level 2)	(Level 3)
Equities	\$ 2,328,469	\$ 2,328,469	\$ -	\$ -
Fixed income	<u>2,246,209</u>	<u>-</u>	<u>2,246,209</u>	<u>-</u>
	<u>\$ 4,574,678</u>	<u>\$ 2,328,469</u>	<u>\$ 2,246,209</u>	<u>\$ -</u>

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Notes to Financial Statements (Continued)

(16) Tax Abatement

Louisiana’s State Constitution Chapter VII Section 21 authorizes the State Board of Commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment related to manufacturing for the first ten years of its operation; after which the property will be added to the local tax roll and taxed at the value and millage in force at that time. The future value to this exempt property could be subject to significant fluctuations from today’s value; however, the District could receive a substantial increase in ad valorem tax revenues once the exemption on this property expires. Because these taxes are not assessed, no adjustments have been made to the Hospital Service District’s financial statements to record the exempt amounts. At June 30, 2025 and 2024, the District’s ad valorem revenues were reduced by \$57,748 and \$57,429, respectively, as a result of these abatements.

(17) Schedule of Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation, benefits, and other payments to Michael Lejeune, Chief Executive Officer, for the years ended June 30, 2025 and 2024 follows:

Purpose	2025	2024
Salary	\$ 163,763	\$ 162,622
Benefits - insurance	7,013	10,566
Benefits - retirement	7,543	288

(18) Accounting Changes/ Prior Year Restatement

The Organization implemented Governmental Accounting Standards Board (GASB) Statement No.101, *Compensated Absences*. GASB Statement No. 101 requires that liabilities for compensated absences be recognized for (1) leave has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means.

The implementation of GASB statement No. 101 resulted in a statement of previously reported net position as follows:

July 1, 2024 net position, as previously reported	\$12,999,709
Net effect of accounting changes/ prior year restatement	<u>(470,114)</u>
July 1, 2024 net position, as restated	<u>\$12,529,595</u>

SUPPLEMENTARY INFORMATION

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Schedules of Net Patient Service Revenues
For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Gross patient direct services	\$ 16,145,310	\$ 13,868,475
Less:		
Contractual allowances	746,167	844,644
Uncollectible accounts	(997,736)	(652,131)
Discounts	<u>(1,240,634)</u>	<u>(783,318)</u>
Total contractual allowances, discounts and uncollectible accounts	<u>(1,492,203)</u>	<u>(590,805)</u>
Net patient service revenues	<u>\$ 14,653,107</u>	<u>\$ 13,277,670</u>

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Schedules of Other Operating Revenues
For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cafeteria	\$ 36,895	\$ 60,969
Rent income	-	19,435
Medical record income	5,340	3,817
Intergovernmental transfers - access grants	-	11,860
Miscellaneous	<u>56,316</u>	<u>99,358</u>
 Total other operating revenues	 <u>\$ 98,551</u>	 <u>\$ 195,439</u>

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Schedules of Other Operating Revenues and Expenses
For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Direct operating revenues	\$ 16,145,310	\$ 13,868,475
Direct operating expenses	<u>11,154,461</u>	<u>10,095,752</u>
Excess of direct operating revenues over direct operating expenses	4,990,849	3,772,723
Contractual allowances, discounts and uncollectible accounts	<u>1,492,203</u>	<u>590,805</u>
Net excess of direct operating revenues over direct operating expenses	<u>3,498,646</u>	<u>3,181,918</u>
General operating expenses:		
General services	1,773,435	1,853,138
Financial and administrative services	<u>4,256,330</u>	<u>4,051,629</u>
Total general operating expenses	<u>6,029,765</u>	<u>5,904,767</u>
Medicaid supplemental payments	1,509,650	1,568,668
Other operating revenues	<u>98,551</u>	<u>195,439</u>
	<u>1,608,201</u>	<u>1,764,107</u>
Other operating expenses:		
Depreciation and amortization	193,678	193,502
Intergovernmental transfers - access grants	<u>14,148</u>	<u>47,922</u>
	<u>207,826</u>	<u>241,424</u>
Deficiency of operating revenues over operating expenses	<u>\$ (1,130,744)</u>	<u>\$ (1,200,166)</u>

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Schedules of Departmental Direct
Operating Revenues and Expenses
For the Years Ended June 30, 2025 and 2024

	Inpatient Revenues		Outpatient Revenues	
	2025	2024	2025	2024
Direct services:				
Central Supply	\$ 396,761	\$ 377,509	\$ 245,083	\$ 243,872
CT Scan	27,273	32,540	775,346	917,257
Daily patient services	1,022,200	962,350	-	-
Electrocardiology	3,130	4,560	59,900	64,810
Emergency room	(2,069)	25,455	986,228	1,135,770
Emergency room physician	-	-	381,087	384,475
Hyperbaric	95	45	-	-
Laboratory	315,130	283,884	2,233,400	1,825,194
Occupational therapy	150,654	168,774	161,190	88,530
Operating room and Gastro	-	-	-	-
Other	150	2,581	71,794	3,039
Pharmacy	811,758	909,703	688,438	336,274
Physical therapy	125,747	139,470	246,273	204,825
Psychiatric therapy group	2,486,062	1,470,940	1,581,350	1,705,990
Psychiatric unit	130	-	-	-
Radiology	15,513	26,985	524,147	476,193
Respiratory therapy	701,536	558,094	103,056	81,725
Rural health clinic	-	-	652,553	529,723
Speech therapy	58,768	63,582	59,610	59,166
The Point	-	-	356,317	-
Ultrasound	24,075	33,906	204,054	159,424
Wound care	2,625	814	675,946	591,016
Total direct services	<u>\$ 6,139,538</u>	<u>\$ 5,061,192</u>	<u>\$ 10,005,772</u>	<u>\$ 8,807,283</u>

Total Direct Revenues				Excess (Deficiency) of Direct Revenues Over Direct Operating Expenses	
2025	2024	2025	2024	2025	2024
\$ 641,844	\$ 621,381	\$ 111,386	\$ 155,590	\$ 530,458	\$ 465,791
802,619	949,797	165,961	161,584	636,658	788,213
1,022,200	962,350	2,721,590	2,855,139	(1,699,390)	(1,892,789)
63,030	69,370	42	69	62,988	69,301
984,159	1,161,225	89,828	120,158	894,331	1,041,067
381,087	384,475	1,048,571	1,038,257	(667,484)	(653,782)
95	45	-	-	95	45
2,548,530	2,109,078	951,772	924,923	1,596,758	1,184,155
311,844	257,304	173,111	136,555	138,733	120,749
-	-	6,853	32,839	(6,853)	(32,839)
71,944	5,620	-	-	71,944	5,620
1,500,196	1,245,977	737,713	619,053	762,483	626,924
372,020	344,295	241,700	195,507	130,320	148,788
4,067,412	3,176,930	792,656	771,415	3,274,756	2,405,515
130	-	1,241,648	1,150,932	(1,241,518)	(1,150,932)
539,660	503,178	561,443	553,027	(21,783)	(49,849)
804,592	639,819	481,232	452,358	323,360	187,461
652,553	529,723	612,685	621,730	39,868	(92,007)
118,378	122,748	110,464	101,018	7,914	21,730
356,317	-	903,008	-	(546,691)	-
228,129	193,330	69,498	24,167	158,631	169,163
678,571	591,830	133,300	181,431	545,271	410,399
<u>\$ 16,145,310</u>	<u>\$ 13,868,475</u>	<u>\$ 11,154,461</u>	<u>\$ 10,095,752</u>	<u>\$ 4,990,849</u>	<u>\$ 3,772,723</u>

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Schedules of Departmental Direct
and General Operating Expenses
For the Years Ended June 30, 2025 and 2024

	Salaries		Professional Fees	
	2025	2024	2025	2024
Direct services:				
Central Supply	\$ 48,386	\$ 27,018	\$ -	\$ -
CT Scan	-	-	-	-
Daily patient services	2,131,365	2,261,185	47,333	24,664
Electrocardiology	-	-	-	-
Emergency room	-	-	-	-
Emergency room physician	-	-	1,048,571	1,038,257
Laboratory	459,023	507,171	(270)	870
Occupational therapy	-	-	-	-
Operating room and Gastro	-	-	-	-
Pharmacy	-	-	-	-
Physical therapy	26,920	-	-	-
Psychiatric therapy group	-	-	-	-
Psychiatric unit	-	-	-	-
Radiology	399,868	417,856	-	-
Respiratory therapy	392,885	375,897	-	-
Rural health clinic	497,701	528,194	9,565	7,673
Speech therapy	-	-	110,330	100,953
The Point	755,868	-	46,253	-
Ultrasound	64,357	-	-	-
Wound care	(256)	-	-	-
Total direct services	<u>4,776,117</u>	<u>4,117,321</u>	<u>1,261,782</u>	<u>1,172,417</u>
General services:				
Dietary	222,502	209,159	-	-
Housekeeping	206,469	139,661	-	-
Laundry and linen	-	-	-	-
Plant engineering	260,095	278,272	-	-
Total general services	<u>689,066</u>	<u>627,092</u>	<u>-</u>	<u>-</u>
Subtotals forward	<u>\$ 5,465,183</u>	<u>\$ 4,744,413</u>	<u>\$ 1,261,782</u>	<u>\$ 1,172,417</u>

Other Expenses		Total	
2025	2024	2025	2024
\$ 63,000	\$ 128,572	\$ 111,386	\$ 155,590
165,961	161,584	165,961	161,584
542,892	569,290	2,721,590	2,855,139
42	69	42	69
89,828	120,158	89,828	120,158
-	-	1,048,571	1,038,257
493,019	416,882	951,772	924,923
173,111	136,555	173,111	136,555
6,853	32,839	6,853	32,839
737,713	619,053	737,713	619,053
214,780	195,507	241,700	195,507
792,656	771,415	792,656	771,415
1,241,648	1,150,932	1,241,648	1,150,932
161,575	135,171	561,443	553,027
88,347	76,461	481,232	452,358
105,419	85,863	612,685	621,730
134	65	110,464	101,018
100,887	-	903,008	-
5,141	24,167	69,498	24,167
133,556	181,431	133,300	181,431
<u>5,116,562</u>	<u>4,806,014</u>	<u>11,154,461</u>	<u>10,095,752</u>
398,446	455,609	620,948	664,768
153,246	219,269	359,715	358,930
26,038	23,942	26,038	23,942
<u>506,639</u>	<u>527,226</u>	<u>766,734</u>	<u>805,498</u>
<u>1,084,369</u>	<u>1,226,046</u>	<u>1,773,435</u>	<u>1,853,138</u>
<u>\$ 6,200,931</u>	<u>\$ 6,032,060</u>	<u>\$ 12,927,896</u>	<u>\$ 11,948,890</u>

(continued)

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Schedules of Departmental Direct
and General Operating Expenses (Continued)
For the Years Ended June 30, 2025 and 2024

	Salaries		Professional Fees	
	2025	2024	2025	2024
Subtotals forwarded	<u>\$5,465,183</u>	<u>\$4,744,413</u>	<u>\$1,261,782</u>	<u>\$1,172,417</u>
Financial and administrative services				
Accounting	135,397	109,605	-	-
Administration	292,583	351,989	3,673	3,673
Business office	185,787	125,439	-	-
Medical records	164,934	162,976	-	-
Risk management	(3,227)	43,589	-	-
Payroll taxes	-	-	-	-
Employee benefits	-	-	-	-
Other general and administrative expenses	<u>101,111</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total financial and administrative expenses	<u>876,585</u>	<u>793,598</u>	<u>3,673</u>	<u>3,673</u>
Total direct operating expenses	<u>\$ 6,341,768</u>	<u>\$ 5,538,011</u>	<u>\$ 1,265,455</u>	<u>\$ 1,176,090</u>

Other Expenses		Total	
2025	2024	2025	2024
<u>\$6,200,931</u>	<u>\$6,032,060</u>	<u>\$12,927,896</u>	<u>\$11,948,890</u>
27,536	15,444	162,933	125,049
113,244	85,054	409,500	440,716
750,001	605,408	935,788	730,847
93,259	103,577	258,193	266,553
1,750	1,999	(1,477)	45,588
431,597	405,038	431,597	405,038
1,071,040	1,099,386	1,071,040	1,099,386
<u>887,645</u>	<u>938,452</u>	<u>988,756</u>	<u>938,452</u>
<u>3,376,072</u>	<u>3,254,358</u>	<u>4,256,330</u>	<u>4,051,629</u>
<u>\$ 9,577,003</u>	<u>\$ 9,286,418</u>	<u>\$ 17,184,226</u>	<u>\$ 16,000,519</u>

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Schedules of Board Fees
For the Years Ended June 30, 2025 and 2024

<u>Board Members</u>	<u>2025</u>	<u>2024</u>
Benjamin Bellard	\$ 360	\$ 400
Lee Bellard	360	320
Rachel Broussard	360	320
George Cook	360	320
Carrie Guidry	320	40
Jeff Richard	320	240

The schedule of compensation paid to the Board of Commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature. In accordance with Louisiana Revised Statute 46:1053(C)(2)(a), the Hospital Service District's board members receive \$40 for each day of attendance at meetings of the commission, not to exceed 12 meetings per year.

**INTERNAL CONTROL,
COMPLIANCE
AND OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
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Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA - retired 2022
Gerald A. Thibodeaux, Jr., CPA* - retired 2024

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

* A Professional Accounting Corporation

Board of Commissioners
Acadia-St. Landry Hospital Service District
Church Point, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Acadia-St. Landry Hospital Service District, a component unit of the Acadia Parish Police Jury, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Acadia-St. Landry Hospital Service District's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 18, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
December 18, 2025

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT
Church Point, Louisiana

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan

Part I. Current Year Findings and Management's Corrective Action Plan

Internal Control Findings -

There are no findings to report under this section.

Compliance Findings -

There are no findings to report under this section.

Part II. Prior Year Audit Findings

Internal Control Findings -

There are no findings to report under this section.

Compliance Findings -

There are no findings to report under this section.

ACADIA-ST. LANDRY HOSPITAL
SERVICE DISTRICT

Agreed-Upon Procedures Report

Year Ended June 30, 2025

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Acadia-St. Landry Hospital Service District
and the Louisiana Legislative Auditor

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 July 1, 2024 through June 30, 2025. Acadia-St. Landry Hospital Service District's management is responsible for those C/C areas identified in the SAUPs.

The Acadia-St. Landry Hospital Service District (Hospital Service District) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. *Written Policies and Procedures*

- A. 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 operations:
 - i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **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.
 - iii. **Disbursements**, including processing, reviewing, and approving.
 - iv. **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).

- v. **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.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Credit Cards (and debit cards, fuel cards, purchase 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).
- viii. **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, (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.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in 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.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

2. Board or Finance Committee

- A. 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:
 - i. 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.
 - ii. For those entities reporting on the governmental accounting model, observe whether 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. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. 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.

- iv. Observe whether the board/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.

3. Bank Reconciliations

- A. Obtain a listing of the entity's bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the 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 selected accounts, and observe that:
 - i. Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and
 - iii. 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.

4. Collections (excluding electronic fund transfers)

- A. 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).
- B. 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, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - i. Employees responsible for cash collections do not share cash drawers/registers.
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was in force during the fiscal period.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3 (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. 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).
 - v. Trace the actual deposit per the bank statement to the general ledger.

5. *Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)*

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing was complete. Randomly select 5 locations (or all locations if less than 5).
- B. 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:
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.
 - ii. At least two employees are involved in processing and approving payments to vendors.
 - iii. 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.
 - iv. 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.
 - v. 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.
- C. 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:
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

- ii. Observe that the disbursement documentation includes evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, 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.

6. Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under #6 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, describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

- A. 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 and 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:
 - i. If reimbursed using a per diem, observe 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).

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- iii. 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).
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

8. Contracts

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

- A. Obtained 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:
 - i. 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.
 - ii. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - iii. 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).
 - iv. 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.

9. Payroll and Personnel

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

- A. 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/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #9 above, obtain attendance records and leave documentation for the pay period, and:
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

- C. 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 and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy. 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.

10. Ethics

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

- A. Using the 5 randomly select employees/officials from Payroll and Personnel procedure #9 obtain ethics documentation from management, and:
 - i. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

11. Debt Service

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

- A. 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 State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. 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).

12. Fraud Notice

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing was 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.

- B. 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.

13. Information Technology Disaster Recovery/Business Continuity

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

Perform the following procedures:

- A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, then inquire of personnel responsible for backing up critical data) and observe that such backup (a) occurred within the past week, (b) was not stored on entity'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 there is no written documentation, then 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.
- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9, obtained cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- Hired before June 9, 2020 – completed the training; and
 - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

14. Prevention of Sexual Harassment

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9, obtain sexual harassment training documentation from management, and observe 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.
- B. Observe 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).
- C. 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 the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency; Number of complaints which resulted in a finding that sexual harassment occurred;
- iii. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- iv. Amount of time it took to resolve each complaint.

Exceptions:

No exceptions were found as a result of applying the procedures listed above except:

Collections

1. Of the six deposits selected for testing, one deposit was not deposited within one business day of receipt, and two deposits lacked sufficient documentation to clearly evidence the date of receipt. As a result, we were unable to determine whether those two deposits were deposited within the required one-business-day timeframe.

Management's Response:

Management concurs with the exceptions noted and is working to address the deficiencies identified.

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

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
December 18, 2025