

NATCHITOCHEs REGIONAL MEDICAL CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
AND
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

FOR THE YEARS ENDED
JUNE 30, 2025 AND 2024



LESTER, MILLER & WELLS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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Natchitoches Parish Hospital Service District
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis

Our discussion and analysis of Natchitoches Parish Hospital Service District's (the Hospital's) financial performance provides an overview of the Hospital's financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the Hospital's financial statements, which begin on page 5.

Financial Highlights

- The Hospital's total assets increased by approximately \$6,496,000 or roughly 6.7% while total liabilities increased by approximately \$4,960,000, or roughly 16.3%. The increase in total assets and liabilities can be attributed to increases in nonoperating revenues and repayment of long-term liabilities. During the year, the Hospital made principal payments of approximately \$3,273,000 towards long-term liabilities.
- During the year, the Hospital's net patient service revenue rose 9.9% due to the expansion of services, such as private physician offices and the cancer center. Operating expenses increased by approximately \$6,466,000, or 5.5%. The Hospital had a net profit from operations of approximately \$1,067,000 and an overall profit of approximately \$2,806,000, which is approximately 2.3% of total operating revenue.

Using This Annual Report

The Hospital's financial statements consist of three statements – a statement of net position; a statement of revenues, expenses and changes in net position; and a statement of cash flows. These financial statements and related notes provide information about the activities of the Hospital, including resources held by the Hospital but restricted for specific purposes by contributors, grantors, or enabling legislation.

The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position

Our analysis of the Hospital finances begins on page iv. One of the most important questions asked about the Hospital's finances is, "Is the Hospital as a whole better or worse off as a result of the year's activities?" The statement of net position and the statement of revenues, expenses and changes in net position report information about the Hospital's resources and its activities in a way that helps answer this question. These statements include all restricted and unrestricted assets and all liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received and paid.

These two statements report the Hospital's net position and changes in them. You can think of the Hospital's net position – the difference between assets and liabilities – as one way to measure the Hospital's financial health, or financial position. Over time, increases or decreases in the Hospital's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Hospital's patient base and measure of the quality of service it provides to the community, as well as local economic factors to assess the overall health of the Hospital.

Natchitoches Parish Hospital Service District
Natchitoches Parish, Natchitoches, Louisiana

Management’s Discussion and Analysis (continued)

The Statement of Cash Flows

The final required statement is the statement of cash flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. It provides answers to such questions as “Where did cash come from?” “What was cash used for?” and “What was the change in cash balance during the reporting period?”

The Hospital’s Net Position

The Hospital’s net position is the difference between its assets and liabilities reported in the statement of net position on page 5. The Hospital’s net position increased by approximately \$1,623,000 (2.5 percent) in 2025 and increased by approximately \$2,103,000 (3.3 percent) in 2024, as can be seen in Table 1.

Table 1: Assets, Liabilities and Net Position

	<u>2025</u>	June 30 <u>2024</u>	<u>2023</u>
Total Current Assets	\$ 37,373,749	\$ 32,334,546	\$ 26,260,414
Land & Depreciable Assets – Net	51,067,186	49,904,641	55,220,085
Other Assets, Including Board - Designated Investments	<u>14,968,390</u>	<u>14,673,899</u>	<u>14,578,333</u>
Total Assets	<u>\$ 103,409,325</u>	<u>\$ 96,913,086</u>	<u>\$ 96,058,832</u>
Current Liabilities	\$ 22,717,858	\$ 20,485,601	\$ 18,790,992
Long-term Debt/Liabilities	<u>12,777,507</u>	<u>10,049,163</u>	<u>12,904,677</u>
Total Liabilities	<u>35,495,365</u>	<u>30,534,764</u>	<u>31,695,669</u>
Deferred inflows of resources	<u>854,583</u>	<u>942,300</u>	<u>1,030,017</u>
Net Position			
Net Investment in Capital Assets	35,453,827	36,979,976	38,526,826
Restricted	445,124	432,807	423,497
Unrestricted	<u>28,398,775</u>	<u>25,618,315</u>	<u>22,318,909</u>
Total Controlling Net Position	<u>64,297,726</u>	<u>63,031,098</u>	<u>61,269,232</u>
Noncontrolling Interest in Subsidiary	<u>2,761,651</u>	<u>2,404,924</u>	<u>2,063,914</u>
Total Net Position	<u>67,059,377</u>	<u>65,436,022</u>	<u>63,333,146</u>
Total Liabilities and Net Position	<u>\$ 103,409,325</u>	<u>\$ 96,913,086</u>	<u>\$ 96,058,832</u>

Natchitoches Parish Hospital Service District
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis (continued)

Operating Results and Changes in the Hospital's Net Position

The following table presents a summary of the Hospital's historical revenues and expenses for the fiscal years ended June 30, 2025, 2024 and 2023.

Table 2: Operating Results and Changes in Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Revenue:			
Net Patient Service Revenue	\$ 103,010,797	\$ 93,766,696	\$ 82,296,096
Medicaid Supplemental Payments	20,019,065	20,432,059	15,930,564
Other Revenue	<u>1,613,733</u>	<u>3,121,956</u>	<u>2,453,447</u>
Net Revenue	<u>124,643,595</u>	<u>117,320,711</u>	<u>100,680,107</u>
Expenses:			
Salaries & Benefits	53,951,484	49,872,846	50,722,195
Medical Supplies	19,119,165	16,645,585	15,243,415
Purchased Services	12,021,270	11,740,249	8,410,528
Other Operating Expense	32,344,663	32,078,884	27,164,678
Depreciation & Amortization	<u>6,140,085</u>	<u>6,773,316</u>	<u>6,711,114</u>
Total Operating Expense	<u>123,576,667</u>	<u>117,110,880</u>	<u>108,251,930</u>
Net Operating Income	<u>1,066,928</u>	<u>209,831</u>	<u>(7,571,823)</u>
Investment Income	418,530	384,930	356,377
Interest Expense	(1,057,635)	(841,072)	(853,801)
Other Nonoperating Revenue	<u>2,377,958</u>	<u>3,880,447</u>	<u>2,006,593</u>
Excess of Revenues over Expense	2,805,781	3,634,136	(6,062,654)
Unrealized Holding Gains (Losses)	196,523	168,848	(187,033)
Consolidated Net Income - Non Controlling Interest	<u>(1,735,676)</u>	<u>(1,469,332)</u>	<u>(1,504,700)</u>
Changes in Net Position	1,266,628	2,333,652	(7,754,387)
Net Position – Beginning of Year	63,031,098	61,269,232	69,023,619
Prior Period Adjustment	<u>-0-</u>	<u>(571,786)</u>	<u>-0-</u>
Net Position – End of Year	<u>\$ 64,297,726</u>	<u>\$ 63,031,098</u>	<u>\$ 61,269,232</u>

Natchitoches Parish Hospital Service District
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis (continued)

Operating Income

The first component of the overall change in the Hospital's net position is its operating income (loss) – generally, the difference between net patient service revenue and other revenue, and the expenses incurred to perform those services. In 2025 and 2024, the Hospital reported net operating profit. In 2025, there was an increase of approximately \$880,000 (471.4%) in operating income compared to an increase of approximately \$7,759,000 and a decrease of approximately \$5,580,000 in 2024 and 2023, respectively.

Total salary and benefits expenses increased in 2025 by approximately \$4,056,000 or 8.1% compared to a decrease of approximately \$849,000 or 1.7% in 2024 and an increase of approximately \$3,666,000 or 7.8% in 2023. As a percentage of net patient service revenue, salary and benefit expenses were approximately 52.4%, 53.2%, and 61.6% for the fiscal years ended June 2025, 2024 and 2023, respectively.

Medical supplies increased by approximately \$2,474,000 and professional fees increased by approximately \$281,000 in 2025. The increase in medical supplies and drugs is driven by the expansion of oncology drugs now offered by the pharmacy. Other expenses decreased by approximately \$34,000.

The rate of health care inflation has a direct effect on the cost of services provided by the Hospital. A component of the Hospital's costs is expenses for medical and professional services. In 2025, medical and professional services cost totaled approximately \$12,021,000 (9.7% of total expenses) and an increase of 2.4% over 2024 costs of approximately \$11,740,000 (10.0% of total expenses).

Sources of Revenue

During fiscal year 2025, the Hospital derived the majority of its total revenue from patient service revenue. Patient service revenue includes revenue from the Medicare and Medicaid programs and patients, or their third-party payors, who receive care in the Hospital's facilities. Reimbursement for the Medicare and Medicaid programs and the third-party payors is based upon established contracts. The difference between the covered charges and the established contract is recognized as a contractual allowance. Other revenue includes grant revenue, donation revenue, cafeteria sales, contract meals, rental income, lease income, and other miscellaneous services.

Natchitoches Parish Hospital Service District
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis (continued)

Sources of Revenue (continued)

Table 3 presents the relative percentages of gross charges billed for patient services by payor for the fiscal years ended June 30, 2025, 2024 and 2023.

Table 3: Payor Mix by Percentage

	Year-end June 30		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Medicare	24.4%	21.9%	23.0%
Medicare Managed Care Plans	16.6%	17.9%	16.5%
Medicaid & Medicaid Managed Care Plans	22.7%	25.1%	28.9%
Commercial Insurance	13.8%	13.8%	12.6%
Blue Cross	19.0%	18.0%	15.8%
Self-Pay and Other	<u>3.5%</u>	<u>3.3%</u>	<u>3.2%</u>
Total Patient Revenues	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Other Revenue

Other revenue includes 340B prescription program revenue, donation revenue, cafeteria sales, rental income, lease income, and other miscellaneous services. Other revenue decreased by approximately \$1,508,000 or 48.3% for 2025.

Table 4: Other Revenue

	Year-end June 30		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Other Revenue:			
Rental Income	\$ 272,871	\$ 606,627	\$ 1,174,361
Lease Income	87,717	87,717	154,384
Dietary Sales	316,804	251,179	229,565
Donations	-0-	1,176,857	-0-
Vending Revenue	25,858	25,283	28,321
Grants	32,793	75,571	74,105
340B Pharmaceutical Program	808,874	283,670	23,987
Other	<u>68,816</u>	<u>615,052</u>	<u>768,724</u>
Total Other Revenue	<u>\$ 1,613,733</u>	<u>\$ 3,121,956</u>	<u>\$ 2,453,447</u>

Natchitoches Parish Hospital Service District
Natchitoches Parish, Natchitoches, Louisiana

Management’s Discussion and Analysis (continued)

Nonoperating Revenues and Expenses

Nonoperating revenues and expenses consist of property tax revenue, insurance recoveries, interest income, interest expense, and other nonoperating revenue. Other nonoperating revenue decreased by approximately \$1,469,000 or 34.4% in 2025. This decrease is due to insurance recoveries received by the Hospital as reimbursement for roof damages caused by hurricane Laura during fiscal year 2024. Interest expense increased by approximately \$217,000 in 2025. This increase was largely due to an increase in lease liabilities in the current year.

	Year-end June 30		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Other Nonoperating Revenue and Expenses			
Ambulance Tax and Subsidy	\$ 2,326,559	\$ 2,271,848	\$ 2,006,593
Insurance Recovery	-0-	1,608,599	-0-
Gain (Loss) on Sale of Assets	51,399	-0-	-0-
Interest Income	418,530	384,930	356,377
Interest Expense	<u>(1,057,635)</u>	<u>(841,072)</u>	<u>(853,801)</u>
 Total Other Nonoperating Revenue	 <u>\$ 1,738,853</u>	 <u>\$ 3,424,305</u>	 <u>\$ 1,509,169</u>

Operating and Financial Performance

The following summarizes the Hospital’s statements of revenues, expenses, and changes in net position between 2025, 2024 and 2023.

Overall, activity at the Hospital, as measured by admissions of adults, pediatrics, and geriatric psych patients, decreased from 2024 to 2025, and increased from 2023 to 2024. Inpatient admissions decreased by 4.3% in 2025 to 2,006 from 2,096 in 2024. Inpatient admissions were 1,830 in 2023. Patient days decreased 3.4% in 2025 to 9,676 from 10,012 in 2024. Patient days were 8,023 in 2023. The average length of stay for acute care patients (excluding newborns) increased to 3.61 days in 2025 from 3.45 days in 2024. This average was 3.56 days in 2023.

Outpatient registrations decreased by 0.4% in 2025 to 124,183 from 124,742 in 2024. The increase in 2024 was 1.1%. The outpatient registrations were 123,424 in 2023.

Our Long-Term Care Unit’s activity decreased by 7.9% in 2025 to 31,943 patient days from 34,668 in 2024. This represents 78% occupancy on the unit and an average of 88 patients per day. Patient days in 2023 were 32,159.

The Hospital operates the district ambulance service that traditionally has had operating losses. The ambulance operation was supported by a 5.53 mill property tax approved by the residents of Natchitoches

Natchitoches Parish Hospital Service District
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis (continued)

Operating and Financial Performance (continued)

Parish which was renewed in 2023 at 5.31 mill for 10 years. The amount of tax revenue recognized during 2025 was approximately \$2,327,000, which is an increase of 2.4% over 2024 revenues of approximately \$2,272,000.

Table 5: Patient and Hospital Statistical Data

	Year-end June 30		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Admissions:			
Adult and Pediatric	1,704	1,772	1,657
Newborn	390	429	440
Long-Term Care Unit	298	246	233
Geriatric Psych Unit	302	324	173
Patient Days:			
Adult and Pediatric	6,155	6,117	5,898
Medicare (Included in Adult & Pediatric)	1,453	1,649	1,607
Medicaid (Included in Adult & Pediatric)	2,290	2,410	2,392
Newborn	741	791	842
Long-Term Care Unit	31,943	34,668	32,159
Geriatric Psych Unit	3,521	3,895	2,125
Operating Room Patients	2,619	2,549	2,532
Outpatient Registrations	124,183	124,742	123,424
Emergency Room Visits	18,125	18,572	18,524
Ambulance Runs	3,759	3,793	3,245
Average Daily Census (Excluding Newborn):			
Adult and Pediatric	16.86	16.71	16.16
Long-Term Care Unit	87.52	94.72	88.11
Geriatric Psych Unit	9.65	10.64	5.82
Average Length of Stay (Excluding Newborn):			
All Acute Care Patients	3.61	3.45	3.56
Medicare Patients	3.62	3.62	3.56
Medicaid Patients	2.71	2.51	2.64
Long-Term Care Unit Patients	107.19	140.93	138.02
Geriatric Psych Unit Patients	11.66	12.02	12.28
Percentage of Acute-Care Patient Days:			
Medicare	23.61%	26.96%	27.25%
Medicaid	37.21%	39.40%	40.56%
Full-Time Equivalent (FTE's)	629	602	663

Natchitoches Parish Hospital Service District
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis (continued)

Operating and Financial Performance (continued)

Allowances increased over prior year as described in the table below:

Table 6: Allowance Summary

	Year-end June 30		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Allowances:			
Medicare and Medicaid Contractual Adjustments	\$ 132,550,612	\$ 115,312,450	\$ 117,746,444
Commercial Contractual Adjustments	133,138,723	109,533,037	89,887,538
Other Adjustments	<u>1,092,277</u>	<u>631,513</u>	<u>807,745</u>
Total Contractual Adjustments	266,781,612	225,477,000	208,441,727
Provision for Bad Debts	<u>10,991,925</u>	<u>8,109,483</u>	<u>4,371,143</u>
Total Allowances	<u>\$ 277,773,537</u>	<u>\$ 233,586,483</u>	<u>\$ 212,812,870</u>

Days revenue in accounts receivable increased to 62.6 in 2025. This is up from 60.5 in 2024 and 56.5 in 2023. Excluded from net patient service revenue are charges forgone for patient services falling under the Hospital's charity care policy. Based on established rates, gross charges of approximately \$1,092,000 were foregone in 2025, compared to \$631,000 in 2024 and \$807,000 in 2023. The Hospital has instituted an automated charity care system to ensure consistent application of Board policies. The Hospital assumes compliance with our charity policy results in only patients meeting specific criteria being classified as charity care.

Natchitoches Parish Hospital Service District
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis (continued)

Land & Depreciable Assets

At the end of 2025, the Hospital had approximately \$51,067,000 invested in land, depreciable assets, right-of-use lease assets, and subscription assets, net of accumulated depreciation and amortization, as detailed in Note 6 to the financial statements. In 2025, the Hospital spent approximately \$2,453,000 in depreciable assets and construction cost compared to approximately \$938,000 in 2024. Of this, approximately \$1,992,000 (81.2%) was the acquisition of new buildings, equipment, and construction as can be seen in Table 8 below. In 2025, the Hospital committed to subscription-based information technology and lease agreements for the right to use various software and equipment. The Hospital recognized approximately \$5,560,000 of right-of-use assets and approximately \$432,000 of subscription-based assets related to various agreements committed to during the year, the value of which will be amortized over periods ranging from 3 to 5 years. Depreciation and amortization expense for 2025 was approximately \$3,618,000 and \$2,511,000, respectively.

Table 7: Land & Depreciable Assets

Table 7 - Capital Assets

	Year-end June 30		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Land	\$ 1,372,331	\$ 1,418,230	\$ 1,418,230
Construction in Progress	<u>1,478,005</u>	<u>1,425,595</u>	<u>1,141,630</u>
Nondepreciable Capital Assets	<u>\$ 2,850,336</u>	<u>\$ 2,843,825</u>	<u>\$ 2,559,860</u>
Building & Equipment	\$ 138,001,038	\$ 138,164,635	\$ 137,510,890
Less Accumulated Depr.	<u>98,072,957</u>	<u>95,911,948</u>	<u>91,961,395</u>
Depreciable Capital Assets, Net	<u>\$ 39,928,081</u>	<u>\$ 42,252,687</u>	<u>\$ 45,549,495</u>
Right-of-Use Capital Assets			
Building	\$ -0-	\$ -0-	\$ 46,741
Equipment	11,554,971	6,864,783	7,031,937
Accumulated Amortization	<u>4,917,315</u>	<u>4,395,073</u>	<u>2,980,532</u>
Right-of-Use Capital Assets, Net	<u>\$ 6,637,656</u>	<u>\$ 2,469,710</u>	<u>\$ 4,098,146</u>
Subscription Assets	\$ 3,870,494	\$ 3,992,040	\$ 3,764,404
Accumulated Amortization	<u>2,219,381</u>	<u>1,653,621</u>	<u>751,820</u>
Subscription Assets, Net	<u>\$ 1,651,113</u>	<u>\$ 2,338,419</u>	<u>\$ 3,012,584</u>

Natchitoches Parish Hospital Service District
Natchitoches Parish, Natchitoches, Louisiana

Management's Discussion and Analysis (continued)

Land & Depreciable Assets (continued)

Table 8: Major Additions over \$100,000

<u>Capital Investment</u>	<u>Department</u>	<u>2025 Cost</u>
CT Wolverine Collimator	Radiology	\$ 104,120
Cancer Center	Cancer Center	\$ 1,108,967
Elevator Construction	Facilities	\$ 296,818
Anesthesia Machines	Operating Room	\$ 330,239
CT Tube	Facilities	\$ 152,000

Debt Administration

At year-end, the Hospital had approximately \$7,325,000 in short-term and long-term debt. Long-term debt decreased by approximately \$837,000 in fiscal year 2025. More detailed information about the Hospital's long-term liabilities is presented in Note 10 to the basic financial statements. Total long-term liabilities outstanding represents approximately 12.4% of the Hospital's total assets as of June 30, 2025, versus prior years of 10.4% and 13.4% for 2024 and 2023, respectively.

Contacting the Hospital's Financial Management

This financial report is designed to provide our patients, suppliers, taxpayers, and creditors with a general overview of the Hospital's finances and to show the Hospital's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Hospital administration.



LESTER, MILLER & WELLS

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Independent Auditors' Report

To the Board of Commissioners
Natchitoches Parish Hospital Service District No. 1
Natchitoches, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Natchitoches Parish Hospital Service District No. 1 and its affiliates ("the District" or "the Hospital"), a component unit of the Natchitoches Parish Government, Natchitoches, Louisiana, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements as listed in the table of contents.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Hospital, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' 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 Hospital's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hospital's ability to continue as a going concern for a reasonable period of time.

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



Emphasis of Matter

As discussed in Note 1, the financial statements present only the financial information of Natchitoches Parish Hospital Service District No. 1 and its affiliates and do not purport to, and do not, present fairly the financial position of the Natchitoches Parish Government as of June 30, 2025 and 2024, the changes in its financial position, or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Required Supplementary Information

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents is presented 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 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 31, 2025 on our consideration of the Hospital's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hospital's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hospital's internal control over financial reporting and compliance.

Lester, Miller & Wells

Certified Public Accountants
Alexandria, Louisiana

December 31, 2025



NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED STATEMENTS OF NET POSITION
JUNE 30,

<u>ASSETS</u>	<u>2025</u>	<u>2024</u>
Current		
Cash and cash equivalents	\$ 7,326,108	\$ 7,855,099
Limited use assets (Note 4)	20,454	21,780
Patient accounts receivable, net (Note 3)	17,608,799	15,498,948
Estimated third-party payor settlements	1,665,980	1,589,444
Other receivables	5,534,484	2,666,131
Inventory	3,193,755	3,330,881
Prepaid expenses	1,363,319	1,049,101
Lease receivable - current (Note 5)	74,561	70,082
Notes receivable - current (Note 20)	586,289	253,080
Total Current Assets	37,373,749	32,334,546
Other		
Limited use assets (Note 4)	11,552,498	11,007,443
Lease receivable (Note 5)	880,495	955,128
Nondepreciable capital assets (Note 6)	2,850,336	2,843,825
Depreciable capital assets, net (Note 6)	39,928,081	42,252,687
Right-of-use capital assets, net (Note 6)	6,637,656	2,469,710
Subscription assets, net (Note 7)	1,651,113	2,338,419
Capitalized construction interest, net (Note 8)	1,660,479	1,671,527
Notes receivable (Note 20)	138,934	303,817
Other	735,984	735,984
Total Assets	\$ 103,409,325	\$ 96,913,086

See accompanying notes to financial statements.

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED STATEMENTS OF NET POSITION (Continued)
JUNE 30,

<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>	<u>2025</u>	<u>2024</u>
Current		
Accounts payable	\$ 13,082,693	\$ 12,273,945
Accrued expenses	2,831,935	2,299,618
Compensated absences (Note 9)	1,423,937	1,333,525
Estimated third-party payor settlements	2,207,552	1,396,648
Current portion of lease liabilities (Note 11)	1,440,039	1,582,224
Current portion of subscription liabilities (Note 12)	913,199	825,752
Current portion of long-term debt (Note 10)	<u>818,503</u>	<u>773,889</u>
Total Current Liabilities	<u>22,717,858</u>	<u>20,485,601</u>
Long-term Liabilities		
Lease liabilities (Note 11)	5,420,411	1,231,186
Subscription liabilities (Note 12)	851,009	1,475,330
Long-term debt (Note 10)	<u>6,506,087</u>	<u>7,342,647</u>
Total Liabilities	<u>35,495,365</u>	<u>30,534,764</u>
Deferred inflows of resources - lease income	<u>854,583</u>	<u>942,300</u>
Net Position		
Invested in capital assets, net of related debt	35,453,827	36,979,976
Restricted	445,124	432,807
Unrestricted	<u>28,398,775</u>	<u>25,618,315</u>
Total Controlling Net Position	<u>64,297,726</u>	<u>63,031,098</u>
Noncontrolling interest in subsidiary	<u>2,761,651</u>	<u>2,404,924</u>
Total Net Position	<u>67,059,377</u>	<u>65,436,022</u>
Total Liabilities and Net Position	<u>\$ 103,409,325</u>	<u>\$ 96,913,086</u>

See accompanying notes to financial statements.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30,

	<u>2025</u>	<u>2024</u>
Operating Revenues		
Net patient service revenue	\$ 103,010,797	\$ 93,766,696
Medicaid supplemental payments	20,019,065	20,432,059
Other revenue	1,613,733	3,121,956
Total Operating Revenues	<u>124,643,595</u>	<u>117,320,711</u>
Operating Expenses		
Salaries and benefits	53,951,484	49,895,953
Medical supplies and drugs	19,119,165	16,645,585
Medical, professional and consulting	12,021,270	11,740,249
Other expenses	29,854,457	29,888,617
Insurance	2,490,206	2,190,267
Depreciation and amortization	6,140,085	6,773,316
Total Operating Expenses	<u>123,576,667</u>	<u>117,133,987</u>
Operating Income (Loss)	<u>1,066,928</u>	<u>186,724</u>
Nonoperating Revenues (Expenses)		
Property taxes	2,326,559	2,271,848
Gain/loss on sale of assets	51,399	-0-
Insurance recovery	-0-	1,608,599
Interest income	418,530	384,930
Interest expense	(1,057,635)	(841,072)
Total Nonoperating Revenues (Expenses)	<u>1,738,853</u>	<u>3,424,305</u>
Excess of Revenues Over Expenses	2,805,781	3,611,029
Less: Consolidated net income attributable to noncontrolling interest	(1,735,676)	(1,469,332)
Other Comprehensive Income		
Unrealized holding gains (losses)	196,523	168,848
Changes in net position	<u>1,266,628</u>	<u>2,310,545</u>
Beginning net position	<u>63,031,098</u>	<u>60,720,553</u>
Ending net position	<u>\$ 64,297,726</u>	<u>\$ 63,031,098</u>

See accompanying notes to financial statements.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30,

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash received from patients and third-party payors	\$ 101,635,314	\$ 92,006,926
Other receipts from operations	18,746,882	21,807,794
Cash payments to employees and for employee-related cost	(53,328,758)	(49,247,012)
Cash payments for other operating expenses	<u>(62,404,812)</u>	<u>(59,398,358)</u>
Net cash provided (used) by operating activities	<u>4,648,626</u>	<u>5,169,350</u>
Cash flows from investing activities:		
Redemption of investments/principal return	(347,206)	(278,725)
Loans to physicians	(654,314)	(35,000)
Collection on physician loans	37,361	-0-
Cash invested in joint venture by minority interest	-0-	444,000
Dividends paid to joint venture owners	(1,378,949)	(1,572,322)
Investment earnings	<u>418,530</u>	<u>384,930</u>
Net cash provided (used) by investing activities	<u>(1,924,578)</u>	<u>(1,057,117)</u>
Cash flows from non-capital financing activities:		
Proceeds from property taxes	<u>2,326,559</u>	<u>2,271,848</u>
Net cash provided (used) by non-capital financing activities	<u>2,326,559</u>	<u>2,271,848</u>
Cash flows from capital and related financing activities:		
Interest expense	(1,057,635)	(841,072)
Cash received from sales of assets	1,207,315	-0-
Proceeds from insurance recovery on building	-0-	1,608,599
Payments of lease liability obligations	(1,512,799)	(1,906,304)
Payments of subscription liability obligations	(968,633)	(907,510)
Principal payments on long-term debt	(791,946)	(1,465,993)
Acquisition of capital assets	<u>(2,455,900)</u>	<u>(937,707)</u>
Net cash provided (used) by capital and related financing activities	\$ <u>(5,579,598)</u>	\$ <u>(4,449,987)</u>

See accompanying notes to financial statements.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
YEARS ENDED JUNE 30,

	<u>2025</u>	<u>2024</u>
Net increase (decrease) in cash and cash equivalents	\$ (528,991)	\$ 1,934,094
Beginning cash and cash equivalents	<u>7,855,099</u>	<u>5,921,005</u>
Ending cash and cash equivalents	\$ <u>7,326,108</u>	\$ <u>7,855,099</u>
Supplemental disclosures of cash flow information:		
Cash paid during the period for interest	\$ <u>1,056,737</u>	\$ <u>779,050</u>
Subscription assets acquired under agreements	\$ <u>431,759</u>	\$ <u>227,636</u>
Right-of-use assets acquired under leases	\$ <u>5,559,839</u>	\$ <u>224,030</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Operating income (loss)	\$ 1,066,928	\$ 186,724
Adjustments to reconcile revenue in excess of expenses to net cash provided by operating activities:		
Depreciation and amortization	6,140,085	6,773,316
Physician loan amortization	448,627	260,207
Amortization of lease income	(87,717)	(87,717)
Non-cash donation	-0-	(1,149,362)
Changes in current assets (increase) decrease:		
Patient accounts receivable, net	(2,109,851)	(2,796,966)
Estimated third-party payor settlements	(76,536)	401,330
Other receivables	(2,868,353)	(474,651)
Inventory	137,126	73,362
Prepaid expenses	(314,218)	(201,354)
Changes in current liabilities (increase) decrease:		
Accounts payable	808,748	934,145
Accrued expenses	532,317	596,573
Compensated absences	90,412	52,368
Estimated third-party payor settlements	810,904	635,866
Unearned revenue	-0-	(100,395)
Lease receivable - principal payments received	<u>70,154</u>	<u>65,904</u>
Net cash provided by operating activities	\$ <u>4,648,626</u>	\$ <u>5,169,350</u>

See accompanying notes to financial statements.

NATCHITOCHEES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 - THE ORGANIZATION AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Legal Organizations

The Natchitoches Parish Hospital Service District (referred to as "the District" or "the Hospital") was created by an ordinance of the Natchitoches Parish Government (the "Parish Government"), formerly the Natchitoches Parish Police Jury on October 19, 1955. The governing board of the District consists of seven members appointed by the Parish Government. Because the Parish Government appoints all commissioners of the Natchitoches Parish Hospital Service District, the District is a component unit of the Natchitoches Parish Government, which is the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Parish Government or the other governmental units that comprise the financial reporting entity.

An affiliate, Natchitoches Outpatient Services, LLC (referred to as "NOP, LLC"), was organized January 22, 2004, as a Louisiana limited liability company. NOP, LLC is a perpetual limited liability company. The District has 50.9% ownership in NOP, LLC.

An affiliate, Natchitoches Assisted Living, LLC (referred to as "NAL, LLC"), was organized July 16, 2007, as a Louisiana limited liability company. NAL, LLC is a perpetual limited liability company. The District has 100% ownership in NAL, LLC.

An affiliate, Regional Cardiology Clinic, LLC (referred to as "RCC, LLC"), was organized March 2, 2009, as a Louisiana limited liability company. RCC, LLC is a perpetual limited liability company. The District has 50.1% ownership in RCC, LLC.

An affiliate, Natchitoches Regional Medical Center Foundation (referred to as "NRMC Foundation"), was incorporated November 3, 2005, as a Louisiana nonprofit corporation. NRMC Foundation has one class of members, consisting of two members, the District and Christus Health Central Louisiana. The District appoints six of the ten-member Board for NRMC Foundation, however a two-thirds (2/3) vote is needed for certain major decisions. Therefore, the financials of NRMC Foundation are not consolidated in the District's financials.

An affiliate, NRMC Comprehensive Wound Care, LLC (referred to as "Wound Care, LLC"), was organized November 11, 2013, as a Louisiana limited liability company. Wound Care, LLC is a perpetual limited liability company. The District has 56.0% ownership in Wound Care, LLC.

An affiliate, NRMC Pain Institute Ventures, LLC (referred to as "Pain Institute, LLC"), was organized February 12, 2016, as a Louisiana limited liability company. Pain Institute, LLC is a perpetual limited liability company. The District has 55.0% ownership in Pain Institute, LLC.

An affiliate, NRMC Pharmacy Alliance, LLC (referred to as "Pharmacy, LLC"), was organized April 23, 2021, as a Louisiana limited liability company. Pharmacy, LLC is a perpetual limited liability company. The District has 70.0% ownership in Pharmacy, LLC.

An affiliate, Northwestern Louisiana Cancer Center, LLC (referred to as "Cancer Center, LLC"), was organized on August 16, 2021, as a Louisiana limited liability company. Cancer Center, LLC is a perpetual limited liability company. The District has 100% ownership in Cancer Center, LLC.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 - THE ORGANIZATION AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

An affiliate, LLC-I, L.L.C. (referred to as "LTAC"), was organized on February 23, 2024, as a Louisiana limited liability company. LTAC, LLC is a perpetual limited liability company. The District has 51.0% ownership in LTAC, LLC.

Nature of Business

The District provides outpatient, ambulance, emergency and inpatient acute services through its hospital unit. The District also provides inpatient intermediate and skilled nursing services through its long-term care unit and hospital "swing-beds". In June 1995, the District opened a unit to provide geriatric psychiatric services which was recognized as a "distinct part" unit effective July 1, 1995.

NOP, LLC provides outpatient therapy and MRI services.

NAL, LLC provides housing and limited care for elderly residents as an assisted living center. The entity discontinued its operations on July 1, 2023 and has placed all of its assets up for sale.

RCC, LLC provides outpatient cardiology diagnostic and testing services.

Wound Care, LLC provides wound care and hyperbaric services.

Pain Institute, LLC provides pain management services.

Pharmacy, LLC provides retail pharmacy services.

Cancer Center, LLC provides outpatient cancer services.

LTAC, LLC provides rehabilitation services for long-term acute patients with complex medical needs after being discharged from another hospital.

Enterprise Fund

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Basis of Accounting

The District and its affiliates use enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic measurement focus.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 - THE ORGANIZATION AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Cash and Cash Equivalents

Cash represents coins, currency, bank demand deposits and other negotiable instruments that are readily acceptable in lieu of currency. Cash equivalents are time deposits, certificates of deposit, treasury bills and mortgage backed securities purchased with a maturity of three months or less. The caption "cash and cash equivalents" does not include amounts whose use is limited or temporary cash investments.

Inventory

Inventories are stated at the lower of cost determined by the first-in, first-out method, or market basis.

Investments

The Hospital classifies its investments as available-for-sale in response to changes in interest rates, liquidity needs and for other purposes. Available-for-sale securities are reported at fair value. Unrealized holding gains and losses are reported as other comprehensive income.

Capital Assets

Capital assets are recorded at cost and donated fixed assets, if received, at fair market value on the date of any donation. Depreciation is calculated over estimated useful lives, using the straight-line method. The land was initially donated for hospital use, and it is recorded at the fair market value at the time of donation. Additional land was purchased, and it is recorded at cost. Useful lives for the purpose of calculating depreciation by class are:

Buildings	10 - 40 years
Furniture, fixtures and equipment	3 - 15 years

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

Subscription Assets and Liabilities

The Hospital determines if an arrangement is a Subscription-Based Information Technology Arrangement ("SBITA") at inception. Subscription assets, net, current maturities of subscription liabilities, and subscription liabilities, net of current maturities are included in the statements of net position.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 - THE ORGANIZATION AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Subscription assets represent the Hospital's control of the right to use a subscription-based information technology for the arrangement term, as specified in the contract, in an exchange or exchange-like transaction. Subscription assets are recognized at the commencement date based on initial measurement of the subscription liability, adjusted for payments made to the vendor at or before the commencement of the SBITA term and certain initial direct costs. Subscription assets are amortized in a systematic and rational manner over the shorter of the arrangement term or the useful life of the underlying asset.

Subscription liabilities represent the Hospital's obligation to make payments arising from the SBITA. Subscription liabilities are initially recognized at the commencement date based on the present value of expected payments over the lease term, adjusted for SBITA incentives. Subsequently, the subscription liability is reduced by the principal portion of the payments made. Interest expense is recognized ratably over the term of the arrangement.

The Hospital has elected to recognize payments for short-term SBITAs with an arrangement term of 12 months or less as expenses as incurred, and these SBITAs are not included as subscription liabilities or right-to-use subscription assets on the statements of net position.

The individual SBITA contracts do not provide information about the discount rate implicit in the arrangement. Therefore, the District has elected to use its incremental borrowing rate to calculate the present value of expected lease payments.

Net Position

The District classifies net position into three components: invested in capital assets, net of related debt; restricted and unrestricted. Invested in capital assets, net of related debt consists of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Restricted consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Unrestricted are remaining net assets that do not meet the definition of invested capital assets, net of related debt or restricted.

Revenue and Expenses

The District's statements of revenues, expenses, and changes in net position distinguish between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services – the District's principal activity. Operating revenue also includes ad valorem taxes passed to provide the District with revenue to operate and maintain the District. Non-exchange revenues are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 - THE ORGANIZATION AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Income Taxes

The District is a political subdivision of the State of Louisiana and exempt from taxation.

NOP, LLC; NAL, LLC; RCC, LLC; Wound Care, LLC; Pain Institute, LLC; Pharmacy, LLC; Cancer Center, LLC; and LTAC, LLC do not pay federal corporate income taxes on their taxable income or are not allowed a net operating loss carryover or carryback as a deduction. Instead, the members are liable for individual federal income taxes on their respective shares of these companies' taxable income or include their respective shares of these companies' net operating loss in their individual income tax returns.

Credit Risk

The Hospital provides medical care primarily to Natchitoches Parish residents and grants credit to patients, substantially all of whom are local residents. The Hospital's estimate of collectibility is based on an evaluation of historical collections compared to gross charges and an analysis of aged accounts receivable to establish an allowance for uncollectible accounts.

Grants and Contributions

From time to time, the District receives grants and contributions from the State of Louisiana, individuals or private and public organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts restricted to capital acquisitions are reported after nonoperating revenues and expenses.

Significant Concentration of Economic Dependence

The District has an economic dependence on Medicare and Medicaid as sources of payments as shown in the table in Note 13. Changes in federal or state legislation or interpretations of rules have a significant impact on the Hospital.

Net Patient Service Revenue

The District has entered into agreements with third-party payors, including government programs, health insurance companies, and managed care health plans, under which the Hospital is paid based upon established charges, the cost of providing services, predetermined rates per diagnosis, fixed per diem rates, or discounts from established charges.

Revenues are recorded at estimated amounts due from patients and third-party payors for the hospital services provided. Settlements under reimbursement agreements with third-party payors are estimated and recorded in the period the related services are rendered and are adjusted in future periods as final settlements are determined.

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 - THE ORGANIZATION AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Patient Accounts Receivable

Patient accounts receivable are carried at a net amount determined by the original charge for the services provided, less an estimate for contractual adjustments or discounts provided to the third-party payors, less any payments received and less an estimated allowance for doubtful accounts. Management determines the allowance for doubtful accounts by utilizing a historical experience applied to an aging of accounts. Patient account receivables are written off as bad debt expense when deemed uncollectible. Recoveries of receivables previously written off as bad debt expenses are recorded as a reduction of bad debt expense when received.

Restricted Revenues

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

Advertising

The Hospital expenses advertising cost as incurred. Advertising expense for the years ended June 30, 2025 and 2024 totaled \$399,233 and \$386,470, respectively.

Environmental Matters

The Hospital is subject to laws and regulations relating to the protection of the environment. The Hospital'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'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. At June 30, 2025 and 2024, management is not aware of any liability resulting from environmental matters.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year classifications.

Charity Care

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

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 - THE ORGANIZATION AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Risk Management

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

Use of Estimates

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

Principles of Consolidation

The consolidated financial statements include the accounts of the District and its affiliates, after elimination of all significant intercompany balances and transactions. The District has recorded a minority interest for the portion of equity and income attributable to other investors in NOP, LLC; RCC, LLC; Wound Care, LLC; Pain Institute, LLC; Pharmacy, LLC; and LTAC, LLC.

Deferred Outflows and Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure) until then. The District does not have an item that qualifies for reporting in this category.

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until then. The deferred inflows related to lease revenue qualify for reporting in this category.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 - THE ORGANIZATION AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Recently Adopted Accounting Pronouncements

The District implemented GASB Statement No. 101, *Compensated Absences* in fiscal year 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The new standard is to be applied to all compensated absences as of the beginning of the earliest period presented and therefore, the June 30, 2024 financial statements have been restated, as discussed in Note 24.

The District implemented GASB Statement No. 102, *Certain Risk Disclosures* in fiscal year 2025. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations of constraints and enhance transparency by requiring disclosures about these risks.

NOTE 2 - DEPOSITS AND INVESTMENTS

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

Custodial Credit Risks - Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned to it. Louisiana state statutes require that all of the deposits of the District be protected by insurance or collateral. The fair value of the collateral pledged must equal 100% of the deposits not covered by insurance. The District's deposits were entirely insured or entirely collateralized by securities held by the pledging bank's trust department in the District's name at June 30, 2025 and 2024.

Concentration of Credit Risks - The District has 10.3% in Federal Farm Credit Banks, 30.0% in Federal Home Loan Bank, 18.9% in Municipal Bonds, 17.5% in Federal National Mortgage Association, and 19.9% in Money Market accounts.

Interest Rate Risks - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The 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.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

The District's investments are reported at fair value. At June 30, 2025 and 2024, the District had the following investments and maturities, all of which were held in the District's name by a custodial bank that is an agent of the District. The table below is with the assumption that the bonds are held until maturity.

<u>June 30, 2025</u>	<u>Investment Maturities (In Years)</u>				
<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>
Money Markets	\$ 2,213,175	\$ 2,213,175	\$ -0-	\$ -0-	\$ -0-
Fed National Mortgage Assoc.	1,951,915	864,789	1,087,126	-0-	-0-
Federal Home Loan Bank	3,340,735	-0-	3,340,735	-0-	-0-
Federal Farm Credit Banks	1,150,314	372,443	777,871	-0-	-0-
US Treasury Notes	366,743	366,743	-0-	-0-	-0-
Municipal Bonds	<u>2,104,946</u>	<u>995,090</u>	<u>1,109,856</u>	<u>-0-</u>	<u>-0-</u>
Total	\$ <u>11,127,828</u>	\$ <u>4,812,240</u>	\$ <u>6,315,588</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

<u>June 30, 2024</u>	<u>Investment Maturities (In Years)</u>				
<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>
Money Markets	\$ 1,439,327	\$ 1,439,327	\$ -0-	\$ -0-	\$ -0-
Fed National Mortgage Assoc.	2,361,388	497,355	1,864,033	-0-	-0-
Federal Home Loan Bank	3,565,340	693,323	2,872,017	-0-	-0-
Federal Farm Credit Banks	529,738	-0-	529,738	-0-	-0-
Municipal Bonds	<u>2,700,623</u>	<u>653,698</u>	<u>2,046,925</u>	<u>-0-</u>	<u>-0-</u>
Total	\$ <u>10,596,416</u>	\$ <u>3,283,703</u>	\$ <u>7,312,713</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

Credit Risks - Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

As of June 30, 2025, the District's investments were rated as follows:

<u>Investment Type</u>	<u>Moody's Investor's Service</u>	<u>Standard & Poor's</u>	<u>Fair Value</u>
Federal Farm Credit Banks	AA1	Not Rated	\$ 1,150,314
Federal Home Loan Bank	AA2	AA	3,340,735
Federal National Mortgage Association	AA2	Not Rated	1,951,915
Municipal Bonds	A1	AA	576,312
Municipal Bonds	A1	AA	248,762
Municipal Bonds	AA1	AAA	248,795
Municipal Bonds	AA1	Not Rated	244,855
Municipal Bonds	AA2	Not Rated	340,635
Municipal Bonds	Not Rated	A	199,122
Municipal Bonds	Not Rated	AA	246,465
US Treasury Note	AA1	Not Rated	366,743
Money Markets	Not Rated	Not Rated	<u>2,213,175</u>
 Total			 \$ <u>11,127,828</u>

The District's Investments are recorded at fair value as of June 30, 2025 and 2024 in accordance with GASB Statement No. 72 which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement establishes a three-level hierarchy of inputs to valuation techniques used to measure fair value. Level 1 inputs are accessible quoted prices in active markets for identical assets at the measurement date; Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset, either directly or indirectly; Level 3 inputs are unobservable inputs. The District's investments for the years ended June 30, 2025 and 2024 were measured using Level 2 inputs.

The carrying amounts of deposits and investments are included in the District's balance sheet as follows:

	<u>2025</u>	<u>2024</u>
Carrying amount		
Deposits	\$ 7,771,232	\$ 8,287,906
Investments	<u>11,127,828</u>	<u>10,596,416</u>
	<u>\$ 18,899,060</u>	<u>\$ 18,884,322</u>
 Included in the following balance sheet captions		
Cash and cash equivalents	\$ 7,326,108	\$ 7,855,099
Current limited use assets	20,454	21,780
Other limited use assets	<u>11,552,498</u>	<u>11,007,443</u>
	<u>\$ 18,899,060</u>	<u>\$ 18,884,322</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 3 - ACCOUNTS RECEIVABLE

A summary of accounts receivable is presented below:

	<u>2025</u>	<u>2024</u>
Patient accounts receivable	\$ 26,581,124	\$ 23,233,228
Less provision for uncollectibles	<u>(8,972,325)</u>	<u>(7,734,280)</u>
Net accounts receivable	\$ <u>17,608,799</u>	\$ <u>15,498,948</u>

The following is a summary of the mix of receivables from patient and third-party payors at June 30:

	<u>2025</u>	<u>2024</u>
Medicare	25%	14%
Medicare managed care plans	9%	13%
Medicaid and Medicaid managed care plans	18%	17%
Blue Cross Blue Shield	18%	17%
Commercial and other third-party payors	20%	32%
Patients	<u>10%</u>	<u>7%</u>
Total	<u>100%</u>	<u>100%</u>

The Medicare, Medicaid and third-party payors are shown net of contractual allowances.

NOTE 4 - LIMITED USE ASSETS

A summary of limited use assets is presented below:

<u>By Third Parties</u>	<u>2025</u>	<u>2024</u>
Patient trust funds	\$ 20,454	\$ 21,780
Bond sinking fund	424,670	411,027
 <u>By Board</u>		
Repair and replacement - investments	11,127,828	10,596,416
Less limited use assets required for current liabilities	<u>(20,454)</u>	<u>(21,780)</u>
Non-current limited use assets	\$ <u>11,552,498</u>	\$ <u>11,007,443</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 5 - LEASE RECEIVABLE

The District has entered into multiple agreements to lease medical office space to local healthcare providers. Monthly lease payments under these agreements range from \$4,825 to \$5,516, with terms ending between January 2034 through June 2036. For the year ended June 30, 2025, the District recognized interest income and lease revenue related to the above leases in the amounts of \$49,548 and \$87,717, respectively.

NOTE 6 - DEPRECIABLE CAPITAL ASSETS, NET

The following is a summary of capital assets and related accumulated depreciation for the year ended:

	<u>2024</u>		<u>Additions</u>		<u>Disposals</u>		<u>Transfers</u>		<u>2025</u>
Nondepreciable capital assets									
Land	\$ 1,418,230	\$	-0-	\$	45,899	\$	-0-	\$	1,372,331
Construction in progress	<u>1,425,595</u>		<u>1,153,576</u>		<u>3,300</u>		<u>(1,097,866)</u>		<u>1,478,005</u>
Total nondepreciable capital assets	\$ <u>2,843,825</u>	\$	<u>1,153,576</u>	\$	<u>49,199</u>	\$	<u>(1,097,866)</u>	\$	<u>2,850,336</u>
Depreciable capital assets									
Land improvements	\$ 766,886	\$	-0-	\$	193,204	\$	-0-	\$	573,682
Buildings	85,342,658		123,928		2,044,590		1,037,057		84,459,053
Fixed equipment	<u>52,055,091</u>		<u>1,175,172</u>		<u>322,769</u>		<u>60,809</u>		<u>52,968,303</u>
Total depreciable capital assets	138,164,635		1,299,100		2,560,563		1,097,866		138,001,038
Accumulated depreciation	<u>95,911,948</u>		<u>3,618,079</u>		<u>1,457,070</u>		<u>-0-</u>		<u>98,072,957</u>
Total depreciable capital assets, net	\$ <u>42,252,687</u>	\$	<u>(2,318,979)</u>	\$	<u>1,103,493</u>	\$	<u>1,097,866</u>	\$	<u>39,928,081</u>
Right-of-use capital assets									
Building	\$ -0-	\$	-0-	\$	-0-	\$	-0-	\$	-0-
Equipment	6,864,783		5,559,839		869,651		-0-		11,554,971
Accumulated amortization	<u>4,395,073</u>		<u>1,391,893</u>		<u>869,651</u>		<u>-0-</u>		<u>4,917,315</u>
Total right-of-use capital assets, net	\$ <u>2,469,710</u>	\$	<u>4,167,946</u>	\$	<u>-0-</u>	\$	<u>-0-</u>	\$	<u>6,637,656</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 6 - DEPRECIABLE CAPITAL ASSETS, NET (Continued)

	<u>2023</u>		<u>Additions</u>		<u>Disposals</u>		<u>Transfers</u>		<u>2024</u>
Nondepreciable capital assets									
Land	\$ 1,418,230	\$	-0-	\$	-0-	\$	-0-	\$	1,418,230
Construction in progress	<u>1,141,630</u>		<u>283,965</u>		<u>-0-</u>		<u>-0-</u>		<u>1,425,595</u>
Total nondepreciable capital assets	\$ <u>2,559,860</u>	\$	<u>283,965</u>	\$	<u>-0-</u>	\$	<u>-0-</u>	\$	<u>2,843,825</u>
Depreciable capital assets									
Land improvements	\$ 766,886	\$	-0-	\$	-0-	\$	-0-	\$	766,886
Buildings	85,342,658		-0-		-0-		-0-		85,342,658
Fixed equipment	<u>51,401,346</u>		<u>653,745</u>		<u>-0-</u>		<u>-0-</u>		<u>52,055,091</u>
Total depreciable capital assets	137,510,890		653,745		-0-		-0-		138,164,635
Accumulated depreciation	<u>91,961,395</u>		<u>3,950,553</u>		<u>-0-</u>		<u>-0-</u>		<u>95,911,948</u>
Total depreciable capital assets, net	\$ <u>45,549,495</u>	\$	<u>(3,296,808)</u>	\$	<u>-0-</u>	\$	<u>-0-</u>	\$	<u>42,252,687</u>
Right-of-use capital assets									
Building	\$ 46,741	\$	-0-	\$	46,741	\$	-0-	\$	-0-
Equipment	7,031,937		224,030		391,184		-0-		6,864,783
Accumulated amortization	<u>2,980,532</u>		<u>1,852,466</u>		<u>437,925</u>		<u>-0-</u>		<u>4,395,073</u>
Total right-of-use capital assets, net	\$ <u>4,098,146</u>	\$	<u>(1,628,436)</u>	\$	<u>-0-</u>	\$	<u>-0-</u>	\$	<u>2,469,710</u>

NOTE 7 - SUBSCRIPTION ASSETS

The following is a summary of subscription-based information technology arrangement for intangible assets and related accumulated amortization for the year ended:

	<u>2024</u>		<u>Additions</u>		<u>Disposals</u>		<u>Transfers</u>		<u>2025</u>
Subscription-based assets	\$ 3,992,040	\$	431,759	\$	553,305	\$	-0-	\$	3,870,494
Accumulated amortization	<u>1,653,621</u>		<u>1,119,065</u>		<u>553,305</u>		<u>-0-</u>		<u>2,219,381</u>
Total subscription-based assets, net	\$ <u>2,338,419</u>	\$	<u>(687,306)</u>	\$	<u>-0-</u>	\$	<u>-0-</u>	\$	<u>1,651,113</u>
	<u>2023</u>		<u>Additions</u>		<u>Disposals</u>		<u>Transfers</u>		<u>2024</u>
Subscription-based assets	\$ 3,764,404	\$	227,636	\$	-0-	\$	-0-	\$	3,992,040
Accumulated amortization	<u>751,820</u>		<u>901,801</u>		<u>-0-</u>		<u>-0-</u>		<u>1,653,621</u>
Total subscription-based assets, net	\$ <u>3,012,584</u>	\$	<u>(674,165)</u>	\$	<u>-0-</u>	\$	<u>-0-</u>	\$	<u>2,338,419</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 8 - OTHER ASSETS

Capitalized interest of \$1,814,579 was accumulated as of June 30, 2006 for the 2000 Revenue Bonds and is being amortized using the straight-line method over the life of the building beginning in the fiscal year 2006.

Capitalized interest of \$428,142 was accumulated as of June 30, 2010 for the 2008 Revenue Bonds and is being amortized using the straight-line method over the life of the building beginning in the fiscal year 2010.

Capitalized interest of \$441,907 was accumulated as of June 30, 2020 for the 2018 Revenue Bonds and is being amortized using the straight-line method over the life of the underlying capital assets beginning in the fiscal year 2021.

NOTE 9 - COMPENSATED ABSENCES

Employees of the District are entitled to paid time off from work for vacations, holidays, sick days and other personal business depending on length of service. The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent year(s), and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, the District has one type of leave for liability recognition for compensated absences, which is paid time off for associates and salaried associates. The liability for compensated absences includes salary-related benefits.

Paid time off – the District’s policy permits non-salaried associates to accumulate earned but unused paid time off benefits, which are eligible for payment at the employee’s current pay rate upon separation from employment. Exempt, salaried associates are provided an annual allotment of paid time off hours on the first full pay period of October in each year. Exempt, salaried associates are not allowed to carry any unused hours to the next plan year and are not paid any unused hours upon separation from employment.

	<u>2024</u>	<u>Net Change</u>	<u>2025</u>
Paid time off	\$ <u>1,333,525</u>	\$ <u>90,412</u>	\$ <u>1,423,937</u>

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 10 - LONG-TERM DEBT

A summary of long-term debt follows:

	<u>2024</u>		<u>Additions</u>		<u>Payments</u>		<u>2025</u>		<u>Due Within One Year</u>
Series 2018 Bonds Payable	\$ 6,775,000	\$	-0-	\$	545,000	\$	6,230,000	\$	570,000
City Bank Note Payable	439,957		-0-		80,915		359,042		81,425
City Bank Note Payable	<u>901,579</u>		<u>-0-</u>		<u>166,031</u>		<u>735,548</u>		<u>167,078</u>
 Total	 \$ <u>8,116,536</u>	\$	 <u>-0-</u>	\$	 <u>791,946</u>	\$	 <u>7,324,590</u>	\$	 <u>818,503</u>
	<u>2023</u>		<u>Additions</u>		<u>Payments</u>		<u>2024</u>		<u>Due Within One Year</u>
Series 2008 Bonds Payable	\$ 735,000	\$	-0-	\$	735,000	\$	-0-	\$	-0-
Series 2018 Bonds Payable	7,295,000		-0-		520,000		6,775,000		545,000
City Bank Note Payable	509,378		-0-		69,421		439,957		74,998
City Bank Note Payable	<u>1,043,151</u>		<u>-0-</u>		<u>141,572</u>		<u>901,579</u>		<u>153,891</u>
 Total	 \$ <u>9,582,529</u>	\$	 <u>-0-</u>	\$	 <u>1,465,993</u>	\$	 <u>8,116,536</u>	\$	 <u>773,889</u>

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

- Series 2018 Hospital Revenue Bonds at a fluctuating interest rate increasing from 2.75% to 4.20% over the life of the bonds, collateralized by a pledge and dedication of hospital revenue, with principal payable annually and interest semi-annually, starting April 1, 2019, through October 1, 2033.
- Note payable to City Bank and Trust, in the name of the Cancer Center at 8.25%, with principal and interest payable in monthly installments of \$9,139, starting on December 1, 2023 and ending on July 1, 2029, secured by building and equipment.
- Note payable to City Bank and Trust, in the name of the Cancer Center at 8.25%, with principal and interest payable in monthly installments of \$18,753, starting on December 11, 2023 and ending on July 11, 2029, secured by building and equipment.

The Hospital has covenanted to set rates so that revenues are sufficient to pay all reasonable and necessary expenses of operating and maintaining the Hospital, certain multiples of the largest amount of principal and interest maturing on the Bonds in any future fiscal year and on any pari passu additional bonds hereafter issued. Those multiples range from 120% to 200%.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 10 - LONG-TERM DEBT (Continued)

Other requirements under the terms of indebtedness are as follows:

- * Sale or disposition of Hospital property, plant and equipment is limited. Future debt agreements may not take priority over this series of debt.
- * Make monthly deposits equal to the pro-rata portion of the next principal and/or interest payment, which are to be maintained in fully backed or government securities investments, with market values greater than invested dollars.
- * Collect payment on all services rendered, except for an undisclosed, reasonable amount of charity care.
- * Maintain all assets in good working order.
- * Carry full insurance coverage with a responsible licensed Louisiana company.
- * Maintain complete and accurate records and have an annual audit.
- * Maintain cash on hand of not less than 60 days of operating expenses net of depreciation and amortization.
- * Provide quarterly statements to the purchaser.
- * Protect tax-exempt status and refrain from activities that would require payment of arbitrage to the IRS.

Scheduled principal and interest repayments on the long-term debt follows:

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2026	\$ 818,503	\$ 316,688	\$ 1,135,191
2027	869,798	275,001	1,144,799
2028	917,814	230,174	1,147,988
2029	938,475	181,448	1,119,923
2030	685,000	139,386	824,386
2031 - 2034	<u>3,095,000</u>	<u>263,879</u>	<u>3,358,879</u>
Totals	\$ <u>7,324,590</u>	\$ <u>1,406,576</u>	\$ <u>8,731,166</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 11 - LEASE LIABILITIES

A summary of lease liabilities follows:

	<u>2024</u>		<u>Additions</u>		<u>Payments</u>		<u>2025</u>		<u>Due Within One Year</u>
Building	\$ -0-	\$	-0-	\$	-0-	\$	-0-	\$	-0-
Equipment	<u>2,813,410</u>		<u>5,559,839</u>		<u>1,512,799</u>		<u>6,860,450</u>		<u>1,440,039</u>
Totals	<u>\$ 2,813,410</u>	\$	<u>5,559,839</u>	\$	<u>1,512,799</u>	\$	<u>6,860,450</u>	\$	<u>1,440,039</u>

	<u>2023</u>		<u>Additions</u>		<u>Payments</u>		<u>2024</u>		<u>Due Within One Year</u>
Building	\$ 5,539	\$	-0-	\$	5,539	\$	-0-	\$	-0-
Equipment	<u>4,490,145</u>		<u>224,030</u>		<u>1,900,765</u>		<u>2,813,410</u>		<u>1,582,224</u>
Totals	<u>\$ 4,495,684</u>	\$	<u>224,030</u>	\$	<u>1,906,304</u>	\$	<u>2,813,410</u>	\$	<u>1,582,224</u>

The following are the terms and due dates of the District's lease liability obligations:

- Various lease liability obligations for equipment at imputed interest rates from 4.25% to 9.50%, with total monthly payments ranging from \$425 to \$121,572, through March 2032.

Scheduled principal and interest payments on the lease liability obligations are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2026	\$ 1,440,039	\$ 468,563	\$ 1,908,602
2027	1,546,274	353,213	1,899,487
2028	1,587,549	232,999	1,820,548
2029	1,832,576	109,236	1,941,812
2030	155,279	24,510	179,789
2031-2032	<u>298,733</u>	<u>17,781</u>	<u>316,514</u>
Totals	<u>\$ 6,860,450</u>	<u>\$ 1,206,302</u>	<u>\$ 8,066,752</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 12 - SUBSCRIPTION LIABILITIES

A summary of subscription liabilities follows:

	<u>2024</u>	<u>Additions</u>	<u>Payments</u>	<u>2025</u>	<u>Due Within One Year</u>
Totals	\$ <u>2,301,082</u>	\$ <u>431,759</u>	\$ <u>968,633</u>	\$ <u>1,764,208</u>	\$ <u>913,199</u>
	<u>2023</u>	<u>Additions</u>	<u>Payments</u>	<u>2024</u>	<u>Due Within One Year</u>
Totals	\$ <u>2,980,956</u>	\$ <u>227,636</u>	\$ <u>907,510</u>	\$ <u>2,301,082</u>	\$ <u>825,752</u>

The District recognizes subscription liability obligations related to subscription-based information technology arrangements at imputed interest rates from 5.25% to 10.50%, with maturity dates ranging from September 1, 2025 to August 4, 2027.

Scheduled principal and interest payments on the subscription liability obligations are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2026	\$ 913,199	\$ 130,012	\$ 1,043,211
2027	837,391	44,374	881,765
2028	13,618	179	13,797
2029	-0-	-0-	-0-
2030	-0-	-0-	-0-
Totals	\$ <u>1,764,208</u>	\$ <u>174,565</u>	\$ <u>1,938,773</u>

NOTE 13 - NET PATIENT SERVICE REVENUE

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

Medicare - Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. The Hospital qualified for a Medicare low volume add-on for inpatient payments. These payments are effective for discharges occurring October 1, 2010, until January 30, 2026, if not extended by Congress. The additional payment received under the Medicare low volume add-on was \$753,683 and \$736,578 for the years ended June 30, 2025 and 2024, respectively. Outpatient services related to Medicare beneficiaries are paid based on a set fee per diagnosis. Swing bed and skilled nursing facility routine services are reimbursed based on a prospectively determined rate per

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 13 - NET PATIENT SERVICE REVENUE (Continued)

patient day. Geriatric psychiatry services are reimbursed based on a prospective method based on length of stay, diagnosis, and other factors. The District is reimbursed at a tentative rate with a final settlement determined after the submission of annual cost reports by the District and audits thereof by the Medicare fiscal intermediary. The District's Medicare cost reports have been examined by the Medicare fiscal intermediary through June 30, 2022.

Medicaid - Inpatient services are reimbursed based on a prospectively determined per diem rate. Some outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology, while others are paid prospectively based on a fee schedule. Geriatric psychiatry services are reimbursed on a prospectively determined per diem rate. The District is reimbursed at a tentative rate with a final settlement determined after the submission of annual cost reports by the District and audits thereof by the Medicaid fiscal intermediary. The District's Medicaid cost reports have been examined by the Medicaid fiscal intermediary through June 30, 2020.

Commercial - The Hospital also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. Payment methods under these agreements include prospectively determined rates per discharge, discounts from established charges and prospectively determined per diem rates. Blue Cross Blue Shield "BCBS" is the largest commercial provider. BCBS charges were 14% and 14% of the total gross charges for the years ended June 30, 2025 and 2024, respectively.

The Hospital experienced differences between the amounts initially recorded on its cost settlements with Medicare and Medicaid and the finalized amounts. Additionally, the Hospital has filed amended cost reports which differ from the initially recorded amounts. The adjustments from the finalized and amended cost reports resulted in a decrease of \$87,197 in FY 2025 and an increase of \$47,612 in FY 2024 in net patient service revenue.

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 13 - NET PATIENT SERVICE REVENUE (Continued)

The following is a summary of the Hospital's net patient service revenue for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Medicare	\$ 92,842,914	\$ 71,541,656
Medicare managed care plans	63,161,518	58,556,126
Medicaid and Medicaid managed care plans	86,455,504	82,152,785
Blue Cross Blue Shield	52,722,672	45,128,225
Commercial	72,359,253	59,080,780
Uninsured	<u>13,242,473</u>	<u>10,893,607</u>
Gross charges	380,784,334	327,353,179
Less charges associated with charity care	<u>1,092,277</u>	<u>630,927</u>
Gross patient service revenue	379,692,057	326,722,252
Less deductions from revenue:		
Medicare and Medicaid contractual adjustments	132,550,612	115,312,450
Commercial insurance contractual adjustments	133,138,723	109,533,037
Policy and other discounts	<u>-0-</u>	<u>586</u>
Patient service revenue (net of contractual adjustments and discounts)	114,002,722	101,876,179
Less provision for bad debts	<u>10,991,925</u>	<u>8,109,483</u>
 Net patient service revenue	 \$ <u>103,010,797</u>	 \$ <u>93,766,696</u>

As noted in the summary above, Medicare and Medicaid plans are 64% and 65% of the total gross charges for the years ended June 30, 2025 and 2024, respectively.

NOTE 14 - MEDICAID SUPPLEMENTAL PAYMENTS

For state fiscal year (SFY) 2025 and 2024, 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'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 has recognized approximately \$13.4 million and \$13.2 million as Medicaid supplemental income in 2025 and 2024, respectively after consideration was given for future adjustments which the Hospital determined necessary. To the extent income recognized in the current period differs from actual results, Medicaid supplemental income will be adjusted.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 14 - MEDICAID SUPPLEMENTAL PAYMENTS (Continued)

The Hospital entered into an Intergovernmental Transfer Agreement (IGT) with the Louisiana Department of Health (LDH) as part of Louisiana Physician IPA, Inc. which is a physician supplemental program. In fiscal year 2025, the Hospital is projected to receive approximately \$4.3 million in Medicaid supplemental payments of which approximately \$1.8 million will be submitted to LDH as an IGT. In fiscal year 2024, the Hospital received approximately \$5.1 million in Medicaid supplemental payments of which approximately \$2.6 million was submitted to LDH as an IGT.

Effective March 2016, the Hospital entered into a Participation Agreement in order to receive Medicaid supplemental payments for qualifying nursing facilities owned or operated by non-state governmental organizations that have entered into an agreement with the Louisiana Department of Health and Hospitals (LDH). The Hospital made payments to LDH in conjunction with the agreement totaling approximately \$885,000 and \$857,000 which were reported as other expenses in 2025 and 2024, respectively. The Hospital received approximately \$2,255,000 and \$2,158,000 which were reported as other revenue in 2025 and 2024, respectively.

NOTE 15 - RETIREMENT PROGRAM

Employees may participate in a qualified defined contribution retirement plan, which is exempt under Section 401(a) of the Internal Revenue Code. The plan is administered by OneAmerica Financial Partners, Inc. which holds all plan assets. Each employee who is at least 18 years old, other than those classified as PRN, is eligible to join the plan. Employees become vested in the employer's contribution of 25% per year until 100% vested at 4 years of employment. The District can elect to contribute up to 100% of the employee's contribution.

Total payroll	\$	46,017,095
Total covered payroll		28,289,051
Employee contributions		1,655,515
Employer contributions	\$	755,701
Less forfeitures		<u>336</u>
Net employer contributions	\$	<u><u>755,365</u></u>

NOTE 16 - PROFESSIONAL LIABILITY RISK

The District participates in the Louisiana Patient's Compensation Fund established by the State of Louisiana to provide medical professional liability coverage to healthcare providers. The fund provides for \$400,000 in coverage per occurrence above the first \$100,000 per occurrence for which the 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 settlement for professional liability to \$500,000 per occurrence. Legal action in an attempt to overturn this legislation on constitutional grounds is in process.

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 16 - PROFESSIONAL LIABILITY RISK (Continued)

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

NOTE 17 - WORKMEN'S COMPENSATION RISK

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

NOTE 18 - CHARITY CARE

The Hospital provides charity care to patients who are financially unable to pay for part or all of the healthcare services they receive. The patient will either qualify for 100% of the charity care or owe a reduced "sliding scale" amount based on the patient's level of income in comparison to the Federal Poverty Guidelines based on a 150% scale. Accordingly, the Hospital does not report the amount it expects not to collect in net operating revenues or in the allowance for doubtful accounts. The Hospital determines the costs associated with providing charity care by aggregating the applicable direct and indirect costs, including wages and related benefits, supplies and other operating expenses. Amounts identified as charity care charges are \$1,092,277 and \$630,927 for the years ended June 30, 2025 and 2024, respectively. The estimated cost of charity care totaled approximately \$384,000 and \$242,000 for the years ended June 30, 2025 and 2024, respectively.

NOTE 19 - EMPLOYEE MEDICAL BENEFIT PLAN

The District is self-insured to provide group medical/dental coverage for its employees. A third-party, UMR, Incorporated, administers the group medical coverage for the District. The District funds its losses based on actual claims. A stop-loss insurance contract was executed with an insurance carrier that provides for payment of 100% of claims in excess of \$130,000 per year up to specific individual maximums of \$1,000,000. A liability is accrued for self-insured employee health claims, including both claims reported and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims' experience, recently settled claims, and frequency of claims. It is reasonably possible that the Hospital's estimate will change by a material amount in the near term.

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 19 - EMPLOYEE MEDICAL BENEFIT PLAN (Continued)

The following is a summary of changes in the Hospital's claims liability for the year ended June 30:

	<u>2025</u>	<u>2024</u>
Beginning of the year	\$ -0-	\$ 280,275
Plus: Claims incurred and changes in estimate	3,646,806	2,848,474
Less: Claims paid	<u>3,646,806</u>	<u>3,128,749</u>
End of the year	\$ <u>-0-</u>	\$ <u>-0-</u>

NOTE 20 - NOTES RECEIVABLE AND PHYSICIAN CONTRACT GUARANTEES

The following is a summary of notes receivable and physician contract guarantees at June 30. Management asserts no allowances for uncollectible accounts are needed.

	<u>2025</u>	<u>2024</u>
Physician notes	\$ 240,445	\$ -0-
Physician contract guarantees	<u>484,778</u>	<u>556,897</u>
	725,223	556,897
Less current maturities	<u>(586,289)</u>	<u>(253,080)</u>
Long-term notes receivable	\$ <u>138,934</u>	\$ <u>303,817</u>

NOTE 21 - CONTINGENCIES

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

The principal contingencies are described below:

Third-Party Government-Based Revenues (Note 13) - Cost reimbursements are subject to examination by agencies administering the programs. Effective October 1, 1983, the Medicare program discontinued its cost-based reimbursement system for inpatient services. Under the program, the District receives a fixed fee for each patient, which is determined by the government. The 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.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 21 - CONTINGENCIES (Continued)

The healthcare industry is subject to numerous laws and regulations of Federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as privacy, licensure, accreditation, government healthcare 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 is in compliance with applicable government 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.

Professional Liability Risk (Note 16) - The District is contingently liable for losses from professional liability not underwritten by the Louisiana Patient's Compensation Fund or the Louisiana Hospital Association Trust Fund as well as for assessments by the Louisiana Hospital Association Trust Fund.

Workmen's Compensation Risk (Note 17) - The District is contingently liable for assessments by the Louisiana Hospital Association Trust Fund.

Hill-Burton Uncompensated Service and Community Service Obligations - As a result of the District receiving a Federal Hill-Burton program grant, the District is required to provide a reasonable volume of uncompensated services to patients who are unable to pay for their medical care. The District's obligation for uncompensated services was fulfilled on July 17, 1998. Additionally, the District is obligated to provide community service.

NOTE 22 - COOPERATIVE ENDEAVOR AGREEMENT

The District has agreed to a cooperative endeavor (CEA) with other like-minded Louisiana hospitals, per Louisiana's Rural Hospital Preservation Act. The intent of this arrangement is to pool hospital resources across the State to support access to healthcare in rural Louisiana. Under the CEA, the District deposits an amount, determined annually by the Rural Hospital Coalition (RHC), into an account, from which RHC is permitted to withdraw funds and make distributions to participating hospitals using a predetermined formula. Although the payments are formulaic in nature, they are not guaranteed, nor are they directly related to Medicaid reimbursements for the provisions of goods and healthcare services to patients. Accordingly, the deposits made by the District to RHC were more than the amount received by the District under this program, resulting in a net amount of approximately \$6.4 million and \$7.0 million for the years ended June 30, 2025 and 2024, respectively. This was recorded as an expense called Access to Care.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 23 - AD VALOREM TAXES

The District levies a property tax on all property subject to taxation in the service district. A 5.53 mill tax was approved for a period of ten years, beginning with the year 2003 and ending with the year 2012, to be dedicated and used for operating, maintaining, renovating, and improving emergency medical services. Beginning in year 2023, a 5.31 mill tax was approved for a period of ten years for the same purposes. Property taxes are collected through the local sheriff’s office and remitted, net of collection fees, to the District. Property tax notices are mailed by November 15 each year, are due by December 31, and become delinquent on January 31.

NOTE 24 - CHANGE IN METHOD OF ACCOUNTING FOR COMPENSATED ABSENCES

As discussed in Note 1, the District implemented GASB Statement No. 101, *Compensated Absences* on July 1, 2024. In addition to the value of unused vacation time owed to employees upon separation of employment, the District now recognizes an estimated amount of paid time off that is not paid upon separation of employment, along with related benefits and payroll taxes. The effects of the change in accounting principle are summarized below in the “Restatement – GASB 101 implementation” column in the table below:

	2024 As Previously <u>Reported</u>	Restatement - GASB 101 <u>Implementation</u>	2024 <u>As Restated</u>
Accrued expenses	\$ 3,061,357	\$ (761,739)	\$ 2,299,618
Compensated absences	\$ -0-	\$ 1,333,525	\$ 1,333,525
Net position (unrestricted)	\$ 26,190,101	\$ (571,786)	\$ 25,618,315
Salaries and benefits	\$ 49,872,846	\$ 23,107	\$ 49,895,953

NOTE 25 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 31, 2025, and noted material events requiring disclosure below. No subsequent events occurring after that date have been evaluated for inclusion in these financial statements.

On October 14, 2025, the District’s hospital had a fire involving an exterior wall during a roof renovation. There were several areas of the hospital that experienced smoke and water damage. Management filed a claim with the District’s property insurer. At this time, management cannot reasonably estimate the final settlement amount.

Due to the delay in receipt of Medicaid Supplemental Payments, on December 11, 2025, the Board of Commissioners authorized, by resolution, the issuance of a Revenue Anticipation Note not exceeding \$7,500,000, not exceeding 6% interest and maturing no later than September 30, 2026.

SUPPLEMENTARY INFORMATION

**NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATING STATEMENT OF NET POSITION
JUNE 30, 2025**

ASSETS	Natchitoches			NRMC			NRMC		Northwestern	Eliminating Entries	Consolidated
	Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	Comprehensive Wound Care, LLC	NRMC Pain Institute Ventures, LLC	NRMC Pharmacy Alliance, LLC	Louisiana Cancer Center, LLC	LTAC, LLC		
Current											
Cash and cash equivalents	\$ 6,192,081	\$ 93,497	\$ -0-	\$ 164,617	\$ 118,133	\$ 60,637	\$ 421,871	\$ 48,682	\$ 226,590	\$ -0-	\$ 7,326,108
Limited use assets	20,454	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	20,454
Patient accounts receivable, net	15,195,597	5,862	-0-	-0-	-0-	-0-	404,788	-0-	2,002,552	-0-	17,608,799
Estimated third-party payor settlements	1,665,980	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,665,980
Other receivables	8,198,685	45,903	-0-	1,140,933	1,218,460	115,126	-0-	-0-	-0-	(5,184,623)	5,534,484
Inventory	2,990,945	-0-	-0-	-0-	-0-	-0-	202,810	-0-	-0-	-0-	3,193,755
Prepaid expenses	1,350,931	-0-	-0-	12,388	-0-	-0-	-0-	-0-	-0-	-0-	1,363,319
Lease receivable - current	74,561	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	74,561
Notes receivable - current	586,289	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	586,289
Total Current Assets	<u>\$ 36,275,523</u>	<u>\$ 145,262</u>	<u>\$ -0-</u>	<u>\$ 1,317,938</u>	<u>\$ 1,336,593</u>	<u>\$ 175,763</u>	<u>\$ 1,029,469</u>	<u>\$ 48,682</u>	<u>\$ 2,229,142</u>	<u>\$ (5,184,623)</u>	<u>\$ 37,373,749</u>
Other											
Limited use assets	11,552,498	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	11,552,498
Lease receivable	880,495	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	880,495
Nondepreciable capital assets	1,982,439	650,792	-0-	-0-	-0-	-0-	-0-	217,105	-0-	-0-	2,850,336
Depreciable capital assets, net	36,401,129	2,229	-0-	298,066	913,607	4,437	-0-	2,286,498	22,115	-0-	39,928,081
Right-of-use assets	5,387,012	1,250,644	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	6,637,656
Subscription assets, net	1,651,113	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,651,113
Capitalized construction interest	1,660,479	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,660,479
Notes receivable	138,934	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	138,934
Other	5,380,780	233,200	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(4,877,996)	735,984
Total Assets	<u>\$ 101,310,402</u>	<u>\$ 2,282,127</u>	<u>\$ -0-</u>	<u>\$ 1,616,004</u>	<u>\$ 2,250,200</u>	<u>\$ 180,200</u>	<u>\$ 1,029,469</u>	<u>\$ 2,552,285</u>	<u>\$ 2,251,257</u>	<u>\$ (10,062,619)</u>	<u>\$ 103,409,325</u>

**NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATING STATEMENT OF NET POSITION (Continued)
JUNE 30, 2025**

<u>LIABILITIES AND NET POSITION</u>	Natchitoches			NRMCM			NRMCM		Northwestern		Eliminating Entries	Consolidated
	Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	Comprehensive Wound Care, LLC	NRMCM Pain Institute Ventures, LLC	NRMCM Pharmacy Alliance, LLC	Louisiana Cancer Center, LLC	LTAC, LLC			
Current												
Accounts payable	\$ 15,813,319	\$ 68,749	\$ -0-	\$ 472,191	\$ 504,125	\$ 148,799	\$ (29,812)	\$ -0-	\$ 1,289,945	\$ (5,184,623)	\$	13,082,693
Accrued expenses	2,829,910	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,025	-0-	-0-	2,831,935
Compensated absences	1,423,937	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,423,937
Estimated third-party payor settlements	2,207,552	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,207,552
Current portion of lease liabilities	1,440,039	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,440,039
Current portion of subscription liabilities	913,199	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	913,199
Current portion of long-term debt	818,503	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	818,503
Total Current Liabilities	<u>25,446,459</u>	<u>68,749</u>	<u>-0-</u>	<u>472,191</u>	<u>504,125</u>	<u>148,799</u>	<u>(29,812)</u>	<u>-0-</u>	<u>1,291,970</u>	<u>(5,184,623)</u>		<u>22,717,858</u>
Long-term Liabilities												
Lease liabilities	4,435,797	984,614	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	5,420,411
Subscription liabilities	851,009	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	851,009
Long-term debt	5,411,497	-0-	-0-	-0-	-0-	-0-	-0-	1,094,590	-0-	-0-	-0-	6,506,087
Total Liabilities	<u>36,144,762</u>	<u>1,053,363</u>	<u>-0-</u>	<u>472,191</u>	<u>504,125</u>	<u>148,799</u>	<u>(29,812)</u>	<u>1,094,590</u>	<u>1,291,970</u>	<u>(5,184,623)</u>		<u>35,495,365</u>
Deferred inflows of resources	<u>854,583</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>854,583</u>
Net Position												
Invested in capital assets, net of related debt	32,153,568	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,300,259	35,453,827
Restricted	445,124	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	445,124
Unrestricted	31,712,365	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(3,313,590)	28,398,775
Total Controlling Net Position	<u>64,311,057</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(13,331)</u>	<u>64,297,726</u>
Noncontrolling interest in subsidiary	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,761,651</u>	<u>2,761,651</u>
Total Net Position	<u>64,311,057</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,748,320</u>	<u>67,059,377</u>
Members' Equity	<u>-0-</u>	<u>1,228,764</u>	<u>-0-</u>	<u>1,143,813</u>	<u>1,746,075</u>	<u>31,401</u>	<u>1,059,281</u>	<u>1,457,695</u>	<u>959,287</u>	<u>(7,626,316)</u>		<u>-0-</u>
Total Liabilities and Net Position	<u>\$ 101,310,402</u>	<u>\$ 2,282,127</u>	<u>\$ -0-</u>	<u>\$ 1,616,004</u>	<u>\$ 2,250,200</u>	<u>\$ 180,200</u>	<u>\$ 1,029,469</u>	<u>\$ 2,552,285</u>	<u>\$ 2,251,257</u>	<u>\$ (10,062,619)</u>		<u>\$ 103,409,325</u>

**NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025**

	Natchitoches			NRMC				Northwestern		Eliminating	Consolidated
	Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	NRMC Comprehensive Wound Care, LLC	NRMC Pain Institute Ventures, LLC	NRMC Pharmacy Alliance, LLC	Louisiana Cancer Center, LLC	LTAC, LLC	Entries	
Revenues											
Net patient service revenue	\$ 91,179,417	\$ (997)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 6,282,109	\$ -0-	\$ 5,550,268	\$ -0-	\$ 103,010,797
Medicaid supplemental payments	20,019,065	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	20,019,065
Other revenue	5,951,758	567,035	-0-	2,281,822	3,130,880	560,493	3,094	362,598	-0-	(11,243,947)	1,613,733
Total Revenues	117,150,240	566,038	-0-	2,281,822	3,130,880	560,493	6,285,203	362,598	5,550,268	(11,243,947)	124,643,595
Expenses											
Salaries and benefits	48,443,325	173,255	-0-	831,282	799,234	302,824	569,750	-0-	2,831,817	(3)	53,951,484
Medical supplies and drugs	14,992,987	8,621	-0-	67,267	302,018	4,433	3,693,406	-0-	50,433	-0-	19,119,165
Medical, professional and consulting	10,473,117	3,355	-0-	-0-	703,799	35,628	346,987	-0-	458,384	-0-	12,021,270
Other expenses	35,818,901	323,039	610	244,583	67,379	18,005	143,516	1,975	1,823,509	(8,587,060)	29,854,457
Insurance	2,391,510	684	-0-	2,175	20,100	2,492	-0-	-0-	73,245	-0-	2,490,206
Depreciation and amortization	5,780,735	47,167	-0-	89,287	65,258	740	-0-	154,013	2,885	-0-	6,140,085
Total Expenses	117,900,575	556,121	610	1,234,594	1,957,788	364,122	4,753,659	155,988	5,240,273	(8,587,063)	123,576,667
Operating Income (Loss)	(750,335)	9,917	(610)	1,047,228	1,173,092	196,371	1,531,544	206,610	309,995	(2,656,884)	1,066,928
Nonoperating Revenues (Expenses)											
Property taxes	2,326,559	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,326,559
Gain/loss on sale of assets	-0-	-0-	51,399	-0-	-0-	-0-	-0-	-0-	-0-	-0-	51,399
Interest income	418,200	-0-	-0-	-0-	-0-	-0-	-0-	330	-0-	-0-	418,530
Interest expense	(924,322)	(17,660)	-0-	-0-	-0-	-0-	-0-	(115,653)	-0-	-0-	(1,057,635)
Total Nonoperating Rev (Exp)	1,820,437	(17,660)	51,399	-0-	-0-	-0-	-0-	(115,323)	-0-	-0-	1,738,853
Excess of Revenue over Expenses	\$ 1,070,102	\$ (7,743)	\$ 50,789	\$ 1,047,228	\$ 1,173,092	\$ 196,371	\$ 1,531,544	\$ 91,287	\$ 309,995	\$ (2,656,884)	\$ 2,805,781

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (Continued)
YEAR ENDED JUNE 30, 2025

	Natchitoches Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	NRMC Comprehensive Wound Care, LLC	NRMC Pain Institute Ventures, LLC	NRMC Pharmacy Alliance, LLC	Northwestern Louisiana Cancer Center, LLC	LTAC, LLC	Eliminating Entries	Consolidated
Less: Consolidated net income attributable to noncontrolling interest	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	(1,735,676)	(1,735,676)
Other comprehensive income											
Unrealized holding gains (losses)	<u>196,523</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>196,523</u>
Changes in net position	1,266,625	(7,743)	50,789	1,047,228	1,173,092	196,371	1,531,544	91,287	309,995	(4,392,560)	1,266,628
Beginning net position	63,044,432	1,256,779	1,156,526	1,008,315	1,853,983	303,352	27,737	1,366,408	649,292	(7,635,726)	63,031,098
Capital contribution	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Distribution paid	<u>-0-</u>	<u>(20,272)</u>	<u>(1,207,315)</u>	<u>(911,730)</u>	<u>(1,281,000)</u>	<u>(468,322)</u>	<u>(500,000)</u>	<u>-0-</u>	<u>-0-</u>	<u>4,388,639</u>	<u>-0-</u>
Ending net position	\$ <u>64,311,057</u>	\$ <u>1,228,764</u>	\$ <u>-0-</u>	\$ <u>1,143,813</u>	\$ <u>1,746,075</u>	\$ <u>31,401</u>	\$ <u>1,059,281</u>	\$ <u>1,457,695</u>	\$ <u>959,287</u>	\$ <u>(7,639,647)</u>	\$ <u>64,297,726</u>

**NATCHITOCHES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATING STATEMENT OF NET POSITION
JUNE 30, 2024**

ASSETS	Natchitoches			NRMC			NRMC		Northwestern	Eliminating Entries	Consolidated
	Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	Comprehensive Wound Care, LLC	NRMC Pain Institute Ventures, LLC	NRMC Pharmacy Alliance, LLC	Louisiana Cancer Center, LLC	LTAC, LLC		
Current											
Cash and cash equivalents	\$ 6,072,785	\$ 818,887	\$ 400	\$ 128,022	\$ 186,411	\$ 83,040	\$ 116,323	\$ 50,328	\$ 398,903	\$ -0-	\$ 7,855,099
Limited use assets	21,780	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	21,780
Patient accounts receivable, net	14,149,264	6,169	-0-	-0-	-0-	-0-	391,730	-0-	951,785	-0-	15,498,948
Estimated third-party payor settlements	1,589,444	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,589,444
Other receivables	5,361,982	205,352	210	699,796	1,343,513	315,562	-0-	-0-	-0-	(5,260,284)	2,666,131
Inventory	2,926,432	-0-	-0-	-0-	-0-	-0-	404,449	-0-	-0-	-0-	3,330,881
Prepaid expenses	1,030,946	-0-	-0-	18,155	-0-	-0-	-0-	-0-	-0-	-0-	1,049,101
Lease receivable - current	70,082	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	70,082
Notes receivable - current	253,080	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	253,080
Total Current Assets	31,475,795	1,030,408	610	845,973	1,529,924	398,602	912,502	50,328	1,350,688	(5,260,284)	32,334,546
Other											
Limited use assets	11,007,443	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	11,007,443
Lease receivable	955,128	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	955,128
Nondepreciable capital assets	2,580,821	-0-	45,899	-0-	-0-	-0-	-0-	217,105	-0-	-0-	2,843,825
Depreciable capital assets, net	37,327,645	3,120	1,110,017	387,353	978,864	5,177	-0-	2,440,511	-0-	-0-	42,252,687
Right-of-use capital assets, net	2,469,710	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,469,710
Subscription assets, net	2,338,419	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,338,419
Capitalized construction interest	1,671,527	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,671,527
Notes receivable	303,817	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	303,817
Other	5,733,586	233,200	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(5,230,802)	735,984
Total Assets	\$ 95,863,891	\$ 1,266,728	\$ 1,156,526	\$ 1,233,326	\$ 2,508,788	\$ 403,779	\$ 912,502	\$ 2,707,944	\$ 1,350,688	\$ (10,491,086)	\$ 96,913,086

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATING STATEMENT OF NET POSITION (Continued)
JUNE 30, 2024

<u>LIABILITIES AND NET POSITION</u>	Natchitoches			NRMC			NRMC		Northwestern	Eliminating	Consolidated
	Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	Comprehensive Wound Care, LLC	NRMC Pain Institute Ventures, LLC	NRMC Pharmacy Alliance, LLC	Louisiana Cancer Center, LLC	LTAC, LLC		
Current											
Accounts payable	\$ 14,950,830	\$ 9,949	\$ -0-	\$ 221,011	\$ 654,805	\$ 100,427	\$ 884,765	\$ -0-	\$ 712,442	\$ (5,260,284)	\$ 12,273,945
Accrued expenses	2,306,664	-0-	-0-	4,000	-0-	-0-	-0-	-0-	(11,046)	-0-	2,299,618
Compensated absences	1,333,525	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,333,525
Estimated third-party payor settlements	1,396,648	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,396,648
Current portion of lease liability	1,582,224	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,582,224
Current portion of subscription liabilities	825,752	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	825,752
Current portion of long-term debt	773,889	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	773,889
Total Current Liabilities	<u>23,169,532</u>	<u>9,949</u>	<u>-0-</u>	<u>225,011</u>	<u>654,805</u>	<u>100,427</u>	<u>884,765</u>	<u>-0-</u>	<u>701,396</u>	<u>(5,260,284)</u>	<u>20,485,601</u>
Long-term Liabilities											
Lease liability	1,231,186	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,231,186
Subscription liabilities	1,475,330	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,475,330
Long-term debt	6,001,111	-0-	-0-	-0-	-0-	-0-	-0-	1,341,536	-0-	-0-	7,342,647
Total Liabilities	<u>31,877,159</u>	<u>9,949</u>	<u>-0-</u>	<u>225,011</u>	<u>654,805</u>	<u>100,427</u>	<u>884,765</u>	<u>1,341,536</u>	<u>701,396</u>	<u>(5,260,284)</u>	<u>30,534,764</u>
Deferred inflows of resources	<u>942,300</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>942,300</u>
Net Position											
Invested in capital assets, net of related debt	33,133,466	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,846,510	36,979,976
Restricted	432,807	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	432,807
Unrestricted	29,478,159	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(3,859,844)	25,618,315
Total Controlling Net Position	<u>63,044,432</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(13,334)</u>	<u>63,031,098</u>
Noncontrolling interest in subsidiary	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,404,924</u>	<u>2,404,924</u>
Total Net Position	<u>63,044,432</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,391,590</u>	<u>65,436,022</u>
Members' Equity	<u>-0-</u>	<u>1,256,779</u>	<u>1,156,526</u>	<u>1,008,315</u>	<u>1,853,983</u>	<u>303,352</u>	<u>27,737</u>	<u>1,366,408</u>	<u>649,292</u>	<u>(7,622,392)</u>	<u>-0-</u>
Total Liabilities and Net Position	<u>\$ 95,863,891</u>	<u>\$ 1,266,728</u>	<u>\$ 1,156,526</u>	<u>\$ 1,233,326</u>	<u>\$ 2,508,788</u>	<u>\$ 403,779</u>	<u>\$ 912,502</u>	<u>\$ 2,707,944</u>	<u>\$ 1,350,688</u>	<u>\$ (10,491,086)</u>	<u>\$ 96,913,086</u>

**NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024**

	Natchitoches			NRMC			Northwestern		Eliminating		Consolidated
	Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	NRMC Comprehensive Wound Care, LLC	NRMC Pain Institute Ventures, LLC	NRMC Pharmacy Alliance, LLC	Louisiana Cancer Center, LLC	LTAC, LLC	Entries	
Revenues											
Net patient service revenue	\$ 87,043,774	\$ (1,554)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 5,206,683	\$ -0-	\$ 1,517,793	\$ -0-	\$ 93,766,696
Medicaid supplemental payments	20,432,059	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	20,432,059
Other revenue	5,886,301	546,013	(12,637)	2,420,214	3,256,304	932,834	3,909	622,131	-0-	(10,533,113)	3,121,956
Total Revenues	113,362,134	544,459	(12,637)	2,420,214	3,256,304	932,834	5,210,592	622,131	1,517,793	(10,533,113)	117,320,711
Expenses											
Salaries and benefits	46,590,851	142,745	-0-	750,196	746,347	289,203	530,444	-0-	846,167	-0-	49,895,953
Medical supplies and drugs	12,254,754	10,060	-0-	81,820	375,015	8,948	3,909,450	-0-	5,538	-0-	16,645,585
Medical, professional and consulting	10,275,734	5,011	-0-	-0-	702,108	42,677	475,055	-0-	239,664	-0-	11,740,249
Other expenses	36,958,866	164,798	-0-	233,962	64,178	30,740	148,054	2,148	661,852	(8,375,981)	29,888,617
Insurance	2,145,794	268	-0-	4,880	21,336	2,709	-0-	-0-	15,280	-0-	2,190,267
Depreciation and amortization	6,478,880	892	-0-	89,287	69,919	4,019	-0-	130,319	-0-	-0-	6,773,316
Total Expenses	114,704,879	323,774	-0-	1,160,145	1,978,903	378,296	5,063,003	132,467	1,768,501	(8,375,981)	117,133,987
Operating Income (Loss)	(1,342,745)	220,685	(12,637)	1,260,069	1,277,401	554,538	147,589	489,664	(250,708)	(2,157,132)	186,724
Nonoperating Revenues (Expenses)											
Property taxes	2,271,848	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,271,848
Insurance Recovery	1,608,599	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,608,599
Interest income	384,701	-0-	-0-	-0-	-0-	-0-	-0-	229	-0-	-0-	384,930
Interest expense	(780,705)	-0-	-0-	-0-	-0-	-0-	-0-	(60,367)	-0-	-0-	(841,072)
Total Nonoperating Rev (Exp)	3,484,443	-0-	-0-	-0-	-0-	-0-	-0-	(60,138)	-0-	-0-	3,424,305
Excess of Revenue over Expenses	\$ 2,141,698	\$ 220,685	\$ (12,637)	\$ 1,260,069	\$ 1,277,401	\$ 554,538	\$ 147,589	\$ 429,526	\$ (250,708)	\$ (2,157,132)	\$ 3,611,029

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (Continued)
YEAR ENDED JUNE 30, 2024

	Natchitoches Regional Medical Center	Natchitoches Outpatient Services, LLC	Natchitoches Assisted Living, LLC	Regional Cardiology Clinic, LLC	NRMC Comprehensive Wound Care, LLC	NRMC Pain Institute Ventures, LLC	NRMC Pharmacy Alliance, LLC	Northwestern Louisiana Cancer Center, LLC	LTAC, LLC	Eliminating Entries	Consolidated
Less: Consolidated net income attributable to noncontrolling interest	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	(1,469,332)	\$ (1,469,332)
Other comprehensive income											
Unrealized holding gains (losses)	168,848	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	168,848
Changes in net position	2,310,546	220,685	(12,637)	1,260,069	1,277,401	554,538	147,589	429,526	(250,708)	(3,626,464)	2,310,545
Beginning net position	60,733,886	1,050,824	1,169,163	1,225,004	1,895,582	284,492	(119,852)	936,882	-0-	(6,455,428)	60,720,553
Prior period adjustment	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Capital contribution	-0-	-0-	-0-	-0-	-0-	6,322	-0-	-0-	900,000	(906,322)	-0-
Distribution paid	-0-	(14,730)	-0-	(1,476,758)	(1,319,000)	(542,000)	-0-	-0-	-0-	3,352,488	-0-
Ending net position	\$ 63,044,432	\$ 1,256,779	\$ 1,156,526	\$ 1,008,315	\$ 1,853,983	\$ 303,352	\$ 27,737	\$ 1,366,408	\$ 649,292	\$ (7,635,726)	\$ 63,031,098

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED SCHEDULES OF NET PATIENT SERVICE REVENUE
YEARS ENDED JUNE 30,

	<u>2025</u>	<u>2024</u>
Daily patient services:		
Routine services	\$ 6,928,511	\$ 4,643,803
Intensive care	3,725,096	3,659,630
Nursery	481,862	508,361
Long-term care	21,170,535	9,075,183
Swing bed	1,540	9,698
Geriatric psych	7,230,020	7,794,000
Total daily patient services	<u>39,537,564</u>	<u>25,690,675</u>
Other professional services:		
Operating and recovery room		
Inpatient	7,021,915	7,145,241
Outpatient	<u>27,556,249</u>	<u>24,441,423</u>
Total	<u>34,578,164</u>	<u>31,586,664</u>
Labor and delivery		
Inpatient	939,435	1,001,316
Outpatient	<u>273,892</u>	<u>315,761</u>
Total	<u>1,213,327</u>	<u>1,317,077</u>
Anesthesia		
Inpatient	947,994	1,268,134
Outpatient	<u>3,524,449</u>	<u>3,042,707</u>
Total	<u>4,472,443</u>	<u>4,310,841</u>
Radiology, ultrasound, MRI & CT scan		
Inpatient	4,086,785	3,544,871
Outpatient	<u>40,367,874</u>	<u>37,488,715</u>
Total	<u>44,454,659</u>	<u>41,033,586</u>
Laboratory		
Inpatient	6,837,674	5,792,791
Outpatient	<u>29,043,820</u>	<u>28,096,593</u>
Total	<u>\$ 35,881,494</u>	<u>\$ 33,889,384</u>

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED SCHEDULES OF NET PATIENT SERVICE REVENUE (Continued)
YEARS ENDED JUNE 30,

	<u>2025</u>	<u>2024</u>
Blood		
Inpatient	\$ 2,823,931	\$ 2,347,743
Outpatient	<u>3,701,133</u>	<u>3,109,427</u>
Total	<u>6,525,064</u>	<u>5,457,170</u>
Inhalation therapy		
Inpatient	6,494,369	5,423,718
Outpatient	<u>4,881,098</u>	<u>4,517,932</u>
Total	<u>11,375,467</u>	<u>9,941,650</u>
Physical therapy		
Inpatient	604,503	555,522
Outpatient	<u>195,782</u>	<u>186,814</u>
Total	<u>800,285</u>	<u>742,336</u>
Occupational therapy		
Inpatient	224,532	219,676
Outpatient	<u>73,775</u>	<u>71,540</u>
Total	<u>298,307</u>	<u>291,216</u>
Speech therapy		
Inpatient	157,195	102,680
Outpatient	<u>104,361</u>	<u>101,552</u>
Total	<u>261,556</u>	<u>204,232</u>
Electrocardiology		
Inpatient	547,764	490,794
Outpatient	<u>4,041,720</u>	<u>3,989,431</u>
Total	<u>\$ 4,589,484</u>	<u>\$ 4,480,225</u>

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED SCHEDULES OF NET PATIENT SERVICE REVENUE (Continued)
YEARS ENDED JUNE 30,

	<u>2025</u>	<u>2024</u>
Central services		
Inpatient	\$ 71,539	\$ 109,619
Outpatient	<u>215,859</u>	<u>219,651</u>
Total	<u>287,398</u>	<u>329,270</u>
Pharmacy		
Inpatient	11,337,936	10,240,661
Outpatient	<u>19,591,169</u>	<u>16,047,349</u>
Total	<u>30,929,105</u>	<u>26,288,010</u>
Emergency room		
Inpatient	2,623,195	2,335,940
Outpatient	<u>23,200,001</u>	<u>18,065,786</u>
Total	<u>25,823,196</u>	<u>20,401,726</u>
Observation		
Outpatient	<u>10,645,818</u>	<u>10,394,883</u>
Ambulance		
Outpatient	<u>9,633,752</u>	<u>8,868,419</u>
Physician clinic		
Outpatient	<u>7,625,371</u>	<u>7,840,116</u>
Campti clinic		
Outpatient	<u>752,772</u>	<u>556,030</u>
Intensive outpatient psychiatric services		
Outpatient	<u>4,942,371</u>	<u>4,841,216</u>
Hospitalist program		
Inpatient	1,151,622	1,037,600
Outpatient	<u>1,850</u>	<u>2,205</u>
Total	<u>\$ 1,153,472</u>	<u>\$ 1,039,805</u>

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED SCHEDULES OF NET PATIENT SERVICE REVENUE (Continued)
YEARS ENDED JUNE 30,

	<u>2025</u>	<u>2024</u>
Women's health clinic Outpatient	\$ <u>400,414</u>	\$ <u>516,509</u>
Walk-in clinic Outpatient	<u>3,797,198</u>	<u>4,276,027</u>
Wound care Outpatient	<u>11,142,044</u>	<u>10,089,156</u>
Hyperbarics Outpatient	<u>2,872,551</u>	<u>2,803,396</u>
Pain management Outpatient	<u>2,001,759</u>	<u>3,331,794</u>
Surgical clinic Outpatient	<u>4,846,561</u>	<u>3,680,981</u>
Pulmonary clinic Outpatient	<u>2,062,178</u>	<u>2,143,278</u>
Orthopedic clinic Outpatient	<u>3,616,178</u>	<u>3,400,835</u>
ENT clinic Outpatient	<u>-0-</u>	<u>728,162</u>
OB/GYN clinic Outpatient	<u>6,945,595</u>	<u>5,451,298</u>
Urology clinic Outpatient	<u>4,305,294</u>	<u>2,420,740</u>
Multispecialty clinic Outpatient	<u>5,099,167</u>	<u>5,844,902</u>
Ambulatory treatment Outpatient	<u>1,146,376</u>	<u>966,923</u>
Cancer center Outpatient	\$ <u>55,654,344</u>	\$ <u>41,199,594</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED SCHEDULES OF NET PATIENT SERVICE REVENUE (Continued)
YEARS ENDED JUNE 30,

	<u>2025</u>	<u>2024</u>
Medicine associates Outpatient	\$ <u>1,113,606</u>	\$ <u>995,053</u>
Total other professional services	<u>341,246,770</u>	<u>301,662,504</u>
Gross charges	<u>380,784,334</u>	<u>327,353,179</u>
Less charges associated with charity patients	<u>1,092,277</u>	<u>630,927</u>
Gross patient service revenue	379,692,057	326,722,252
Less deductions from revenue:		
Medicare and Medicaid contractual adjustments	132,550,612	115,312,450
Commercial contractual adjustments	133,138,723	109,533,037
Other deductions	<u>-0-</u>	<u>586</u>
Patient service revenue (net of contractual adjustments and discounts)	114,002,722	101,876,179
Less provision for bad debts	<u>10,991,925</u>	<u>8,109,483</u>
Net patient service revenue	\$ <u>103,010,797</u>	\$ <u>93,766,696</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED SCHEDULES OF OTHER REVENUE
YEARS ENDED JUNE 30,

	<u>2025</u>	<u>2024</u>
Other revenue:		
Rental income	\$ 272,871	\$ 619,264
Lease income	87,717	87,717
Assisted living housing & care income	-0-	(12,637)
Donations	-0-	1,176,857
Dietary sales	316,804	251,179
Vending revenue	25,858	25,283
Grants	32,793	75,571
340B pharmaceutical program	808,874	283,670
Other	<u>68,816</u>	<u>615,052</u>
 Total other operating revenue	 \$ <u>1,613,733</u>	 \$ <u>3,121,956</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED SCHEDULES OF EXPENSES – SALARIES AND BENEFITS
YEARS ENDED JUNE 30,

	<u>2025</u>	<u>2024</u>
Salaries:		
Human resources	\$ 332,497	\$ 330,151
Administration	1,968,825	2,118,304
Information systems	589,116	552,018
Accounting	328,467	238,114
Admitting	778,251	724,903
Business office	680,708	557,555
Housekeeping	-0-	59,645
Laundry	-0-	4,878
Plant operations and maintenance	528,245	495,751
Security	232,559	232,950
Nursing administration	1,580,992	1,622,031
Medical records	394,773	374,583
Nursing services	2,468,938	2,055,145
ICU	1,453,811	1,247,432
Geriatric psych	27,657	59,872
Nursery	414,957	379,539
Long-term care	6,474,925	4,621,533
Operating room	1,850,606	1,718,883
Labor and delivery	573,744	556,298
Radiology	1,892,499	1,854,579
Laboratory	1,103,439	1,174,291
Respiratory therapy	775,145	786,158
Physical therapy	290,803	310,751
Occupational therapy	185,431	181,425
Speech therapy	63,476	63,441
Purchasing	333,293	349,236
Pharmacy	1,376,457	1,376,177
Intensive outpatient psychiatric services	5,101	554
Emergency room	1,958,513	1,758,519
Ambulance	2,469,289	2,372,280
Physician clinic	716,660	668,334
Campti clinic	317,991	317,448
Hospitalist program	1,296,091	1,168,218
Walk-in clinic	1,769,019	1,795,279
Wound care	\$ 687,698	\$ 663,703

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED SCHEDULES OF EXPENSES – SALARIES AND BENEFITS (Continued)
YEARS ENDED JUNE 30,

	<u>2025</u>	<u>2024</u>
Pain management	\$ 248,091	\$ 244,607
Sleep center	357,073	323,254
Sports medicine	255,746	285,422
Surgery clinic	1,543,865	1,405,224
ENT clinic	11,884	332,803
Pulmonary clinic	463,834	772,344
Orthopedic clinic	1,654,720	2,042,374
OB/GYN clinic	2,228,297	1,890,975
Urology clinic	1,293,310	949,527
Multispecialty clinic	497,987	392,607
Medicine associates	380,844	405,291
Ambulatory treatment	158,051	157,545
Cancer center	930,992	838,871
Discovery house	<u>72,425</u>	<u>125,228</u>
 Total salaries	 <u>46,017,095</u>	 <u>42,956,050</u>
 Benefits:		
FICA and Medicare tax	3,141,806	2,929,309
Hospital insurance	3,772,655	2,983,306
Retirement	756,037	737,952
Other	<u>263,891</u>	<u>289,336</u>
 Total benefits (excluding retirement)	 <u>7,934,389</u>	 <u>6,939,903</u>
 Total salaries and benefits	 <u>\$ 53,951,484</u>	 <u>\$ 49,895,953</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED SCHEDULES OF EXPENSES – MEDICAL SUPPLIES AND DRUGS
YEARS ENDED JUNE 30,

	<u>2025</u>	<u>2024</u>
Nursing service	\$ 291,654	\$ 303,584
ICU	188,090	158,029
Geriatric psych	20,984	14,046
Nursery	26,973	21,761
Long-term care	296,160	208,207
Operating room	4,290,010	3,975,556
Labor and delivery	20,097	19,406
Anesthesiology	128,157	118,889
Radiology, nuclear medicine, CT scan	208,461	179,861
Laboratory and blood	898,098	915,561
Respiratory therapy	107,812	88,506
Physical therapy	614	19
EKG	21,017	31,034
Central supply	17,666	43,677
Pharmacy	6,158,471	6,287,795
Emergency room	220,426	162,783
Ambulance	59,816	52,566
Physician clinic	67,267	81,820
Campti clinic	26,728	18,809
Walk-in clinic	98,935	73,535
Wound care	302,018	375,015
Pain clinic	4,433	8,948
Surgery clinic	3,966	3,322
ENT clinic	(982)	7,822
Pulmonary clinic	3,679	413
Orthopedic clinic	82,363	98,449
OB/GYN clinic	175,302	190,046
Urology clinic	213,523	217,869
Pediatric clinic	1,811	2,265
Multispecialty clinic	60	330
Medicine associates	340	471
Intensive outpatient psychiatric services	239	96
Dialysis	3,940	2,822
Infusion therapy	14,259	11,047
Cancer center	<u>5,166,778</u>	<u>2,971,226</u>
 Total medical supplies and drugs	 \$ <u>19,119,165</u>	 \$ <u>16,645,585</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED SCHEDULES OF EXPENSES – MEDICAL, PROFESSIONAL AND
CONSULTING SERVICES
YEARS ENDED JUNE 30,

	<u>2025</u>	<u>2024</u>
Routine nursing	\$ 171,369	\$ 449,285
ICU	572,786	517,393
Geriatric psych	1,614,319	1,838,909
Nursery	-0-	17,010
LTCU	644,503	427,031
Operating room	337,475	327,641
Anesthesiology	583,159	618,892
Radiology, ultrasound, CT scan	784,247	882,309
Laboratory	705,637	603,807
Respiratory therapy	23,568	92,080
Physical therapy	6,202	3,921
Pharmacy	778,211	901,719
Emergency room	1,931,463	1,132,944
Ambulance	127,259	103,686
Sleep study	167,236	124,309
Intensive outpatient psychiatric services	850,827	832,272
Hospitalist program	62,500	32,437
Campti clinic	8,497	16,731
Walk-in clinic	407,031	367,052
Pain management	38,137	44,064
Wound care	703,799	702,108
ENT clinic	7,981	9,672
Pulmonary clinic	167,525	84,108
Orthopedic clinic	19,551	29,124
Surgery clinic	53,887	65,415
OB/GYN clinic	28,894	55,182
Multispecialty clinic	(46,473)	187,558
Medicine associates	6,922	5,227
Dialysis	267,854	272,825
Urology clinic	117,475	34,189
Ambulatory treatment	2,353	1,191
Cancer center	<u>877,076</u>	<u>960,158</u>
 Total medical, professional and consulting	 \$ <u>12,021,270</u>	 \$ <u>11,740,249</u>

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED SCHEDULES OF EXPENSES – OTHER
YEARS ENDED JUNE 30,

	<u>2025</u>	<u>2024</u>
Service fees	\$ 10,892,651	\$ 10,597,912
Legal and accounting	438,437	463,866
Non-medical supplies	2,149,330	2,924,430
Repairs and maintenance	370,620	347,215
Utilities	2,297,672	2,115,571
Telephone	117,616	116,767
Travel and fuel - ambulance	103,818	108,743
Travel and fuel - other	202,067	120,825
Rental expense	902,074	707,889
Education expense	26,496	76,894
Licenses, dues and subscriptions	1,201,089	995,395
Patient days tax	393,357	438,395
Advertising	399,233	386,470
Recruitment	590,829	375,822
Inter-governmental transfer expense	2,712,619	3,051,956
Access to care payments	6,379,241	6,961,352
Other	<u>677,308</u>	<u>99,115</u>
 Total other expenses	 \$ <u>29,854,457</u>	 \$ <u>29,888,617</u>

NATCHITOCHEES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES

HISTORY

The Natchitoches Parish Hospital was built by the people of the Parish of Natchitoches, Louisiana, in cooperation with the United States Government, and is operated by the Natchitoches Parish Hospital Service District as created by the Police Jury of Natchitoches Parish, Louisiana.

In consideration of an agreement between the Police Jury of Natchitoches Parish, Louisiana, and the Natchitoches Parish Hospital Service District whereby the Police Jury agreed to construct, complete and equip a hospital in Natchitoches Parish, the Hospital Service District agrees to do and perform the following:

1. To operate the District for the duration of this twenty-year agreement as a non-profit institution in accordance with an agreement entered into by and between the Parish and the United States.
2. To maintain and operate the District and assume and pay the expenses of operations and maintenance to the extent of the income and revenues derived therefrom.
3. To have full and complete charge of the management and operation of the District and conduct and operate said District at all times in accordance with acceptable standards of hospital practice.

The Parish covenants to do and perform, as consideration for this agreement, the following:

1. To equip the hospital building for hospital purposes with modern equipment sufficient to meet the needs of present day hospital practice. If, however, the District desires to replace said equipment with new equipment, it may do so, and said new equipment shall be and remains the property of the Parish if paid for out of the income resulting from the operation of the District. It is understood and agreed, however, that the Parish shall not be responsible for the securing of additional equipment other than that already purchased or installed when the District takes possession of the premises.
2. To levy the special tax of one mill on the dollar of all property subject to state taxation in the Parish for a period of three years beginning with the year 1956, as authorized by the special election held in the Parish on November 15, 1955, and the Parish shall pay to the District the net proceeds of said tax, as when collected. Said net proceeds shall be used by the District solely to defray the costs of operating and maintaining the District described herein, and proceeds at such intervals as the Parish may require.

During the year ended September 30, 1965, the Natchitoches Parish Hospital was enlarged by the addition of a nursing home, an autopsy room, new patient rooms and additional administrative and storage space. The new construction was financed by: (1) a grant from the United States Government under the Hill-Burton Act in the amount of \$307,000; (2) proceeds of a \$400,000 bond issue; and, (3) revenues of the Natchitoches Parish Hospital. The \$400,000 of Natchitoches Parish, Louisiana, Hospital Improvement Revenue Bonds, 3 1/2%, Series 1963, were purchased by the United States of America, Housing and Home Finance Agency. These bonds were retired in 1979.

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES

HISTORY (Continued)

On June 14, 1977, a seven million dollar (\$7,000,000) bond issue was passed by the people of Natchitoches Parish. The seven million dollars (\$7,000,000) consisted of four million five hundred thousand dollars (\$4,500,000) of Public Improvement Bonds to be paid by ad valorem taxes. Two million five hundred thousand dollars (\$2,500,000) were to be Revenue Bonds and were to be paid off out of the general operating revenue of the District. Pursuant to a public hearing held on March 6, 1979, the District was authorized to issue \$4,500,000 of Hospital Revenue Bonds in lieu of the \$2,500,000 of Hospital Revenue Bonds.

On May 22, 1978, the Public Improvement Bonds were sold. The Public Improvement Hospital Bonds are dated April 1, 1978, and are in denominations of five thousand dollars (\$5,000) each, and bear interest at a rate or rates not exceeding six and one-half percent (6 1/2%) per annum on any bond in any interest payment period. Said interest to be payable April 1, 1979, and semi-annually thereafter on April 1st and October 1st of each year. Bonds numbered 204 to 900, inclusive, are callable for redemption by the District in the inverse order of their maturities, and if less than a full maturity, then by lot within such maturity, on any interest payment date on or after April 1, 1988, at the principal amount thereof and accrued interest to the date fixed for redemption, provided that official notice be given of such call of any of the bonds for redemption date by means of publication of an appropriate notice one time in a financial newspaper or journal published in the City of New York, or in the City of New Orleans, Louisiana, and sent by registered mail to the place of payment of the bonds. Bonds of this issue numbered 1 to 203, inclusive, are not callable for redemption prior to their stated dates of maturity. The bonds are secured by a special tax to be imposed and collected annually in excess of all other taxes on all the property subject to taxation within the territorial limits of the District. On October 1, 1985, funds were deposited in an irrevocable trust and zero coupon United States of America Trust securities were purchased. The securities began maturing in February 1995, and will be used to pay payments on the bonds until payment in full. No collections of taxes were required after that time.

In May 1979, the Hospital Revenue Bonds were sold. These bonds are dated April 1, 1979, and are in denominations of five thousand dollars (\$5,000) each, and bear interest at a rate or rates not exceeding seven and seven-eighths percent (7 7/8%) per annum on any bond in any interest period. Said interest to be payable October 1, 1979, and semi-annually thereafter on April 1st and October 1st of each year.

The Series 1979 Revenue Bonds are also subject to redemption in whole, at any time, or in part, at any interest payment date, at the option of the District upon the occurrence of any of the following conditions or events: (1) if title to, or the permanent use of, or use for a limited period of, substantially all of the District is condemned; or (2) if the title to substantially all of the District is found to be deficient to the extent that the Hospital is untenable or the efficient utilization of the District by the District is substantially impaired; or (3) if substantially all of the District is damaged or destroyed by fire or other casualty; or (4) if as a result of any changes in the Constitution of the United States of America or of the State of Louisiana or of legislative or administrative action, or failure of administrative action, by the United States or the State of Louisiana, or any agency or political subdivision thereof, or by reason of any judicial decision, (i) the Resolution becomes void or unenforceable or impossible to perform without unreasonable delay or (ii) unreasonable burdens or excessive liabilities are imposed on the District, including without limitation Federal, state or other ad valorem property, income or other taxes being imposed on the property of the District. In the event of such redemption, the Bonds shall be subject to redemption at the principal amount thereof plus accrued interest to the date of redemption, but without premium.

The Series 1979 Bonds are issued pursuant to a Resolution, under which payment of the principal of, redemption premium, if any, and interest on the Series 1979 Bonds is secured by a pledge of the income, revenues, receipts and accounts receivable derived by, payable or accruing to the District by reason of its operation of the District, subject to payment of the operating expenses of the District.

NATCHITOCHEES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES

HISTORY (Continued)

The Series 1979 Bonds are limited obligations of the District which are payable solely from revenues derived by the District from its operation of the Hospital. The Series 1979 Bonds are not an indebtedness or pledge of the general credit of the State of Louisiana, the Parish or City of Natchitoches or the District. Neither the District nor any of the assets of the District are pledged or mortgaged as security for the Series 1979 Revenue Bonds.

On February 26, 1980, the Louisiana State Bond Commission approved a notice of intention to issue not exceeding \$750,000 of Hospital Revenue Bonds to bear interest at rates not exceeding 9 1/4% per annum, the proceeds of which will be used for the purpose of constructing improvements to the existing facilities or to provide additional facilities, said bonds are to be secured by and payable solely from the District from operations, to mature at such time not exceeding 30 years from date of issuance, and subject further to the approval of the Natchitoches Parish Police Jury. In lieu of issuing these bonds the District made an application for the approval to the State Bond Commission to issue \$500,000 of Certificates of Indebtedness at an interest rate not to exceed eleven and one-half percent per annum. This application was approved on September 1, 1981. The \$500,000 in Certificates of Indebtedness were issued on April 6, 1982. Certificates totaling \$150,000 were issued to each of three banks in Natchitoches. These Certificates of Indebtedness were paid in full on September 28, 1984.

On November 20, 1985, the District's Commissioners resolved to donate a portion of land to the Natchitoches Parish Police Jury so they could construct a parish health clinic. The act of donation was made by resolution of the Board of Commissioners on October 23, 1987. The District's basis in the donated land was \$8,200.

An ambulance service tax is collected by the Natchitoches Parish Police Jury. The tax money is forwarded to the District upon submitting ambulance cost for the year. A ten-year renewal was passed in 1986. The voters of Natchitoches Parish voted not to renew this tax in July 1996.

Effective January 30, 1987, the Long-Term Care Unit qualified as a Medicare participating skilled nursing facility. As of September 25, 1987, a home health program was begun.

On December 1, 1988, the District began renting office space for four physicians in a newly constructed physician office building.

During the year ended June 30, 1990, the District purchased approximately ten acres of land on Keyser Avenue. The State of Louisiana expropriated one quarter acre for road right-of-way.

During the year ended June 30, 1991, the District began an \$845,000 renovation of the fourth and fifth floors of the Hospital which include two additional elevators and a rehabilitation fitness center. The Hospital began redecorating and refurnishing 84 patient rooms. These renovations were completed in fiscal year 1992.

During the year ended June 30, 1992, the District began replacing the chillers and completed replacement of the chillers in fiscal year 1993. The Hospital began and nearly completed a building to be rented as a dialysis center.

During the year ended June 30, 1994, the District completed construction of the dialysis center and began construction of rental facilities for a mental health unit and an obstetrics/gynecology doctors' office. The District also refinanced \$3,600,000 of Revenue bonds. As with the 1979 series, the \$3,560,000 of Series 1994 Bonds, dated May 19, 1994, are obligations of the District which are payable from revenues derived by the District from its operation of the Hospital. The interest rates vary from 3.95% to 5.5%.

NATCHITOCHEES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES

HISTORY (Continued)

The District completed construction of the mental health unit, the obstetrics/gynecology doctors' office, senior care center and remodeling of the labor and delivery rooms during the fiscal year ended June 30, 1995. A cooperative endeavor with Northwest Psychiatry, Inc. resulted in the establishment of an adolescent psychiatric program in Natchitoches Parish. Additionally, the Hospital began its own geriatric psychiatric program on the hospital campus just prior to year end.

Effective July 1, 1995, the Hospital's geriatric psychiatric unit received "Distinct Part" status which provides for reasonable cost reimbursement of necessary services to Medicare patients. In February 1996 the cooperative endeavor with Northwest Psychiatry, Inc. ended as Medicaid, the primary payor source for the adolescent facility, tightened its admission and length of stay criteria. The result was an inadequate census and the unit was closed.

The District began leasing twenty-one beds and selling ancillary services to Satellite Rehab, Inc., a separately licensed hospital and unrelated party, on December 1, 1997. Satellite Rehab, Inc. offers inpatient rehabilitative services.

Also, on December 1, 1997, the District entered into a management agreement with Christus Health (the "Manager"). The Manager is responsible for providing an administrator for routine administrative services, making recommendations for the overall rate structure, preparing monthly reports to the Board, managing cash and investments, preparing annual budgets and reviewing the insurance program. The Board of Commissioners retained all authority and control over the District.

During the year ended June 30, 2000, the District financed \$10,000,000 of 6% Series 2000 Revenue Bonds. The \$10,000,000 of Series 2000 bonds, dated June 14, 2000, are obligations of the District which are payable from revenues derived by the District from its operation of the Hospital and must be used for expansion of hospital facilities.

The District received escrow funds in the amount of \$5,000,000 from Christus Health on March 3, 2000, as a part of an agreement with the District to be used for expansion of outpatient facilities. As certain conditions were met, the \$5,000,000 was earned during 1999, 2000, 2001 and 2002.

The District ceased operations of the home health and partial day psychiatric services in June 2000.

During the year ended June 30, 2002, the Hospital renovated the second and third floor of the tower as part of the beginning of a three-phase construction project, which will include a new outpatient service center. This project is being financed by the issuance of the Series 2000 Revenue Bonds of \$10,000,000 and from the \$5,000,000 contribution received by Christus Health.

The Hospital continued its three-phase construction project during 2004 with the completion of the renovation of the second and third floors and expected completion of the new outpatient service center by September of 2005. The final phase of the project, renovation of the first floor, will start after the completion of the outpatient service center.

The Hospital entered into a joint venture with local physicians and created Natchitoches Outpatient Services, LLC. NOP, LLC offers outpatient therapy services and MRI services. NOP, LLC began operations in June of 2005.

NATCHITOCHEES PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES

HISTORY (Continued)

The Hospital has changed its d/b/a name to Natchitoches Regional Medical Center to reflect its regional healthcare status.

The Hospital purchased a minority interest in Northwestern Louisiana Cancer Center, LLC, which provides outpatient cancer treatment, in March 2006.

Christus Health conveyed a medical office building to the Hospital in July 2006. The conveyance contains an act of re-conveyance which is subject to the term of the management agreement with Christus Health. At the end of the agreement, the Hospital will recognize the building as an asset and the income based at fair market value.

In September of 2006, the Hospital opened the new outpatient center and started renovation of the first and fourth floor. The fourth floor will be leased to a rehab hospital.

The Hospital completed the renovation of the first and fourth floors in January 2007. The fourth floor is leased to a physical rehabilitation hospital.

The Hospital created a new entity called Natchitoches Assisted Living, LLC. NAL, LLC purchased an assisted living facility for \$1,200,000 on July 12, 2007, through a cash investment by the Hospital. NAL, LLC offers housing and limited care for elderly residents.

During the year ended June 30, 2009, the District financed \$8,000,000 of 4.26% Series 2008 Revenue Bonds. The \$8,000,000 of Series 2008 bonds, dated August 26, 2008, are obligations of the District which are payable from revenues derived by the District from its operation of the Hospital and must be used for expansion of hospital facilities.

Construction of the new nursing home facility began in September of 2008. The facility was completed in November 2009 and the patients were transferred. During FY 2012, the old nursing home was demolished.

The Hospital created a new entity called Regional Cardiology Clinic, LLC on March 2, 2009. RCC, LLC provides cardiology diagnostics and testing services.

The Natchitoches Hospital Foundation merged on November 3, 2010, with the Natchitoches Regional Medical Center Foundation.

The Hospital acquired a medical office building valued at \$4,550,000 by act of donation from Christus Health on December 31, 2010.

On February 3, 2014, the Hospital entered into a joint venture, NRMC Comprehensive Wound Care, LLC, to offer wound care and hyperbaric services.

On April 1, 2015, the Hospital entered into a joint venture with local physicians, NRMC Walk-In Clinic Ventures, LLC, to establish an after-hours care clinic. In February of 2021, the Hospital acquired 100% interest in NRMC Walk-in Clinic Ventures, LLC.

On April 7, 2016, the Hospital entered into a joint venture, NRMC Pain Institute Ventures, LLC, to offer pain management services.

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES

HISTORY (Continued)

During the year ended June 30, 2019, the District financed \$9,000,000 of 2.75% to 4.20% Series 2018 Revenue Bonds. The \$9,000,000 of Series 2018 bonds, dated February 13, 2019, are obligations of the District which are payable from revenues derived by the District from its operation of the Hospital and must be used for expansion of hospital facilities.

In June of 2020, construction for a new state of the art wound care center was completed allowing the Hospital to expand its wound care services.

In August of 2020, the Hospital opened its new Multispecialty Clinic which provides urology, ENT, orthopedics, pulmonology, and general surgery services.

In April of 2021, the Hospital opened an outpatient retail pharmacy as a joint venture.

In August of 2021, the Hospital acquired 100% ownership of the Cancer Center.

On July 1, 2023, the Hospital discontinued the operations of the assisted living facility and placed its assets for sale.

In February of 2024, the Hospital acquired 51.0% ownership of the LTAC, LLC.

NATCHITOCHEs PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
SCHEDULE OF PER DIEM
OR OTHER AMOUNTS PAID TO OR ON BEHALF OF COMMISSIONERS
YEAR ENDED JUNE 30, 2025

<u>Board Member</u>	<u>Paid on Behalf of Commissioners</u>
Michael Newton	\$ 720
Ronald Corkern	720
John Luster	600
Dr. Chris Ingram	200
Valencia Sarpy Jones	200
Henry T. Moffett	240
Wayne Halm	<u>200</u>
	\$ <u>2,880</u>

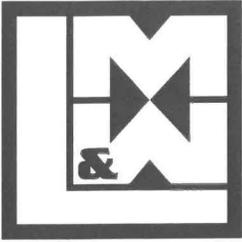
NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
CONSOLIDATED SCHEDULE OF BONDS PAYABLE
YEAR ENDED JUNE 30, 2025

NATCHITOCHE PARISH HOSPITAL	RATES	PAYMENT DATES	ISSUE DATES	FINAL MATURITY DATE	ANNUAL SERIAL PAYMENTS	<u>BONDS</u>			
						<u>AUTHORIZED</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
Revenue bonds - 2018	2.75% to 4.200%	4/1; 10/1	2/13/2019	10/1/2033	570,000 (2026) 600,000 (2027) 625,000 (2028) 655,000 (2029) 685,000 (2030) 720,000 (2031) 755,000 (2032) 790,000 (2033) 830,000 (2034)	\$ 9,000,000	\$ 9,000,000	\$ 2,770,000	\$ 6,230,000

NATCHITOCHE PARISH HOSPITAL SERVICE DISTRICT AND AFFILIATES
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
 PAYMENTS TO CHIEF EXECUTIVE OFFICER
 YEAR ENDED JUNE 30, 2025

Agency Head Name: Kirk Soileau
 Position: CEO

<u>Purpose</u>	<u>Amount</u>
Salary	329,161
Health insurance	14,971
Retirement	42,794
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration fees	5,280
Conference travel	30,542
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	17,297
Professional dues	-0-
Cell phone	-0-



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INDEPENDENT AUDITORS' 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

Board of Commissioners
Natchitoches Parish Hospital Service District
Natchitoches, 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 consolidated financial statements of Natchitoches Parish Hospital Service District and its affiliates (the "District" or the "Hospital"), a component unit of the Natchitoches Parish Government, Natchitoches, Louisiana, as of and for the years ended 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, and have issued our report thereon dated December 31, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items: 2025-001, 2025-002 and 2025-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's consolidated financial statements are free of 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 audits, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2025-004.

The District's Responses to Findings

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

Purpose of this Report

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

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, and the office of the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Certified Public Accountants
Alexandria, Louisiana

December 31, 2025



Natchitoches Parish Hospital Service District
Schedule of Current Year Findings and Responses
Year Ended June 30, 2025

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified – Yes
- Significant deficiencies identified – None noted

Compliance

- Noncompliance issue noted – Yes

Management letter issued – No

Federal Awards – N/A

Section II. Financial Statement Findings

2025-001 – Medicare and Medicaid Cost Report Estimates

Criteria: The District should make calculations using current information to determine the valuation of Medicare and Medicaid cost report settlements.

Condition: The District did not update its cost report model with current information in estimating the Medicare and Medicaid cost report settlements.

Cause: Management elected to make a mid-year calculation utilizing prior year cost-to-charge ratios instead of current data.

Effect: Net patient service revenue was overstated by approximately \$900,000.

Recommendation: We recommend using current information to estimate the cost report settlements for Medicare and Medicaid.

Management Response: Management consulted with outside entity to assist in cost report estimates mid-year, but they were not done to the detail level assumed. Moving forward the Director of Finance will do reviews of estimates at mid-year, or when significant changes are made to Medicare and Medicaid reimbursement, and will adjust the cost report valuations. Management will also consult outside entities for review when necessary.

2025-002 – Credit Balances on Accounts Receivable

Criteria: The District should review its credit balances on a monthly basis to determine if the account is properly reported or if an adjustment is needed. Any remaining credit balances should be refunded promptly.



Natchitoches Parish Hospital Service District
Schedule of Current Year Findings and Responses
Year Ended June 30, 2025

Section II. Financial Statement Findings (Continued)

Condition: The District's credit balances on patient accounts receivable have grown from approximately \$400,000 to \$2.7 million in the past four years.

Cause: Credit balances are being investigated. However, adjustments for posting errors are not being recorded to the individual patient accounts.

Effect: Credit balances are most likely overstated and the District is not issuing third-party or patient refunds on overpayments.

Recommendation: We recommend reviewing credit balances on a monthly basis. Recording adjustments for mispostings, if applicable, and refunding third parties or patients for legitimate overpayments on accounts receivable.

Management Response: The Director of Revenue will do analytical reviews of credit balances monthly and ensure they are properly reported by year-end.

2025-003 – Year-end Reconciliations and Estimates

Criteria: Year-end reconciliations and estimates for certain balance sheet accounts were not reconciled to the client's subsidiary ledger and/or calculations.

Condition: The complexity and the number of accounts involved in reconciling the estimates to the general ledger lends to errors.

Cause: Due to the limited number and experience of the accounting staff, the account reconciliations were not reviewed for completeness.

Effect: Patient revenues were overstated by approximately \$2.6 million; Medicaid supplemental payments were understated by approximately \$700,000 and receivables were overstated by \$1.9 million.

Recommendation: We recommend allocating additional resources to the review and reconciliation process of accounting estimates.

Management Response: The Director of Finance will ensure adequate resources are assigned to review and reconcile.

2025-004 – State Bond Commission

Criteria: New debt should be approved by the Louisiana State Bond Commission in accordance with Louisiana Revised Statute 39:140.60.

Condition: Management has entered into financing arrangements for insurance policies without the approval of the State Bond Commission.



Natchitoches Parish Hospital Service District
Schedule of Current Year Findings and Responses
Year Ended June 30, 2025

Section II. Financial Statement Findings (Continued)

Cause: Oversight by management.

Effect: It appears that the Hospital is in violation of Louisiana R.S. 39:140.60.

Recommendation: We recommend contacting the State Bond Commission regarding the insurance premiums that were financed. Additionally, management should seek approval on any new debt from the State Bond Commission.

Management Response: The Chief Financial Officer will seek legal guidance on requirements and address as appropriate.

Section III. Federal Awards Findings and Questioned Costs

Not applicable

Section IV. Management Letter

Not applicable



Natchitoches Parish Hospital Service District
Schedule of Prior Year Findings and Responses
Year Ended June 30, 2025

Section I. Financial Statement Findings

2024-001 – Medicare and Medicaid Cost Report Estimates

Fiscal Year Initially Reported: June 30, 2023

Condition: The District did not update its cost report model with current information in estimating the Medicare and Medicaid cost report settlements, which resulted in overstating receivables and net patient service revenue by approximately \$900,000.

Resolution: Not Resolved – see finding 2025-001.

2024-002 – Credit Balances on Accounts Receivable

Fiscal Year Initially Reported: June 30, 2023

Condition: The District's credit balances on patient accounts receivable have grown from approximately \$400,000 to \$2.7 million in the past four years.

Resolution: Not Resolved – see finding 2025 -002.

2024-003 – Subscription-Based Information Technology Arrangements

Fiscal Year Initially Reported: June 30, 2023

Condition: Management did not make or record the necessary entries for GASB 96, *Subscription-Based Information Technology Arrangements*. This understated Subscription assets and liabilities by approximately \$3 million.

Resolution: Resolved.

2024-004 – Inventory Contract

Fiscal Year Initially Reported: June 30, 2024

Condition: The District did not record a milestone for supplies upon the end of the initial contract terms.

Resolution: Resolved.



Natchitoches Parish Hospital Service District
Schedule of Prior Year Findings and Responses
Year Ended June 30, 2025

Section II. Federal Award Findings and Questioned Costs

Not applicable

Section III. Management Letter

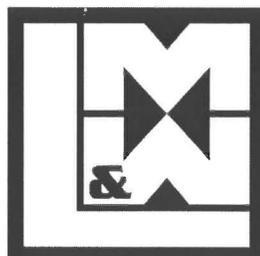
Not applicable



NATCHITOCHEs REGIONAL MEDICAL CENTER

INDEPENDENT AUDITORS' REPORT
ON APPLYING AGREED UPON
PROCEDURES

FOR THE YEAR ENDED
JUNE 30, 2025



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
of Natchitoches Parish Hospital Service District No. 1
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. The Board of Commissioners of Natchitoches Parish Hospital Service District No. 1 (the Hospital) is responsible for those C/C areas identified in the SAUPs.

The Hospital 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) *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.

Exceptions: The Board and Finance Committee received written updates regarding the progress of resolving only one (1) of two (2) unresolved audit findings.

Management's Response: Management will ensure written updates on the progress of resolving prior year findings are presented during the Board meetings until resolved.

2) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - 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 of the reconciliation was prepared (e.g., initialed and dated, electronically logged); and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Exceptions: No Exceptions Found

3) Collections (excluding electronic funds 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are 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;



Board of Commissioners
of Natchitoches Parish Hospital Service District No. 1
and the Louisiana Legislative Auditor

- 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; and
 - 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/official 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 that 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 #3A (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). *Alternatively, 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.

Exceptions: Three (3) deposits tested were not made within one business day of receipt.

Management's Response: Management will update and enforce policies and procedures to ensure deposits are made within one business day after receipt.

4) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- 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) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

- 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 procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Exceptions: No Exceptions Found

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

- 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 that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - 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 Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Exceptions: One reimbursement for meals was not supported by documentation of the business purpose.

Management's Response: Management will update and enforce policies and procedures to ensure travel expenses provide business purpose before reimbursing.

6) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation



Board of Commissioners
of Natchitoches Parish Hospital Service District No. 1
and the Louisiana Legislative Auditor

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 that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- 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;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Exceptions: One (1) out of five (5) selected employees did not have documentation demonstrating that one hour of sexual harassment training was completed during the 2024 calendar year.

Management's Response: Management will update and enforce policies and procedures to insure all required employees complete the training each year.

We were engaged by the Hospital 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 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.

Lester Miller & Wells

Certified Public Accountants
Alexandria, Louisiana
December 4, 2025

