



**THE HOSPITAL SERVICE DISTRICT OF WEST FELICIANA PARISH LOUISIANA
(A Component Unit of the West Feliciana Parish Government)**

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

OCTOBER 31, 2025 and 2024

WITH

INDEPENDENT AUDITOR'S REPORTS



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THE HOSPITAL SERVICE DISTRICT OF WEST FELICIANA PARISH LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

October 31, 2025

This portion of The Hospital Service District of West Feliciana Parish Louisiana (the Hospital)'s annual financial reporting presents background information and management's review of the Hospital's financial performance during the fiscal year ended October 31, 2025. This Section should be interpreted within the context of financial statements as displayed in this report.

Financial Highlights

The fiscal year ended October 31, 2025, marked another important year of progress for the Hospital as we continued to strengthen operations, expand services, and invest in the long-term health of our community. Throughout the year, the Hospital remained focused on delivering high-quality care while positioning itself for continued growth in an evolving healthcare environment.

Growth in physician and clinical services remained a key driver of activity, with patient volumes continuing to increase across several service lines. This ongoing momentum reflects both the community's trust in our organization and our commitment to improving access to care close to home.

From a financial standpoint, the Hospital reported an operating loss of approximately \$122,000 for the fiscal year. While this represents a modest decline in operating performance, it reflects continued investment in staffing, services, and infrastructure to support long-term growth and patient access. Importantly, the Hospital's core operations remained stable, and leadership continues to focus on improving efficiency and strengthening operating margins.

Non-operating income totaled approximately \$4.4 million, including \$2.74 million in interest income. These strong non-operating results, combined with continued financial discipline, contributed to an overall increase in net position for the year.

The Hospital's financial performance reflects a balanced approach—continuing to invest in patient care and community services while maintaining a strong overall financial position. This foundation ensures that the Hospital remains well-positioned to support future initiatives, expand access to care, and meet the evolving needs of the community we serve.

Required Financial Statements

The basic financial statements of the Hospital report information regarding the Hospital using Governmental Accounting Standards Board (GASB) accounting principles. These statements offer short-term and long-term financial information about its activities. The statement of net position includes all of the Hospital's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to Hospital creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure, and assessing the liquidity and financial flexibility of the Hospital.

All of the current year's revenue and expenses are accounted for in the statement of revenue, expenses, and changes in net position. This statement measures improvements in the Hospital's operations over the past year, and can be used to determine whether the Hospital has been able to recover all of its costs through its patient service and other revenue sources. The final required financial statement is the statement of cash flows. The primary purpose of this statement is to provide information about the Hospital's cash flows from

operations and financial activities, as well as define the sources of cash, its use, and cash balance changes during the reporting period. Additional statistical information and notes are offered as support, explanation and information.

Financial Analysis of the Hospital Service District

The statement of net position and statement of revenue, expenses, and changes in net position report data about the Hospital's activities. These two statements report the net position of the Hospital and changes in it. Increases or decreases in net position are one indicator regarding the financial integrity of the Hospital. Other nonfinancial indicators include changes in state and local economic conditions, as well as regulatory changes regarding Medicare and Medicaid, especially as these may impact Critical Access Hospital status, and related cost-based reimbursements.

Net Position

Condensed statements of net position as of October 31, 2025, 2024, and 2023 are displayed in the following table:

CONDENSED STATEMENTS OF NET POSITION

	2025	2024	2023
Current assets	\$ 19,061,264	\$ 21,320,322	\$ 25,514,269
Assets limited as to use	34,427,887	31,770,961	24,100,127
Capital assets, net	25,796,056	22,713,933	24,609,150
Total assets	79,285,207	75,805,216	74,223,546
Current liabilities	3,561,421	3,690,020	4,329,687
Long-term liabilities	20,897,153	21,583,786	22,267,976
Total liabilities	24,458,574	25,273,806	26,597,663
Net position	\$ 54,826,633	\$ 50,531,410	\$ 47,625,883

The following table presents the components of the Hospital's net position as of October 31:

	2025	2024	2023
Net investment in capital assets	\$ 4,187,218	\$ 445,950	\$ 1,678,363
Restricted for debt service	3,928,009	3,114,254	2,826,725
Unrestricted	46,711,406	46,971,206	43,120,795
Total net position	\$ 54,826,633	\$ 50,531,410	\$ 47,625,883

Summary of Revenue, Expenses, and Changes in Net Position

The following table presents a summary of the Hospital's revenue and expenses for the latest three fiscal years:

	2025	2024	2023
Net patient service revenue	\$ 30,835,963	\$ 29,508,691	\$ 27,912,716
Other operating revenue	5,809,850	5,590,159	4,785,453
Operating revenue	36,645,813	35,098,850	32,698,169
Salaries, wages, and benefits	17,888,890	17,023,494	14,161,950
Other operating expenses	16,170,865	14,907,469	15,845,015
Depreciation and amortization	2,707,685	2,660,080	2,393,009
Operating expenses	36,767,440	34,591,043	32,399,974
Tax revenue	2,644,645	2,194,147	2,377,176
Employee Retention Tax Credit income	-	-	3,023,137
Interest income	2,740,348	1,748,955	1,089,590
Interest expense	(831,383)	(854,781)	(882,870)
Other nonoperating revenue (expense)	(136,760)	(690,601)	1,693,701
Nonoperating revenue, net	4,416,850	2,397,720	7,300,734
Change in net position	4,295,223	2,905,527	7,598,929
Net position, beginning of year	50,531,410	47,625,883	40,026,954
Net position, end of year	\$ 54,826,633	\$ 50,531,410	\$ 47,625,883

Sources of Revenue

The Hospital derives the majority of its total revenue from patient service operations. The following table displays payor mix percentages as a function of total billed charges during 2025, 2024, and 2023:

	2025	2024	2023
Medicare	17%	16%	17%
Medicaid	29%	29%	29%
Commercial and other	52%	51%	51%
Self-Pay	2%	4%	3%

The Hospital derives additional revenue from ad valorem taxes, grants, donations, and interest income.

Operating and Financial Performance

The Hospital's primary source of revenue is derived from patient services and is driven by admissions. The practical end of patient revenue involves converting admissions and treatment into cash collections. The industry standard regarding management of receivables is the measure of outstanding days in accounts receivable. The following table displays both inpatient days, along with days in accounts receivable from 2025, 2024, and 2023.

	2025	2024	2023
Inpatient Days	535	566	975
Net Outstanding Days in A/R	29	31	37

Capital Assets

The following table presents the components of capital assets at October 31:

	2025	2024	2023
Land and land improvements	\$ 2,989,524	\$ 2,944,923	\$ 2,936,173
Buildings and leasehold improvements	33,144,986	32,223,677	32,205,210
Equipment	15,394,841	14,166,837	12,996,061
Intangible assets	35,084	35,084	35,084
Construction in progress	3,963,013	488,119	921,249
	55,527,448	49,858,640	49,093,777
Less: accumulated depreciation	29,731,392	27,144,707	24,484,627
Capital assets, net	\$ 25,796,056	\$ 22,713,933	\$ 24,609,150

Long-Term Debt

The Hospital had outstanding debt of \$21,608,838 and \$22,267,983 at October 31, 2025 and 2024, which is comprised of two (2) revenue bonds and one (1) note payable. The Hospital incurred no additional indebtedness during the years ended October 31, 2025 and 2024. Long-term debt decreased by \$659,145 or 2.96% in fiscal year 2025, due to payments on long-term debt. For additional information, see Notes 8 and 9 to the financial statements.

Budget and Strategy for Fiscal Year 2026

The Board of Commissioners has approved the budget for the fiscal year ending October 31, 2026, which includes a projected increase in net position of approximately \$3.4 million. This budget reflects the Hospital's continued focus on balancing financial sustainability with strategic growth and expanded access to care.

To support this outlook, the Hospital will continue to pursue its dual strategy of enhancing patient services while maintaining financial discipline. A key component of this strategy remains the expansion of specialty physician services and the continued development of our Rural Health and provider-based clinics, with the goal of improving access to care locally while strengthening long-term operational performance.

In February 2026, the Hospital completed construction and opened a new multiuse facility, which houses both an urgent care clinic and dedicated specialty clinic space. This facility represents a significant investment in the community and expands access to timely care while creating opportunities to recruit additional specialists and introduce new service lines.

In addition, the Hospital expects to complete the conversion of its Pediatric clinic into a Rural Health Clinic (RHC) during fiscal year 2026. This transition will further enhance access to primary care services and support the Hospital's long-term reimbursement and care delivery strategy in underserved areas. As part of this conversion, the Hospital plans to introduce new service lines, including OB-GYN services, representing a meaningful expansion of care available to the community while evaluating the opportunities available through the Rural Health Transformation Program.

The Hospital will also continue advancing several key initiatives, including the ongoing development of its community paramedicine program to support care for homebound patients. Additionally, the Hospital plans to expand its outreach within the local school system by providing access to mental health professionals, including licensed clinical social workers, to better serve the needs of students.

The Hospital will also continue to expand access to specialty care through its Rural Health Clinic and Provider Based Clinics, leveraging this platform to recruit and support additional specialists and broaden the range of services available to the community.

Together, these initiatives reflect the Hospital's commitment to thoughtful growth, innovation, and meeting the evolving healthcare needs of the community. The Hospital looks forward to another year of progress, guided by its mission to provide high-quality, accessible care while maintaining a strong and sustainable financial foundation.

Contacting the Hospital's Chief Financial Officer

This financial report is intended to provide our community, patients, and creditors with a general overview of the Hospital's financial position and demonstrate accountability regarding all revenue received. If further information is required, requests should be submitted in writing to:

Chief Financial Officer
West Feliciana Hospital
5266 Commerce Street
St. Francisville, Louisiana 70775



INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
The Hospital Service District of West Feliciana Parish Louisiana
d/b/a West Feliciana Hospital
St. Francisville, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Hospital Service District of West Feliciana Parish Louisiana d/b/a West Feliciana Hospital (the Hospital), a component unit of the West Feliciana Parish Government, as of and for the year ended October 31, 2025, 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 2025 financial statements referred to above present fairly, in all material respects, the respective financial position of the Hospital, as of October 31, 2025, and the respective changes in its financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Hospital and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matter - Prior Period Financial Statements

The financial statements as of October 31, 2024, were audited by Hawthorn, Waymouth & Carroll, L.L.P., who merged with HoganTaylor LLP as of January 1, 2026, and whose report dated April 25, 2025, expressed an unmodified opinion on those financial statements.

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 v 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 (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained

during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2026, on our consideration of the Hospital's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

A handwritten signature in black ink that reads "Hogan Taylor LLP". The signature is written in a cursive, flowing style.

Baton Rouge, Louisiana
April 28, 2026

THE HOSPITAL SERVICE DISTRICT OF WEST FELICIANA PARISH LOUISIANA

STATEMENTS OF NET POSITION

October 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,548,826	\$ 4,055,254
Certificates of deposit	1,330,903	1,281,703
Investments	2,347,872	4,207,520
Accounts receivable - patients, net	2,913,202	2,518,791
Due from third party payors	2,421,583	3,369,883
Accounts receivable - other	3,086,287	4,609,623
Inventory	860,472	702,052
Prepaid expenses	552,119	575,496
	<hr/>	<hr/>
Total current assets	19,061,264	21,320,322
Assets limited as to use	34,427,887	31,770,961
Capital assets, net	25,796,056	22,713,933
	<hr/>	<hr/>
Total assets	79,285,207	75,805,216
Liabilities		
Current liabilities:		
Current maturities of bonds payable	686,685	659,197
Current maturities of note payable	25,000	25,000
Accounts payable	449,216	387,748
Accrued expenses	2,235,670	2,439,577
Due to third party payors	164,850	178,498
	<hr/>	<hr/>
Total current liabilities	3,561,421	3,690,020
Long-term liabilities:		
Bonds payable, less current maturities	20,897,153	21,583,786
	<hr/>	<hr/>
Total liabilities	24,458,574	25,273,806
Net Position		
Net investment in capital assets	4,187,218	445,950
Restricted for debt service	3,928,009	3,114,254
Unrestricted	46,711,406	46,971,206
	<hr/>	<hr/>
Total net position	<u>\$ 54,826,633</u>	<u>\$ 50,531,410</u>

THE HOSPITAL SERVICE DISTRICT OF WEST FELICIANA PARISH LOUISIANA

STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

Years ended October 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating revenue		
Net patient service revenue	\$ 30,835,963	\$ 29,508,691
Other operating revenue	<u>5,809,850</u>	<u>5,590,159</u>
Operating revenue	36,645,813	35,098,850
Operating expenses		
Salaries, wages, and benefits	17,888,890	17,023,494
Professional services	9,391,189	8,371,887
Supplies and other expenses	2,601,006	2,631,815
Other operating expenses	4,178,670	3,903,767
Depreciation and amortization	<u>2,707,685</u>	<u>2,660,080</u>
Total operating expenses	<u>36,767,440</u>	<u>34,591,043</u>
Operating income (loss)	(121,627)	507,807
Nonoperating revenue (expenses)		
Interest income	2,740,348	1,748,955
Interest expense	(831,383)	(854,781)
Tax revenue	2,644,645	2,194,147
Gain (loss) on disposal of assets	45,626	(756,800)
Other nonoperating revenue (expense)	<u>(182,386)</u>	<u>66,199</u>
Nonoperating revenue, net	<u>4,416,850</u>	<u>2,397,720</u>
Change in net position	4,295,223	2,905,527
Net position, beginning of year	<u>50,531,410</u>	<u>47,625,883</u>
Net position, end of year	<u><u>\$ 54,826,633</u></u>	<u><u>\$ 50,531,410</u></u>

THE HOSPITAL SERVICE DISTRICT OF WEST FELICIANA PARISH LOUISIANA

STATEMENTS OF CASH FLOWS

Years ended October 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Receipts from and on behalf of patients	\$ 38,729,312	\$ 36,745,342
Payments to suppliers for goods and services	(16,409,739)	(15,920,695)
Payments to employees for services	(17,947,420)	(16,707,154)
	4,372,153	4,117,493
Cash Flows from Noncapital Financing Activities		
Tax receipts	2,586,135	2,166,319
Other income	81,696	59,651
	2,667,831	2,225,970
Cash Flows from Capital and Related Financing Activities		
Acquisition of capital assets	(5,789,808)	(1,521,663)
Principal payments on bonds payable	(659,145)	(632,804)
Principal payments on note payable	-	(30,000)
Interest paid	(832,270)	(855,632)
	(7,281,223)	(3,040,099)
Cash Flows from Investing Activities		
Purchases of certificates of deposit	-	(9,500,000)
Sales and maturities of certificates of deposit	6,424,251	2,246,462
Purchase of investments	(14,087,751)	(3,705,365)
Sales and maturities of investments	7,015,831	376,800
Interest received	2,581,289	998,835
	1,933,620	(9,583,268)
Net cash provided by (used in) investing activities	1,933,620	(9,583,268)
Net increase (decrease) in cash and cash equivalents	1,692,381	(6,279,904)
Cash and cash equivalents, beginning of year: Including \$3,732,092 and \$2,826,725 limited as to use for 2025 and 2024, respectively	7,787,346	14,067,250
Cash and cash equivalents, end of year: Including \$3,930,901 and \$3,732,092 limited as to use for 2025 and 2024, respectively	\$ 9,479,727	\$ 7,787,346

See notes to the financial statements.

THE HOSPITAL SERVICE DISTRICT OF WEST FELICIANA PARISH LOUISIANA

STATEMENTS OF CASH FLOWS (continued)

Years ended October 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Reconciliation of Operating Income (Loss) to Net Cash		
 Provided by Operating Activities:		
Operating income (loss)	\$ (121,627)	\$ 507,807
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	2,707,685	2,660,080
Provision for doubtful accounts	2,206,058	1,778,058
Change in operating assets and liabilities:		
Patient accounts receivable	(2,600,469)	134,599
Due from third party payors	948,300	(780,188)
Other receivables	1,523,336	604,608
Inventory	(158,420)	9,383
Prepaid expenses	23,377	(135,801)
Accounts payable	61,468	(771,783)
Accrued expenses	(203,907)	892,058
Due to third-party payors	(13,648)	(781,328)
	<u>\$ 4,372,153</u>	<u>\$ 4,117,493</u>
Net cash provided by operating activities		

THE HOSPITAL SERVICE DISTRICT OF WEST FELICIANA PARISH LOUISIANA

NOTES TO FINANCIAL STATEMENTS

October 31, 2025 and 2024

Note 1 – Summary of Significant Accounting Policies

Legal organization

On February 21, 1968, the West Feliciana Parish Police Jury passed a resolution creating the West Feliciana Parish Hospital Service District No. 1 (the Hospital) under the authority of Chapter 10 of Title 46 of the Louisiana Revised Statutes of 1950, as amended. The Hospital is a political subdivision of the West Feliciana Parish Government, whose jurors are elected officials. The Hospital's seven commissioners are appointed by the West Feliciana Parish Government. The Hospital's legal name is now The Hospital Service District of West Feliciana Parish Louisiana, and its DBA name is West Feliciana Hospital.

Nature of business

The Hospital primarily earns revenue by providing inpatient, outpatient, and emergency care services to patients in the West Feliciana Parish area.

Basis of accounting and presentation

The Hospital utilizes the proprietary fund method of accounting, using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

As a proprietary fund, the Hospital distinguishes operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing patient services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Hospital's proprietary fund are charges to customers related to patient services. Operating expenses for the Hospital's proprietary fund include patient care expenses, general and administrative expenses, and depreciation and amortization on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

The Hospital follows private-sector standards of accounting and financial reporting issued prior to December 1, 1989, to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Hospital has elected not to follow subsequent private-sector guidance.

The Hospital follows GASB standards for state and local governments which require that resources be classified for accounting and reporting purposes into the following three net position components:

- The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- The *restricted* component of net position consists of restricted assets reduced by liabilities related to those assets. Restricted net position results when external constraints are placed on asset use by creditors, grantors, contributors, or laws through constitutional provisions or enabling legislation. At October 31, 2025 and 2024, the Hospital had \$3,928,009 and \$3,114,254, respectively, of net position restricted for debt service.

- The *unrestricted* component of net position is the net amount of the assets and liabilities that are not included in the determination of net investment in capital assets or the restricted component of net position. Unrestricted net position is often designated to indicate that management does not consider it to be available for general operations; however, these designations can be removed or modified. At October 31, 2025 and 2024, the Hospital's unrestricted net position designated for the replacement of depreciable capital assets amounted to \$30,496,986 and \$28,038,869, respectively.

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

Reporting entity

As the governing authority of the parish, for reporting purposes, the West Feliciana Parish Government (parish government) is the financial reporting entity for West Feliciana Parish. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Section 2100 of the 2011 GASB *Codification of Governmental Accounting and Financial Reporting Standards* establishes criteria for determining which component units should be considered part of the West Feliciana Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability.

This criterion, as it relates to the Hospital, includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the parish government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish government.
2. Organizations for which the parish government does not appoint a voting majority but are fiscally dependent on the parish government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the parish government appoints all members to the Hospital's Board of Commissioners, the Hospital was determined to be a component unit of the West Feliciana Parish Government, the financial reporting entity. The accompanying financial statements present information only of the funds maintained by the Hospital and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

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 disclosure 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. The most significant item on the statements of net position that involves a greater degree of accounting estimates subject to changes in the near future is the assessment of the allowance for doubtful accounts. As additional information becomes available (or actual amounts are determinable), the recorded estimates are revised and reflected in operating results of the period they are determined.

Cash and cash equivalents

For purposes of the statements of cash flows, the Hospital considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Accounts receivable and allowance for doubtful accounts

Accounts receivable from patients, insurance companies, and third-party reimbursement contractual agencies are recorded at established charge rates. Certain third-party insured accounts (Medicare and Medicaid) are based on cost reimbursement agreements, which generally result in the Hospital collecting more or less than the established charge rates with the difference recorded as "contractual adjustments." Final determination of settlement is subject to review by appropriate authorities.

The Hospital provides an allowance for doubtful accounts equal to the estimated collection losses that may be incurred for all receivables. Management estimates the losses based on historical collection experience coupled with a review of the current status of existing receivables. Accounts are considered delinquent and subsequently written off as bad debts based on individual credit evaluation and specific circumstances of the account.

Inventory

Inventory is valued at the lower of cost or net realizable value (first-in, first-out method). Inventory is comprised of departmental supplies and pharmaceutical items.

Investments

Investments are carried at fair value. Interest, dividends, and gains and losses, both realized and unrealized, on investments are included in nonoperating revenue when earned.

Capital assets

Capital assets are stated at cost, except for assets donated to the Hospital. Donated assets are recorded at the appraised value at the date of donation. Depreciation is recorded on a straight-line basis over the useful lives of the assets. Capital assets under lease obligations are amortized on a straight-line basis over the shorter period of the lease term or the estimated useful life. Interest expense related to construction projects is capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Expenditures in excess of \$5,000 for major renewals and betterments that extend the useful lives of capital assets are capitalized.

The estimated useful lives of capital assets are as follows:

Buildings and leasehold improvements	5 - 40 years
Equipment	3 - 20 years
Intangible assets	5 years

Gifts of long-lived assets such as land, buildings, or equipment with no donor stipulations are reported as unrestricted support, while those with explicit donor stipulations are reported as restricted support.

Net patient service revenue

The Hospital is a Critical Access Hospital (CAH), which allows it to receive cost-based reimbursements from Medicare and Medicaid.

The Hospital has agreements with third-party payors that provide payments to the Hospital at amounts different from its established rates. Inpatient acute care services, swing bed services and outpatient services rendered to Medicare program beneficiaries are reimbursed at cost plus 1% (subject to limits, rules and

regulations), while other outpatient laboratory services are reimbursed on a fee schedule. The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been settled by the Medicare fiscal intermediary through October 31, 2023.

Inpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates per day. Certain outpatient services to Medicaid program beneficiaries are reimbursed at cost plus 10%, subject to certain limits, while other outpatient services are reimbursed on a fee schedule. The Hospital is reimbursed for outpatient services at an interim rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicaid fiscal intermediary. The Hospital's Medicaid cost reports have been settled by the Medicaid fiscal intermediary through October 31, 2020.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. These adjustments will be recorded in the year they are realized.

The Hospital has entered into payment arrangements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined rates. To the extent management's estimate differs from actual results, the differences will be recorded in the year such differences arise.

Sliding fee discount program

The Hospital's Sliding Fee Discount Program is used to provide free or discounted care to patients who are financially unable to pay for their medical services. Those with incomes at or below 100% of the Federal Poverty Guidelines will receive a full 100% discount. Those with income above 100% of the Federal Poverty Guidelines, but at or below 300% of the Federal Poverty Guidelines, will be discounted according to the Hospital's sliding fee schedule. Because the Hospital does not pursue collection of amounts determined to qualify for this program, they are not reported as revenue. Records of charges foregone for services and supplies furnished under the Sliding Fee Discount Program are maintained to identify and monitor the level of discounted care provided.

Grants and donations

Grants and donations (including capital contributions of assets) are recognized as revenue when all eligibility requirements, including time requirements, imposed by the provider have been met.

Property taxes

The Hospital receives property taxes, which are levied on or about October 1st for the current year. Property taxes are invoiced and collected by the West Feliciana Parish Sheriff. Taxes are due by December 31 following the levy date. The Hospital records the expected revenue to be received based on factors such as previous years' collections of assessments and the estimated taxable assessed value for the current year. Adjustments are made upon final receipt. The Hospital currently receives a 0.50 mill property tax, which is in effect through 2026.

Sales tax

Sales tax revenues are recognized in accordance with the accrual basis of accounting. Sales taxes are collected by the West Feliciana Parish School Board (acting as ex officio tax collector) and remitted to the Hospital, net of applicable collection and administrative fees. Revenue is recognized in the period in which the underlying taxable sales occur. Amounts collected by the parish tax collector but not yet remitted to the Hospital at year-end are included in accounts receivable – other. The Hospital relies on reports provided by the parish tax collection authority for the measurement of sales tax revenues.

Income taxes

The Hospital is exempt from income taxes under Internal Revenue Code Section 115. Accordingly, the accompanying financial statements do not include any provision for income taxes.

Advertising

Advertising costs are expensed as incurred. Advertising costs of \$177,825 and \$200,115 were expensed in 2025 and 2024, respectively.

Environmental matters

Due to the nature of the Hospital's operations, materials handled could lead to environmental concerns. However, at this time, management is not aware of any environmental matters which need to be considered.

Risk management

The Hospital is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters and employee health, dental, and accident benefits. The Hospital is a member of two separate trust funds established by the Louisiana Hospital Association that encompasses self-insurance of 1) Hospital professional liability and comprehensive general liability, and 2) statutory workers' compensation. The Hospital continues to carry commercial insurance for all other risks of loss. As of October 31, 2025 and 2024, the Hospital has no known claims exceeding its coverage.

Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation. These reclassifications had no effect on the previously reported net position or change in net position.

Note 2 – Deposits and Investments

The Hospital has various deposits and investments. The amounts reflected on the accompanying statements of net position are as follows:

	2025	2024
Operations:		
Cash and cash equivalents	\$ 5,548,826	\$ 4,055,254
Certificates of deposit	1,330,903	1,281,703
Investments	2,347,872	4,207,520
Assets limited as to use:		
Cash and cash equivalents	3,930,901	3,732,092
Certificates of deposit	7,728,049	14,201,500
Investments	22,768,937	13,837,369
Total	<u>\$ 43,655,488</u>	<u>\$ 41,315,438</u>

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Hospital's deposits may not be returned to it. Louisiana state statutes require that all of the deposits of the Hospital be protected by insurance or collateral. The fair value of the collateral pledged must equal 100% of the deposits not covered by insurance. The Hospital's deposits were entirely insured or entirely collateralized by securities held by the pledging bank's trust department in the Hospital's name as of October 31, 2025 and 2024.

The Hospital's account balances according to banks' records at October 31, 2025 and 2024, were as follows:

	2025	2024
Cash in banks	\$ 19,020,119	\$ 23,595,898
Insured by Federal Deposit Insurance Corporation	\$ 5,003,778	\$ 6,808,119
Collateralization by fair market value of securities held by the pledging institution	\$ 14,016,341	\$ 16,787,779
Uncollateralized	\$ -	\$ -

Investments

The Hospital's investment policies comply with state statutes. Funds may be invested in time deposits, money market investment accounts, or certificates of deposit with financial institutions insured by the Federal Deposit Insurance Corporation; direct obligations of the United States Government and its agencies; investment grade commercial paper of domestic United States corporations; one of the two highest short-term rating categories of either Standards & Poor's Corporation or Moody's Investors Service; and government backed mutual trust funds.

At October 31, 2025 and 2024, investments held by the Hospital consisted of \$22,207,975 and \$17,648,675, respectively, in the Louisiana Asset Management Pool (LAMP), a local government investment pool. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets.

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a governmental external investment pool that reports at fair value. The following facts are relevant for an investment pool:

Credit Risk: LAMP is rated AAAM by Standard & Poor's.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Hospital will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Hospital's policy with respect to custodial risk is based on Louisiana statutes. LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of Credit Risk: The Hospital's investment policy does not limit the amount the Hospital may invest in any one issuer. Pooled investments are excluded from the 5% disclosure requirement.

Interest Rate Risk: As a means of limiting exposure to fair value losses arising from rising interest rates, the Hospital limits investments to highly liquid investments or marketable U.S. Treasury and U.S. agency obligations. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. To provide for this liquidity, all investments at the time

of purchase have a maximum remaining maturity of 397 days or 762 days for U.S. Government floating/variable rate investments, and the WAM of LAMP is restricted to not more than 90 days. At October 31, 2025 and 2024, the WAM for LAMP's total investments was 75 days and 68 days, respectively.

Foreign Currency Risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the Louisiana state treasurer and the board of directors. LAMP is not registered with the United State Securities and Exchange Commission as an investment company.

Fair value measurements

The Hospital follows GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date. This topic establishes a hierarchal framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment.

The Hospital utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Hospital determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1: Quoted prices (unadjusted) in active markets accessible at the measurement date.

Level 2: Prices based on observable inputs corroborated by market data, but no quoted active markets.

Level 3: Prices based on unobservable inputs, including situations where there is little, if any, market activity for the assets or liabilities. The inputs used in the determination of fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investments.

The following table sets forth, by level, the investments reported at fair value as of October 31, 2025:

	Fair Value	October 31, 2025		
		Level 1	Level 2	Level 3
Investment type:				
Exchange traded funds	\$ 2,908,834	\$ 2,908,834	\$ -	\$ -
External investment pool*	22,207,975	-	22,207,975	-
Total investments	\$ 25,116,809	\$ 2,908,834	\$ 22,207,975	\$ -

The following table sets forth, by level, the investments reported at fair value as of October 31, 2024:

	Fair Value	October 31, 2024		
		Level 1	Level 2	Level 3
Investment type:				
Exchange traded funds	\$ 396,214	\$ 396,214	\$ -	\$ -
External investment pool*	17,648,675	-	17,648,675	-
Total investments	\$ 18,044,889	\$ 396,214	\$ 17,648,675	\$ -

* The Hospital's investments in LAMP are measured using observable inputs other than quoted market prices and are reported as Level 2. The investments in LAMP are valued using quoted market prices of the underlying investment of LAMP on a weekly basis and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

Note 3 – Assets Limited As To Use

Assets whose use is limited under Board designations for the replacement of depreciable capital assets and as security interest for the Hospital Revenue Bonds are summarized as follows:

	2025	2024
Cash – Board Designated:		
Cetera Investment Services - yielding 0.90%	\$ 2,892	\$ 617,838
Cash – Held as Security Interest for the Hospital Revenue Bonds		
Investar Bank - Money Market account yielding 2.86%	458,864	442,730
Investar Bank - Reserve Fund yielding 2.86%	2,190,803	1,590,432
Investar Bank - Contingency Fund yielding 2.86%	1,278,342	1,081,092
Total cash limited as to use	3,930,901	3,732,092
Certificates of Deposit – Board Designated:		
Certificates of deposit yielding 3.65% - 4.90%	7,728,049	14,201,500
Total certificates of deposit limited as to use	7,728,049	14,201,500
Investments – Board Designated:		
Cetera Investment Services - average yield of 13.30%	2,908,834	396,214
Louisiana Asset Management Pool - average yield of 4.23%	19,860,103	13,441,155
Total investments limited as to use	22,768,937	13,837,369
Total assets limited as to use	\$ 34,427,887	\$ 31,770,961

Board designated certificates of deposit and investments are designated for the purpose of setting up a funded depreciation account. The Hospital's Board of Commissioners approved a resolution to establish a separate set of accounts for funds to be invested in secure, readily marketable income producing investments as authorized by the Board. The funds and earnings from those investments are reserved and dedicated for the replacement of depreciable capital assets.

Note 4 – Certificates of Deposit

The Hospital has two certificates of deposit with a federally insured financial institution that are not limited as to use. The certificates of deposit bear interest at 3.65% per annum and have a term of 18 months.

Note 5 – Accounts Receivable – Patients

Patient accounts receivable consisted of the following at October 31, 2025 and 2024:

	2025	2024
Total patient accounts receivable	\$ 7,320,316	\$ 5,305,594
Less: allowance for doubtful accounts	(4,407,114)	(2,786,803)
Accounts receivable - patients, net	<u>\$ 2,913,202</u>	<u>\$ 2,518,791</u>

Note 6 – Accounts Receivable – Other

Accounts receivable - other consisted of the following at October 31, 2025 and 2024:

	2025	2024
Accrued uncompensated care	\$ 1,841,695	\$ 354,232
Uncollected sales tax revenue	214,701	153,984
Uncollected ad valorem tax revenue	227,994	230,201
Grant funds receivable	281,413	588,953
Employee Retention Tax Credits receivable	-	3,023,137
All other	520,484	259,116
Total accounts receivable - other	<u>\$ 3,086,287</u>	<u>\$ 4,609,623</u>

Note 7 – Capital Assets

A summary of capital asset additions, deductions, and balances for the year ended October 31, 2025, follows:

	Beginning Balance	Additions and Transfers	Retirements and Transfers	Ending Balance
Nondepreciable Assets				
Land	\$ 1,491,661	\$ -	\$ -	\$ 1,491,661
Construction in progress	488,119	3,474,894	-	3,963,013
Total nondepreciable assets	1,979,780	3,474,894	-	5,454,674
Depreciable Assets				
Land improvements	1,453,262	44,601	-	1,497,863
Buildings and leasehold improvements	32,223,677	921,309	-	33,144,986
Equipment	14,166,837	1,349,004	(121,000)	15,394,841
Intangible assets	35,084	-	-	35,084
Total depreciable assets	47,878,860	2,314,914	(121,000)	50,072,774

	Beginning Balance	Additions and Transfers	Retirements and Transfers	Ending Balance
Accumulated Depreciation and Amortization				
Land improvements	(1,110,307)	(122,488)	-	(1,232,795)
Buildings and leasehold improvements	(14,760,343)	(1,687,901)	-	(16,448,244)
Equipment	(11,262,947)	(890,264)	121,000	(12,032,211)
Intangible assets	(11,110)	(7,032)	-	(18,142)
Total accumulated depreciation and amortization	(27,144,707)	(2,707,685)	121,000	(29,731,392)
Depreciable assets, net	20,734,153	(392,771)	-	20,341,382
Capital assets, net	\$ 22,713,933	\$ 3,082,123	\$ -	\$ 25,796,056

A summary of capital asset additions, deductions, and balances for the year ended October 31, 2024, follows:

	Beginning Balance	Additions and Transfers	Retirements and Transfers	Ending Balance
Nondepreciable Assets				
Land	\$ 1,491,661	\$ -	\$ -	\$ 1,491,661
Construction in progress	921,249	323,670	(756,800)	488,119
Total nondepreciable assets	2,412,910	323,670	(756,800)	1,979,780
Depreciable Assets				
Land improvements	1,444,512	8,750	-	1,453,262
Buildings and leasehold improvements	32,205,210	18,467	-	32,223,677
Equipment	12,996,061	1,170,776	-	14,166,837
Intangible assets	35,084	-	-	35,084
Total depreciable assets	46,680,867	1,197,993	-	47,878,860
Accumulated Depreciation and Amortization				
Land improvements	(982,131)	(128,176)	-	(1,110,307)
Buildings and leasehold improvements	(13,060,712)	(1,699,631)	-	(14,760,343)
Equipment	(10,437,691)	(825,256)	-	(11,262,947)
Intangible assets	(4,093)	(7,017)	-	(11,110)
Total accumulated depreciation and amortization	(24,484,627)	(2,660,080)	-	(27,144,707)
Depreciable assets, net	22,196,240	(1,462,087)	-	20,734,153
Capital assets, net	\$ 24,609,150	\$ (1,138,417)	\$ (756,800)	\$ 22,713,933

Deductions of \$756,800 in the construction in progress category for the year ended October 31, 2024, relate to the demolition of a building on property purchased in the prior year for the purpose of constructing a new urgent care facility. This amount is reported as a loss on disposal of assets on the statement of revenue, expenses, and changes in net position.

Note 8 – Bonds Payable

The schedule of changes in the Hospital's bonds payable for the year ended October 31, 2025, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds payable:					
Hospital revenue bonds:					
20 Year	\$ 5,880,253	\$ -	\$ (390,213)	\$ 5,490,040	\$ 408,193
40 Year	16,362,730	-	(268,932)	16,093,798	278,492
Total bonds payable	<u>\$ 22,242,983</u>	<u>\$ -</u>	<u>\$ (659,145)</u>	<u>\$ 21,583,838</u>	<u>\$ 686,685</u>

The schedule of changes in the Hospital's bonds payable for the year ended October 31, 2024, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds payable:					
Hospital revenue bonds:					
20 Year	\$ 6,253,370	\$ -	\$ (373,117)	\$ 5,880,253	\$ 390,267
40 Year	16,622,417	-	(259,687)	16,362,730	268,930
Total bonds payable	<u>\$ 22,875,787</u>	<u>\$ -</u>	<u>\$ (632,804)</u>	<u>\$ 22,242,983</u>	<u>\$ 659,197</u>

Hospital Revenue Bonds - 20 Year

Hospital Revenue Bonds (Series 2018B) of \$8,000,000, issued on October 19, 2017, due in monthly installments of \$53,908 (principal and interest) beginning November 2017, for 20 years at an interest rate of 4.77% for year one, 4.92% for year two, 5.08% for year three, and a fixed rate of 5.25% for years four through ten. The interest rate will be reset on the tenth anniversary date (October 19, 2027) based on the Wall Street Prime as of such date, plus 1% per annum (not to exceed 7% per annum) and the amortized monthly payments shall continue thereafter through October 19, 2037. Bonds are secured by a pledge of net revenue from the operations of the Hospital, a mortgage lien on the property, and all Hospital equipment and appurtenances.

Hospital Revenue Bonds - 40 Year

Hospital Revenue Bonds (Series 2018A) of \$17,575,000, issued on October 19, 2018, bearing interest at 3.50% per annum. Bond proceeds totaling \$16,165,000 were disbursed to the Hospital during the year ended October 31, 2017, and the remaining \$1,410,000 of the bond proceeds were disbursed during the year ended October 31, 2018. Principal and interest are payable over a 40 year period. The first two annual payments were interest only. Thereafter, the bonds are due in monthly installments of \$69,773 (principal and interest), commencing November 19, 2019 and continuing through October 19, 2057. Bonds are secured by a pledge of net revenue from the operations of the Hospital, a mortgage lien on the property, and all Hospital equipment and appurtenances.

As required by the bond agreement, the Hospital is required to maintain three separate accounts: Sinking Fund, Reserve Fund, and Contingency Fund. The Sinking Fund is required to have an amount sufficient to pay promptly and fully the monthly principal and interest on the bonds due on the next payment date. The Reserve Fund must have an amount equal to the highest combined principal and interest falling due in any fiscal year on all bonds. The Reserve Fund was fully funded as of October 31, 2025 and 2024. The Contingency Fund shall have deposited a sum equal to 5% of the amount being paid monthly into the Sinking Fund to cover depreciation, extensions, additions, improvements and replacements necessary to properly operate the Hospital. The monthly payments into the Contingency Fund are increased to ten 10% of the amount being paid monthly into the Sinking Fund when a sum equal to the Reserve Fund Requirement has been accumulated in the Reserve Fund.

In a resolution adopted by the Board, four additional requirements for security of the bond and required by Investar Bank were as follows: 1) A separate and identifiable fund in the amount of \$9,500,000 was required as additional security for the Bonds, which sum will decrease by one-third on each anniversary date of the Bond delivery (commencing in the year 2019). 2) The "Hospital Reserve Fund" was fully funded upon closing. 3) The Hospital set aside in a separate fund the sum of \$1,250,000, which was applied to the Phase I renovations of the old hospital building and the Cypress Building. 4) The Hospital shall be required to hold sufficient operating cash and investments (operating reserve) in an amount equal to at least 120 days operating cash (calculated as the difference of annual operating expenses of the Issuer for the succeeding budget period less noncash depreciation and amortization, divided by 365). This operating reserve requirement is in addition to other required debt service funds provided that the amount of such operating reserve shall not exceed 25% of the then outstanding principal balance of the Bonds. The operating reserve amount shall be determined at the delivery of the Bonds and, thereafter, annually at the end of each fiscal year. These accounts have been classified as assets limited as to use.

Bond maturities for each of the next five years and thereafter, ending October 31, are as follows:

	Principal	Interest	Total
2026	\$ 686,685	\$ 797,541	\$ 1,484,226
2027	714,768	769,458	1,484,226
2028	745,152	739,074	1,484,226
2029	776,349	707,877	1,484,226
2030	808,807	675,419	1,484,226
Thereafter	17,852,077	8,415,580	26,267,657
	<u>\$ 21,583,838</u>	<u>\$ 12,104,949</u>	<u>\$ 33,688,787</u>

Note 9 – Note Payable

The Hospital has a note payable to the Fire Protection District No. 1 of West Feliciana Parish for a portion of the cost to construct a Fire and EMS Station that the Fire Protection District and the Hospital both utilize. The original balance of the note payable was \$265,000. The note bears no interest and is to be paid in annual installments of \$30,000 with one final payment of \$25,000 due on December 1, 2024. The final payment was not remitted to the Fire Protection District during the year ended October 31, 2025; therefore, the remaining balance continues to be reported as due within one year. The note is secured by the Hospital's portion of the Bluff's Fire Station.

The schedule of changes in the Hospital's note payable for the year ended October 31, 2025, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Fire Protection District No. 1 note	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ 25,000

The schedule of changes in the Hospital's note payable for the year ended October 31, 2024, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Fire Protection District No. 1 note	\$ 55,000	\$ -	\$ (30,000)	\$ 25,000	\$ 25,000

Note 10 – 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 200% scale. Accordingly, the Hospital does not report the amount it expects not to collect in net patient service revenue or in the allowance for uncollectible accounts. Total charity care provided through the Hospital's Sliding Fee Discount Program for the years ended October 31, 2025 and 2024, was \$67,248 and \$5,517, respectively. These amounts are included in the provision for bad debts. 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. Management estimates that approximately \$56,000 and \$5,000 of costs were related to discounted services provided through the Sliding Fee Discount Program for the years ended October 31, 2025 and 2024, respectively.

Note 11 – Cooperative Endeavor Agreement

In fiscal year 2023, the Hospital voluntarily entered into to a cooperative endeavor agreement (CEA) with other like-minded Louisiana hospitals, per Louisiana's Rural Hospital Preservation Act (RHPA). 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 Hospital deposits an amount, determined annually by the Rural Hospital Coalition (RHC), into an account, from which RHC is permitted to withdraw funds and make distributions to participating hospitals using a predetermined formula. Although the payments are formulaic in nature, they are not guaranteed, nor are they directly related to Medicaid reimbursement for the provisions of goods and healthcare services to patients. Accordingly, the receipts under this program (net of required funding by the Hospital) are included in operating revenues on the accompanying statements of revenue, expenses, and changes in net position.

For the fiscal year ended October 31, 2025, the Hospital received \$3,218,490 in cash (net) and recorded a receivable of \$1,841,695, included on the statement of net position in accounts receivable – other. Total revenue recognized from the CEA for the year ended October 31, 2025, was \$4,705,953, and is included on the accompanying statement of revenue, expenses, and changes in net position in other operating revenue.

For the fiscal year ended October 31, 2024, the Hospital received \$4,380,364 in cash (net) and recorded a receivable of \$354,232, included on the statement of net position in accounts receivable – other. Total revenue recognized from the CEA for the year ended October 31, 2024, was \$4,734,596, and is included

on the accompanying statement of revenue, expenses, and changes in net position in other operating revenue.

Note 12 – Tax Revenue

The Hospital receives tax revenue from sales tax and property tax collected on purchases and property assessments in West Feliciana Parish, Louisiana. The sales tax is used for the operation of the Hospital, and the property tax is used for the operation and maintenance of the Hospital.

Tax revenue was as follows for the years ended October 31:

	2025	2024
Sales tax	\$ 2,400,779	\$ 1,952,578
Ad valorem tax	240,041	235,766
State revenue sharing	3,825	5,803
Total tax revenue	<u>\$ 2,644,645</u>	<u>\$ 2,194,147</u>

Note 13 – Lease Revenue

The Hospital (lessor) leases office space on its campus to various medical service providers with terms ranging from month-to-month to one year. Revenue from these leases totaled \$46,865 and \$22,343 for the years ended October 31, 2025 and 2024, respectively. This revenue is included in other nonoperating revenue in the statements of revenue, expenses, and changes in net position.

Note 14 – Cash Flows Supplemental Information

Total cash and cash equivalents for October 31, are as follows:

	2025	2024
Cash and cash equivalents	\$ 5,548,826	\$ 4,055,254
Cash assets limited as to use	3,930,901	3,732,092
Total cash and cash equivalents	<u>\$ 9,479,727</u>	<u>\$ 7,787,346</u>

Note 15 – Compensated Absences

Accumulated unpaid vacation is accrued when earned. Full-time employees can earn and vest in vacation leave according to years of service as shown below:

<u>Years of Service</u>	<u>Vacation Time Earned</u>
Less than 5 years	6.67 hours per month
After 5 years	10.00 hours per month
After 10 years	13.33 hours per month

Sick pay is not vested and therefore not accrued. Employees only vest in vacation leave after six months of employment. The Hospital's policy is to recognize the cost of sick pay when actually paid to employees. Accrued compensated absences at October 31, 2025 and 2024, were \$905,330 and \$868,568, respectively. These amounts are included in accrued expenses on the statements of net position.

Note 16 – Retirement Plan

The Hospital has executed the Variable Annuity Life Insurance Company prototype Profit Sharing Plan with Cash or Deferred Arrangement Option Non-Standardized Adoption Agreement No. 3. The defined contribution plan (457) provides benefits to substantially all employees. The Hospital matches contributions made by an employee up to 6 % of the employee's compensation. Total payroll for the fiscal years ended October 31, 2025 and 2024, was \$14,501,245 and \$13,769,542, respectively. Covered payroll for 2025 and 2024, was \$14,422,100 and \$13,498,233, respectively. Total pension expense was \$501,206 and \$482,822 for 2025 and 2024, respectively.

Note 17 – Concentration of Credit Risk

The Hospital is located in St. Francisville, Louisiana and grants credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables (net of allowances) from patients and third-party payors at October 31, 2025 and 2024, is as follows:

	2025	2024
Medicare	24.7%	28.3%
Medicaid	24.5%	28.8%
Commercial and other third-party payors	31.2%	36.6%
Self-pay	19.6%	6.3%
	<u>100.0%</u>	<u>100.0%</u>

Note 18 – Commitments

At October 31, 2025, the Hospital had a commitment of \$524,350 related to the construction of the new urgent care building.

At October 31, 2024, the Hospital had commitments totaling \$3,544,923 related to the construction of the new urgent care and physical therapy building.

Note 19 – Payments to Board Members

The following schedule shows the amount of board per diems paid during the years ended October 31:

	2025	2024
Ernest Ayo	\$ 400	\$ 40
Melvin Harvey	120	400
Olton Scott	440	400
	<u>\$ 960</u>	<u>\$ 840</u>

Note 20 – Subsequent Events

Management evaluated all subsequent events through April 28, 2026, the date the financial statements were available to be issued. As a result, management noted no subsequent events that required adjustment to, or disclosure in, these financial statements.

SUPPLEMENTARY INFORMATION



REPORT ON SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
The Hospital Service District of West Feliciana Parish Louisiana
d/b/a West Feliciana Hospital
St. Francisville, Louisiana

We have audited the basic financial statements of The Hospital Service District of West Feliciana Parish Louisiana d/b/a West Feliciana Hospital, a component unit of the West Feliciana Parish Government, as of and for the year ended October 31, 2025, and our report thereon dated April 28, 2026, which expressed an unmodified opinion on those basic financial statements, appears on pages 1 through 3. Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information, identified 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The supplementary information for the year ended October 31, 2024, was audited by Hawthorn, Waymouth & Carroll, L.L.P., who merged with HoganTaylor LLP as of January 1, 2026, and whose report dated April 25, 2025, expressed an unmodified opinion on the supplementary information.

A handwritten signature in black ink that reads "Hogan Taylor LLP".

Baton Rouge, Louisiana
April 28, 2026

THE HOSPITAL SERVICE DISTRICT OF WEST FELICIANA PARISH LOUISIANA

SCHEDULES OF NET PATIENT SERVICE REVENUE

Years ended October 31, 2025 and 2024

	2025	2024
Patient service revenue:		
Ambulance service	\$ 3,014,649	\$ 2,810,971
Anesthesiology	249,536	202,147
Blood bank	19,125	25,488
Bone density	40,862	51,254
Central services	69,901	77,754
CT scan	3,764,633	2,956,592
Echocardiogram	41,886	23,902
Electrocardiology	268,296	242,548
Emergency services	6,136,596	5,819,796
Intensive outpatient psychiatry	1,942,637	1,618,952
Laboratory	5,940,396	6,378,704
Mammography	185,786	179,200
MRI scan	1,171,092	952,630
Nursing services	535,275	683,673
Occupational therapy	687,668	556,211
Pediatrics	2,371,555	2,438,240
Pharmacy	1,830,453	1,763,214
Physical therapy	3,227,712	3,349,135
Physician's fees	2,480,538	1,359,009
Radiology	1,683,500	1,696,866
Respiratory therapy	287,664	204,439
Sleep studies	186,460	19,337
Speech therapy	646,207	517,139
St. Francis Cypress Rural Health Clinic	4,053,951	2,775,640
St. Francis Gastro Clinic	98,996	95,881
St. Francis Ophthalmology Clinic	-	1,755
St. Francis Ortho Clinic	53,342	50,038
St. Francis Pain Clinic	134,248	83,017
Surgery	2,002,740	1,311,608
Ultrasound	489,313	387,629
Wound care	209,185	257,041
	<hr/>	<hr/>
Gross patient service revenue	43,824,202	38,889,810
Less: contractual adjustments and discounts	10,782,181	7,603,061
Less: provision for bad debts	2,206,058	1,778,058
	<hr/>	<hr/>
Net patient service revenue	\$ 30,835,963	\$ 29,508,691
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THE HOSPITAL SERVICE DISTRICT OF WEST FELICIANA PARISH LOUISIANA

SCHEDULES OF OPERATING EXPENSES – SALARIES, WAGES, AND BENEFITS

Years ended October 31, 2025 and 2024

	2025	2024
Salaries, wages, and benefits:		
Administrative	\$ 1,072,812	\$ 1,172,994
Ambulance	450,461	472,133
Business office	784,242	577,976
Central supply	173,686	178,651
CT scan	35,663	74,594
Dietary management	224,615	216,825
Echocardiogram	112,346	109,257
Emergency room	1,962,249	1,768,956
Housekeeping	312,650	278,884
Information technology	340,792	326,750
Intensive outpatient psychiatry	585,037	632,148
Laboratory	833,579	759,879
Medical records	253,397	248,549
MRI scan	74,425	64,329
Nursing services	1,475,320	1,507,918
Pediatrics	894,679	1,072,288
Pharmacy	163,857	152,486
Plant operations	305,346	272,662
Purchasing	128,747	124,157
Radiology	670,574	569,992
Respiratory therapy	459,703	442,755
Social services	-	9,002
St. Francis Cypress Rural Health Clinic	2,865,438	2,447,769
Surgery	67,454	52,022
Ultrasound	106,334	99,859
Utilization review	76,437	92,030
All other	71,402	44,677
	<hr/>	<hr/>
Total salaries and wages	14,501,245	13,769,542
	<hr/>	<hr/>
Total benefits	3,387,645	3,253,952
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Total salaries, wages, and benefits	\$ 17,888,890	\$ 17,023,494

THE HOSPITAL SERVICE DISTRICT OF WEST FELICIANA PARISH LOUISIANA

SCHEDULES OF OPERATING EXPENSES – PROFESSIONAL SERVICES

Years ended October 31, 2025 and 2024

	2025	2024
Professional services:		
Administrative	\$ 596,667	\$ 637,735
Ambulance	59,674	36,237
Anesthesia	113,500	104,800
Business office	165,148	99,477
CT scan	82,872	77,077
Dietary	10,722	14,053
EKG	10,315	11,453
Emergency room physician fees	1,784,198	1,760,867
Housekeeping	186,577	146,531
Information technology	357,764	193,448
Intensive outpatient psychiatry	299,222	307,902
Laboratory	219,125	234,036
Laundry/linen	24,383	27,868
Mammography	100,602	84,920
Medical records	22,037	32,459
MRI	96,852	80,921
Nursing services	33,349	47,723
Occupational therapy	343,445	286,812
Pediatrics	6,866	4,195
Pharmacy	72,306	108,699
Pharmacy - 340B program	181,814	168,164
Physical therapy	1,239,046	1,253,541
Physician IP/OP fees	352,080	303,850
Physician medical director fee	29,610	82,325
Plant operations	371,779	472,793
Radiology	135,203	119,804
Respiratory therapy	10,213	4,625
Sleep studies	26,217	1,450
Speech therapy	242,091	199,973
St. Francis Cypress Rural Health Clinic	1,730,996	928,159
St. Francis Gastro Clinic	61,982	46,000
St. Francis Pain Clinic	38,045	28,500
Surgery	253,434	279,411
Ultrasound	32,698	25,282
Wound care	67,749	115,198
All other	32,608	45,599
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Total professional services	\$ 9,391,189	\$ 8,371,887
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THE HOSPITAL SERVICE DISTRICT OF WEST FELICIANA PARISH LOUISIANA

SCHEDULES OF OPERATING EXPENSES – SUPPLIES AND OTHER EXPENSES

Years ended October 31, 2025 and 2024

	2025	2024
Supplies and other expenses:		
Administrative	\$ 34,301	\$ 45,713
Ambulance	103,492	72,909
Business office	29,999	32,742
Central services	70,273	180,862
CT scan	10,532	32,250
Dietary	197,017	171,014
Emergency room	41,323	35,320
Housekeeping	54,393	59,198
Information technology	19,634	19,823
Intensive outpatient psychiatry	28,268	17,105
Laboratory	445,345	532,858
Medical records	9,579	3,950
Nursing services	60,115	40,127
Pediatrics	357,134	304,404
Pharmacy	355,679	510,492
Pharmacy - 340B program	149,973	116,814
Physical therapy	68,470	32,192
Plant operations	103,171	141,385
Radiology	11,577	16,997
Respiratory therapy	33,757	27,718
St. Francis Cypress Rural Health Clinic	315,231	197,001
St. Francis Gastro Clinic	2,307	2,469
St. Francis Pain Clinic	6,279	1,663
Surgery	38,230	22,725
All other	54,927	14,084
	<hr/>	<hr/>
Total supplies and other expenses	\$ 2,601,006	\$ 2,631,815
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THE HOSPITAL SERVICE DISTRICT OF WEST FELICIANA PARISH LOUISIANA

SCHEDULES OF OPERATING EXPENSES – OTHER OPERATING EXPENSES

Years ended October 31, 2025 and 2024

	2025	2024
Other operating expenses:		
Administrative	\$ 149,904	\$ 159,515
Audit and legal fees	195,496	235,780
Blood bank expense	11,387	15,313
Collection fees	1,769,223	1,693,145
Dues and subscriptions	152,697	82,993
Education	129,219	145,375
Equipment rental	131,048	12,788
Insurance	730,612	657,898
Intensive outpatient psychiatry	37,531	64,610
Laboratory	177	-
Mammography	2,400	2,400
Nursing services	21,665	25,604
Pediatrics	100	849
Physical therapy	1,824	1,251
Plant operations and utilities	567,760	527,284
Postage	11,790	13,743
Public relations	97,500	107,936
Radiology	130	597
St. Francis Cypress Rural Health Clinic	780	-
Telephone, internet, and cable	119,883	115,063
All other	47,544	41,623
	<hr/>	<hr/>
Total other operating expenses	<u>\$ 4,178,670</u>	<u>\$ 3,903,767</u>

THE HOSPITAL SERVICE DISTRICT OF WEST FELICIANA PARISH LOUISIANA

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

Year ended October 31, 2025

Agency Head Name: Ledoux Chastant, III, Chief Executive Officer

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 249,360
Benefits - insurance	19,025
Benefits - retirement	6,500
Benefits - other	-
Car allowance	4,800
Vehicle provided by agency	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	11,204
Housing	-
Unvouchered expenses	-
Special meals	-

OTHER REPORT



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
The Hospital Service District of West Feliciana Parish Louisiana
d/b/a West Feliciana Hospital
St. Francisville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Hospital Service District of West Feliciana Parish Louisiana d/b/a West Feliciana Hospital (the Hospital), a component unit of the West Feliciana Parish Government, as of and for the year ended October 31, 2025, and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements, and have issued our report thereon dated April 28, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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.

A handwritten signature in black ink that reads "Hogan Taylor LP". The signature is written in a cursive style with a long horizontal line extending from the start of the word "Hogan".

Baton Rouge, Louisiana
April 28, 2026

THE HOSPITAL SERVICE DISTRICT OF WEST FELICIANA PARISH LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES

Year ended October 31, 2025

Part I – Summary of Auditor's Results

- 1) An unmodified opinion has been expressed on the financial statements of The Hospital Service District of West Feliciana Parish Louisiana, as of and for the year ended October 31, 2025, and the related notes to the financial statements.
- 2) No deficiencies in internal control over financial reporting that we consider to be material weaknesses were identified.
- 3) No instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* were identified.
- 4) A single audit in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* was not required.
- 5) A management letter was not issued.

Part II – Financial Statement Findings

- 1) No findings were noted.

THE HOSPITAL SERVICE DISTRICT OF WEST FELICIANA PARISH LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended October 31, 2025

**Part I – Findings Related to an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

No findings were noted.

Part II – Management Letter

A management letter was not issued for the year ended October 31, 2024.