

**ST. JAMES PARISH HOSPITAL
SERVICE DISTRICT**
A COMPONENT UNIT OF ST. JAMES PARISH COUNCIL
Lutcher, Louisiana

Financial Statements
Years Ended March 31, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
St. James Parish Hospital Service District
Lutcher, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of St. James Parish Hospital Service District (the "Hospital"), a component unit of St. James Parish Council, as of and for the years ended March 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Hospital as of March 31, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* ("GAS"), 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 opinions.

Emphasis of Matter - GASB 101 Adoption

As explained in Note 1 to the financial statements, the Hospital adopted Governmental Accounting Standards Board ("GASB") Statement No. 101, *Compensated Absences*, during the year ended March 31, 2025, which is applied retroactively by restating balances in the financial statements as of April 1, 2023. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 opinions. 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 GAS 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 GAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages four through nine and the required Schedule of Employer Contributions and Proportionate Share of Net Pension Liability on page 38 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 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 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Compensation, Benefits and Other Payments to Agency Head on page 39 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Governmental Auditing Standards

In accordance with GAS, we have also issued our report dated September 22, 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 GAS in considering the Hospital's internal control over financial reporting and compliance.

HORNE LLP

Ridgeland, Mississippi
September 22, 2025

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
A COMPONENT UNIT OF ST. JAMES PARISH COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2025 and 2024

Management's Discussion and Analysis of St. James Parish Hospital's (the "Hospital") financial performance provides important background information and management's analysis of the Hospital's financial performance during the years ended March 31, 2025 and 2024. Please read it in conjunction with the Hospital's financial statements, which begin on page 10.

REQUIRED FINANCIAL STATEMENTS

The basic financial statements contained in this report are presented using Governmental Accounting Standards Board ("GASB") accounting principles. These financial statements offer short-term and long-term financial information about the Hospital's activities.

The statements of net position include all of the Hospital's assets, deferred outflows of resources, liabilities, and deferred inflows of resources and provide information about the nature and amounts of investments in resources (assets) and the obligations to Hospital creditors (liabilities). They also provide the basis for computing rate of return, evaluating the capital structure of the Hospital and assessing the liquidity and financial flexibility of the Hospital.

All of the current year's revenue and expenses are accounted for in the statements of revenues, expenses and change in net position. This statement measures changes 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 net patient service revenue and other revenue sources.

The final required financial statements are the statements of cash flows. The primary purpose of these statements are to provide information about the Hospital's cash from operating, investing and financing activities and to provide answers to questions such as, where did the cash come from, what was the cash used for and what was the change in the cash balance during the reporting period.

FINANCIAL ANALYSIS OF THE HOSPITAL

The statement of net position and the statement of revenues, expenses and changes in net position report information about the Hospital's activities. Increases or decreases in the Hospital's net position are one indicator of whether its financial health is improving or deteriorating. However, other nonfinancial factors such as changes in the healthcare industry, changes in Medicare and Medicaid regulations and changes in managed care contracting should also be considered.

FINANCIAL HIGHLIGHTS

For the year ended March 31, 2025, the Hospital's general financial highlights were:

- During the fiscal year 2025, the Hospital continued to focus on rehab services, surgical services and swing-bed utilization. The Hospital also continued to enhance revenue cycle processes to sustain positive financial performance.
- Net patient service revenues decreased 8.7 percent from 2024 to 2025 due to a drop in volumes and the loss of a surgeon at the Hospital.
- Net patient service revenues increased 15.0 percent from 2023 to 2024 due to a price rate increase effective in April 2023 along with increased volumes in ancillary departments.
- The Hospital's payor mix is continuing to fluctuate slightly. From 2024 to 2025, the commercial mix increased 2.0 percent, Medicaid decreased 2.0 percent, and Medicare and Medicare Advantage stayed consistent. From 2023 to 2024, the commercial mix decreased 1.0 percent, Medicaid decreased 1.0 percent, and Medicare and Medicare Advantage increased a total of 2.0 percent.

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- The Hospital's total net position increased \$4,027,856 from 2024 to 2025 and \$6,211,431 from 2023 to 2024. As of 2025, the total net position was \$68,632,386 which consists of \$51,795,988 in unrestricted, \$1,541,702 in restricted funds for pension benefits, \$12,580,488 in net investments in capital assets, and \$2,714,208 in restricted funds related to debt obligations. As of 2024, the total net position was \$64,604,530 which consists of \$47,749,834 in unrestricted, \$14,529,539 in net investments in capital assets, \$2,325,157 in restricted funds related to debt obligations.

CAPITAL ASSETS

Year Ended March 31, 2025

At the end of fiscal year 2025, the Hospital had an investment in capital assets, net of depreciation, of approximately \$24.9 million, a increase of approximately \$1.4 million or 5.8 percent from 2024. The increase in capital assets is related primarily to current additions exceeding depreciation expense for the year.

Year Ended March 31, 2024

At the end of fiscal year 2024, the Hospital had an investment in capital assets, net of depreciation, of approximately \$23.5 million, a increase of approximately \$1.2 million or 5.2 percent from 2023. The increase in capital assets is related primarily to current additions exceeding depreciation expense for the year.

LONG-TERM DEBT

Year Ended March 31, 2025

At the end of fiscal year 2025, the Hospital had three outstanding bond issues.

The Series 2008 R-1 bonds, which are reported in the statements of net position, had a carrying value of \$6 million, down 2.0 percent or \$145,228 from one year ago due to the scheduled bond payments. The bond bears an interest rate of 4.125 percent.

The Series 2014 bonds, which are reported in the statements of net position, had a carrying value of \$2.5 million, down 18.0 percent or \$537,228 from one year ago due to the scheduled bond payments. The bond bears an interest rate of 3.09 percent.

During 2025, the Hospital issued \$6,000,000 of Limited Tax Bond, Series 2024, which are reported in the statements of net position, and had carrying value of \$4 million. The bond bears an interest rate of 4.04 percent.

Year Ended March 31, 2024

At the end of fiscal year 2024, the Hospital had two outstanding bond issues.

The Series 2008 R-1 bonds, which are reported in the statements of net position, had a carrying value of \$6 million, down 2.0 percent or \$139,369 from one year ago due to the scheduled bond payments. The bond bears an interest rate of 4.125 percent.

The Series 2014 bonds, which are reported in the statements of net position, had a carrying value of \$3 million, down 15.0 percent or \$520,902 from one year ago due to the scheduled bond payments. The bond bears an interest rate of 3.09 percent.

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NET POSITION

A summary of the Hospital's statements of net position as of March 31 is presented in the following table:

	Fiscal Year 2025	As Restated Fiscal Year 2024	As Restated Fiscal Year 2023
Current and other assets	\$ 40,630,592	\$ 34,326,842	\$ 33,502,170
Restricted assets	18,259,622	18,128,790	14,645,516
Capital assets, net	24,866,983	23,498,490	22,343,173
Subscription assets, net	1,119,468	1,323,007	1,526,546
Net pension asset	1,541,702	-	-
Total assets	86,418,367	77,277,129	72,017,405
Total deferred outflows of resources	1,181,596	2,320,202	4,265,429
Current and other liabilities	7,023,445	4,107,553	3,456,592
Long-term debt	11,237,820	10,565,962	11,828,317
Net pension liability	-	89,377	2,163,149
Total liabilities	18,261,265	14,762,892	17,448,058
Total deferred inflows of resources	706,312	229,909	441,677
Net position			
Net invested in capital assets	12,580,488	14,529,539	12,713,952
Restricted	4,255,910	2,325,157	2,173,063
Unrestricted	51,795,988	47,749,834	43,506,084
Total net position	\$ 68,632,386	\$ 64,604,530	\$ 58,393,099

Some significant components of the change in the Hospital's net position are related to the increase in assets, the change in net pension liabilities and related deferred outflows, and liabilities.

- In fiscal year 2025, total liabilities increased by 3,498,372 or 23.0 percent due to the Hospital acquiring new debt, the limited tax bonds.
- In fiscal year 2025, current and other assets increased by \$6,303,750 or 18.4 percent due to the Hospital investing in the Louisiana Asset Management Pool ("LAMP").
- In fiscal year 2025, the Hospital recognized a net pension asset due to investment gains and consistent contributions for the state plan.
- In fiscal year 2024, net pension liability decreased by \$2,073,772 or 96.0 percent and deferred pension outflows decreased \$211,768 or 50.0 percent due to investment gains and consistent contributions for the state plan.
- In fiscal year 2024, restricted assets increased by \$3,483,274 or 24.0 percent due to market improvements during the year and decision in to invest those earnings.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2025 and 2024

SUMMARY OF REVENUE AND EXPENSES

The following table presents a summary of the Hospital's historical revenues and expenses and changes in net position for each of the fiscal years ended March 31:

	Fiscal Year 2025	As Restated Fiscal Year 2024	As Restated Fiscal Year 2023
Operating revenues			
Net patient service revenue	\$ 28,253,476	\$ 30,961,256	\$ 26,885,602
Other operating revenue	4,685,314	4,206,559	5,417,732
Total operating revenues	32,938,790	35,167,815	32,303,334
Operating expenses			
Salaries and benefits	19,765,673	19,333,616	18,732,425
Medical supplies and drugs	3,033,107	3,286,522	3,144,242
Provision for depreciation	2,414,814	2,247,026	2,425,846
Other operating expense	9,331,470	9,135,870	7,915,047
Total operating expenses	34,545,064	34,003,034	32,217,560
Income (loss) from operations	(1,606,274)	1,164,781	85,774
Nonoperating revenues (expenses)			
Property taxes	3,616,915	3,245,563	3,209,940
Provider Relief Fund revenue	-	-	611,786
Investment income (loss)	1,983,091	1,585,070	428,454
Insurance proceeds	-	333,202	117,594
Other nonoperating revenue (expense), net	34,124	(117,185)	404,247
Total nonoperating revenue, net	5,634,130	5,046,650	4,772,021
Change in net position	4,027,856	6,211,431	4,857,795
Net position, beginning of year	64,604,530	58,393,099	53,535,304
Net position, end of year	<u>\$ 68,632,386</u>	<u>\$ 64,604,530</u>	<u>\$ 58,393,099</u>

Some significant components of the change in the Hospital's revenues and expenses are related to net patient service revenue, other operating revenue and professional fees.

- During fiscal year 2025, salaries and benefits increased by approximately \$430,000 or 2.2 percent due to merit raises being given to employees and incentive plan payouts being distributed this fiscal year end.
- During fiscal year 2025, net patient service revenue decreased by approximately \$2.7 million or 9.0 percent due to a drop in volumes at the Hospital related to the loss of a surgeon and a decrease in days.
- During fiscal year 2024, operating expenses increased by approximately \$1.9 million or 5.9 percent. In 2024, salaries and benefits increased by approximately \$700,000 or 3.8 percent due to increased raises. Professional fees also increased by approximately \$849,000 or 67.8 percent due to the Hospital reimbursing physicians for supplemental payments received from the state. During fiscal year 2023, the Hospital received approximately \$2.4 million from the DPP, increasing other operating revenue.

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- During fiscal years 2024 and 2023, the Hospital received approximately \$3.4 million and \$2.4 million from the DPP. This program replaced previous state supplemental programs of which the Hospital received back payments in 2023. These additional payments kept the other operating revenue for fiscal year 2023 significantly higher than fiscal year 2024.
- During fiscal year 2024, net patient service revenue increased by approximately \$2.8 million or 15.0 percent due to a price rate increase effective in April 2023 and increased volumes in ancillary departments.

BUDGET-TO-ACTUAL RESULTS

The Hospital's budget-to-actual results are presented below for the year ended March 31, 2025:

	SJPH only Actual	SJPH only Budget	Favorable (Unfavorable) Variance
Operating revenues			
Net patient service revenue	\$ 28,253,476	\$ 27,283,493	\$ 969,983
Other operating revenue	4,685,314	4,678,589	6,725
Total operating revenues	32,938,790	31,962,082	976,708
Operating expenses			
Salaries and benefits	19,765,673	17,207,448	2,558,225
Medical supplies and drugs	3,033,107	3,648,685	(615,578)
Provision for depreciation	2,414,814	2,212,639	202,175
Other operating expenses	9,331,470	11,785,784	(2,454,314)
Total operating expenses	34,545,064	34,854,556	(309,492)
Operating income (loss)	(1,606,274)	(2,892,474)	1,286,200
Nonoperating revenue			
Property taxes	3,616,915	3,590,169	26,746
Investment income (loss)	1,983,091	2,006,831	(23,740)
Other nonoperating revenue, net	34,124	(164,161)	198,285
Total nonoperating revenue, net	5,634,130	5,432,839	201,291
Change in net position	\$ 4,027,856	\$ 2,540,365	\$ 1,487,491

- Overall, operating expenses had a favorable variance. The largest variance in operating expenses was from salaries and benefits.
- Nonoperating revenues also had a favorable variance. The variance in nonoperating revenue is due to investment income exceeding expectations based on improved market conditions.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Hospital's appointed officials and management considered many factors when setting the budget for the fiscal year ending March 31, 2025. Included in those factors are the status of the economy and the healthcare environment, which take into account market forces and environmental factors such as:

- Medicare reimbursement, including Disproportionate Share and Supplemental Payment Programs;
- Increased number of uninsured and working poor;

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- Ongoing competition for services;
- Workforce issues;
- Cost of supplies, including pharmaceuticals;
- Ability to recruit medical staff physicians to enhance services offered to the service area;
- Combined growth of existing services; and
- Payor network refining.

CONTACTING THE HOSPITAL FINANCIAL MANAGER

This financial report is designed to provide the Hospital's citizens, taxpayers, customers and investors and creditors with a general overview of the Hospital's finances and to demonstrate the Hospital's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Tracy George, Chief Financial Officer
St. James Parish Hospital
1645 Lutchter Avenue
Lutchter, LA 70071
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ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
A COMPONENT UNIT OF ST. JAMES PARISH COUNCIL
Statements of Net Position
March 31, 2025 and 2024

	2025	2024 (As Restated)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 25,589,344	\$ 27,264,799
Short-term investments	7,081,093	-
Patient receivables, net of allowance for doubtful accounts of \$1,157,543 and \$1,113,521, respectively	3,419,158	4,636,673
Estimated third-party payor settlements	3,168,299	1,053,236
Inventories	524,718	534,264
Taxes receivable	227,980	15,033
Other current assets	620,000	822,837
Total current assets	40,630,592	34,326,842
Restricted and internally designated assets		
Held by trustee for debt service	2,714,208	2,325,157
Internally designated by Board for capital improvements	15,545,414	15,803,633
Total restricted and internally designated assets	18,259,622	18,128,790
Capital assets, net	24,866,983	23,498,490
Subscription assets, net	1,119,468	1,323,007
Net pension asset	1,541,702	-
Total assets	86,418,367	77,277,129
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows on debt refunds	339,938	418,385
Deferred pension outflows	841,658	1,901,817
Total deferred outflows of resources	1,181,596	2,320,202
Total assets and deferred outflows of resources	\$ 87,599,963	\$ 79,597,331
LIABILITIES		
Current liabilities		
Current maturities of note payable	\$ 426,421	\$ 426,421
Current maturities of long-term debt	2,705,918	682,954
Current maturities of subscription liabilities	196,365	189,054
Accounts payable	819,763	1,235,022
Accrued salaries and wages	2,874,978	1,574,102
Total current liabilities	7,023,445	4,107,553
Note payable, less current maturities	675,294	1,101,651
Long-term debt, less current maturities	9,580,577	8,285,997
Subscription liabilities, less current maturities	981,949	1,178,314
Net pension liability	-	89,377
Total liabilities	18,261,265	14,762,892
DEFERRED INFLOWS OF RESOURCES		
Deferred pension inflows	706,312	229,909
NET POSITION		
Net investment in capital assets	12,580,488	14,529,539
Restricted for debt service	2,714,208	2,325,157
Restricted for pension benefits	1,541,702	-
Unrestricted	51,795,988	47,749,834
Total net position	\$ 68,632,386	\$ 64,604,530

See accompanying notes.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
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Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended March 31, 2025 and 2024

	2025	2024 (As Restated)
Operating revenues		
Net patient service revenue, net of provision for bad debts of \$697,966 and \$972,899, respectively	\$ 28,253,476	\$ 30,961,256
Other operating revenue	4,685,314	4,206,559
Total operating revenues	<u>32,938,790</u>	<u>35,167,815</u>
Operating expenses		
Salaries and wages	15,862,366	15,157,564
Employee benefits	3,903,307	4,176,052
Professional fees	2,253,999	2,101,073
Contracted services	3,842,895	3,819,883
Supplies and other	3,033,107	3,286,522
Noncapital equipment, rental, and maintenance contracts	760,119	801,272
Telephone and utilities	635,659	664,525
Insurance	644,329	712,555
Other operating expenses	1,194,469	1,036,562
Provision for depreciation	2,414,814	2,247,026
Total operating expenses	<u>34,545,064</u>	<u>34,003,034</u>
Income (loss) from operations	(1,606,274)	1,164,781
Nonoperating revenues (expenses)		
Property taxes	3,616,915	3,245,563
Investment income, net	1,983,091	1,585,070
Gain (loss) on sale of asset	102,449	(671)
Grants and donations	504,179	372,667
Insurance proceeds	-	333,202
Interest expense	(572,504)	(489,181)
Total nonoperating revenues	<u>5,634,130</u>	<u>5,046,650</u>
Increase in net position	4,027,856	6,211,431
Net position, beginning of year	<u>64,604,530</u>	<u>58,393,099</u>
Net position, end of year	<u>\$ 68,632,386</u>	<u>\$ 64,604,530</u>

See accompanying notes.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
A COMPONENT UNIT OF ST. JAMES PARISH COUNCIL
 Statements of Cash Flows
 For the Years Ended March 31, 2025 and 2024

	2025	2024 (As Restated)
Cash flows from operating activities		
Receipts from and on behalf of patients	\$ 32,041,242	\$ 35,386,530
Payments to suppliers and contractors	(12,567,453)	(12,241,524)
Payments to employees	(18,480,867)	(19,334,402)
Net cash provided by operating activities	992,922	3,810,604
Cash flows from noncapital financing activities		
Property taxes	3,403,968	3,269,205
Noncapital grants and contributions	66,979	372,667
Insurance proceeds	-	333,202
Net cash provided by noncapital financing activities	3,470,947	3,975,074
Cash flows from capital and related financing activities		
Principal paid on long-term debt and notes payable	(3,297,867)	(1,233,113)
Interest paid on long-term debt	(572,504)	(489,181)
Purchases of capital assets	(3,477,319)	(3,202,307)
Capital grants and contributions received	437,200	-
Proceeds from issuance of debt	6,000,000	-
Net cash used in capital and related financing activities	(910,490)	(4,924,601)
Cash flows from investing activities		
Purchases of investments	(21,596,325)	(7,801,368)
Proceeds from sale of investments	14,590,442	4,659,088
Proceeds from sale of property and equipment	-	2,832
Interest on investments	1,777,049	1,244,076
Net cash used in investing activities	(5,228,834)	(1,895,372)
Net increase (decrease) in cash and cash equivalents	(1,675,455)	965,705
Cash and cash equivalents, beginning of year	27,264,799	26,299,094
Cash and cash equivalents, end of year	\$ 25,589,344	\$ 27,264,799

See accompanying notes.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
A COMPONENT UNIT OF ST. JAMES PARISH COUNCIL
 Statements of Cash Flows
 For the Years Ended March 31, 2025 and 2024

	2025	2024 (As Restated)
Reconciliation of income (loss) from operations to net cash provided by operating activities		
Income (loss) from operations	\$ (1,606,274)	\$ 1,164,781
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities		
Depreciation and amortization	2,414,814	2,247,026
Provision for bad debts	697,966	972,899
Changes in assets and liabilities		
Patient receivables	519,549	(1,875,996)
Inventories	9,546	57,630
Estimated third-party payor settlements	(2,115,063)	1,127,116
Other current assets	202,837	(164,258)
Accounts payable	(415,259)	287,496
Accrued salaries and compensated absences	1,300,876	339,527
Other accruals	-	(5,304)
Net pension liability and related accounts	(16,070)	(340,313)
Net cash provided by operating activities	<u>\$ 992,922</u>	<u>\$ 3,810,604</u>

See accompanying notes.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
A COMPONENT UNIT OF ST. JAMES PARISH COUNCIL
Years Ended March 31, 2025 and 2024

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Operations, Reporting Entity and Summary of Significant Accounting Policies

Nature of Operations and Reporting Entity

The St. James Parish Hospital Service District of St. James Parish, Louisiana, d/b/a St. James Parish Hospital (the "Hospital") or ("SJPH"), is an acute care hospital created in 1955.

Effective August 1, 2001, the Hospital met the Medicare participation requirements to be classified as a critical access hospital. The Hospital was created by the St. James Parish Police Jury and is a political subdivision of the St. James Parish Council/Police Jury. The St. James Parish Council approves all tax elections. The Hospital Service District is a component unit of the St. James Parish Council.

In fiscal year 2014, operations began for St. James Physician Alliance ("SJPA"). SJPA was formed as a nonprofit corporation whose sole member is the Hospital. Under Governmental Accounting Standards Board ("GASB") Statement No. 61, SJPA's financial data is combined as a blended component unit with the Hospital. All significant intercompany balances and transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most sensitive estimates included in these financial statements relate to contractual discounts under third-party contracts and the allowance for uncollectible accounts.

Basis of Presentation

The Hospital reports in accordance with accounting principles generally accepted in the United States of America in accordance with accounting principles promulgated by the GASB. The accompanying financial statements of the Hospital have been prepared on the accrual basis of accounting using the economic resources measurement focus.

Cash and Cash Equivalents

Cash and cash equivalents include investments in money market funds and highly liquid investments with maturities of three months or less when purchased, excluding amounts whose use is limited by the Board of Commissioners' designation or under trust agreements.

Patient Receivables

The Hospital reports patient accounts receivable for services rendered at net realizable amounts from third-party payors, patients and others. The Hospital provides an allowance for uncollectible accounts based upon a review of outstanding receivables, historical collection information and existing economic conditions.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
A COMPONENT UNIT OF ST. JAMES PARISH COUNCIL
Years Ended March 31, 2025 and 2024

NOTES TO FINANCIAL STATEMENTS

Note 1. Continued

Allowance for Doubtful Accounts

The allowance for doubtful accounts is established as losses are estimated to have occurred through a provision for doubtful accounts charged to earnings. Losses are charged against the allowance when management believes the collectability of an account is confirmed. Subsequent recoveries, if any, are recognized as income.

The allowance for doubtful accounts is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the accounts in light of historical experience, the nature and volume of the accounts and the agreements with the respective third-party payors.

Inventories

Inventories are valued using an average cost method.

Prepaid Expenses

Prepaid expenses are amortized over the estimated period of future benefit, generally on a straight-line basis.

Restricted and Internally Designated Assets

Noncurrent restricted and internally designated assets include cash and investments set aside by the Board of Commissioners for future capital improvements as well as assets externally restricted for debt service. The Board retains control of the funds set aside for future capital improvements and may, at its discretion, subsequently use them for other purposes.

The Hospital's investments consist of debt and equity securities and are carried at fair value. Interest, dividends and gains and losses on investments, both realized and unrealized, are included in nonoperating income when earned.

Capital Assets, Net

Capital asset additions are recorded at cost. Depreciation is computed using the straight-line method with useful lives of the property ranging from three to 40 years. Maintenance, repairs, replacement and improvements of minor importance are expensed. Major replacements and improvements are capitalized.

Subscription Assets and Liabilities

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

Subscription assets represent the Hospital's control of the right-to-use 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

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
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Years Ended March 31, 2025 and 2024

NOTES TO FINANCIAL STATEMENTS

Note 1. Continued

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 are 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 Hospital has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The Hospital monitors changes in circumstances that would require a remeasurement of its arrangements and will remeasure the right-to-use subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Property Taxes

The Hospital receives a 4.75 mills property tax, which is levied in November each year, payable by December 31 of that year. The Hospital records the expected revenues to be received based on factors such as previous years' collections to assessments and the estimated taxable assessed value for the current year. Adjustments are made upon final receipts. The millage is in effect through December 31, 2026.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense or expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Hospital has the following items that are reported as deferred inflows or outflows of resources: deferred amounts on debt refunding and deferred inflows/outflows of resources related to pensions.

Pensions

The Hospital follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* ("GASB 68") on the financial statements to recognize the net pension liability, deferred outflows and deferred inflows of resources, pension expense and information about and changes in the fiduciary net position on the same basis as reported by the respective defined benefit pension plans. The Hospital recognizes benefit payments when due and payable in accordance with benefit terms. Invested assets are reported at fair value. More information on pension activity for the Hospital is included in Note 9.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
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NOTES TO FINANCIAL STATEMENTS

Note 1. Continued

Compensated Absences

The Hospital's employees earn paid time off ("PTO") and extended illness hours ("EIB") at varying rates depending on years of service. Employees may accumulate PTO and be paid if they leave before they exhaust this accumulation. Employees may accumulate EIB but, upon termination, are not paid for any accumulated extended illness hours.

As of March 31, 2025 and 2024, accrued PTO was approximately \$671,000 and \$679,000, respectively. As of March 31, 2025 and 2024, accrued EIB was approximately \$113,000 and \$107,000, respectively. These liabilities are measured using the pay rates in effect as of the reporting date and include applicable salary-related payments. The compensated absences balance is classified as current in its entirety and are included in accrued salaries and wages within the accompanying financial statements. The table below summarizes the change year over year:

	Beginning Balance	Earned (Used), at Net	Ending Balance
2025	\$ 786,234	\$ (2,270)	\$ 783,964
2024	\$ 716,457	\$ 69,777	\$ 786,234

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, medical malpractice and 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.

Self-Insurance Claims

Accrued self-insurance claims represent the Hospital's best estimate of incurred but unpaid expenses for employees' health insurance expense.

Unemployment Insurance

The Hospital elected to pay unemployment insurance contributions as reimbursable and are not assigned a tax rate percentage. Unemployment insurance contributions are paid on a dollar-for-dollar basis for unemployment benefits paid to former employees.

Income Taxes

The Hospital is exempt from federal income taxation as a political subdivision of the State of Louisiana and, accordingly, the accompanying basic financial statements do not include any provision for income taxes.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
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NOTES TO FINANCIAL STATEMENTS

Note 1. Continued

Net Position

Net position is classified into three components consisting of resources invested in capital assets (property and equipment), net of related debt, restricted and unrestricted. These components are defined as follows:

- *Net Investment in Capital Assets* – This component reports capital assets net of accumulated depreciation and the outstanding balance of any related debt that is attributable to the acquisitions of the capital assets.
- *Restricted Net Position* – This component reports those resources that are externally restricted by creditors, grantors, contributors or laws and regulations or those restricted by constitutional provisions and enabling legislation.
- *Unrestricted Net Position* – This component reports resources that do not meet the definition of invested in capital assets, net of related debt or restricted.

When both restricted and unrestricted resources are available to finance particular programs, it is the Hospital's policy to use the restricted resources before using the unrestricted resources.

Patient Service Revenue

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

The primary third-party programs include Medicare and Medicaid, which account for a significant amount of the Hospital's revenue. The laws and regulations under which Medicare and Medicaid programs operate are complex and subject to interpretation and frequent changes. As part of operating under these programs, there is a possibility that government authorities may review the Hospital's compliance with these laws and regulations. Such reviews may result in adjustments to program reimbursement previously received and subject the Hospital to fines and penalties. Management believes it has complied with the requirements of these programs.

Charity Care

The Hospital 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 Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. Records of charges foregone for services and supplies furnished under the charity care policy are maintained to identify and monitor the level of charity care provided.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
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NOTES TO FINANCIAL STATEMENTS

Note 1. Continued

Operating Revenue and Expenses

The Hospital'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 healthcare services, which is the Hospital's principal activity. Nonexchange revenues, including grants and contributions received for purposes other than capital asset acquisition and interest income are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide healthcare services, other than financing costs.

Grants and Contributions

From time to time, the Hospital receives grants from other governmental entities as well as contributions from individuals and private organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements 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.

New Accounting Standards Adopted

Governmental Accounting Standards Board Statement No. 101 ("GASB 101")

The Hospital adopted GASB 101, *Compensated Absences*, in fiscal year 2025. This Statement provides guidance on the accounting and financial reporting 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. The audit standard was applied retroactively back to April 1, 2023 as required, resulting in the restatement of prior period balances.

The adoption of GASB 101 resulted in an adjustment to the following items as of and for the year ended March 31, 2024.

	As of and For the Year Ended March 31, 2024		
	Previously Reported	Restatement Adjustment	Restated
Statements of Net Position			
Accrued salaries and wages	\$ 1,467,169	\$ 106,933	\$ 1,574,102
Statements of Revenues, Expenses, and Changes in Net Position			
Net position, beginning of year	\$ 58,498,503	\$ (105,404)	\$ 58,393,099
Employee benefits	\$ 4,174,523	\$ 1,529	\$ 4,176,052
Increase in net position	\$ 6,212,960	\$ (1,529)	\$ 6,211,431

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NOTES TO FINANCIAL STATEMENTS

Note 2. Cash Deposits and Investments

State law requires collateralization of all deposits with federal depository insurance and other acceptable collateral in specific amounts. The Hospital's deposit policy for custodial credit risk requires compliance with the provisions of state law, which are to be insured or collateralized by U.S. government securities held by the pledging financial institution's trust department in the name of the Hospital.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Hospital's deposits may not be returned to them. As of March 31, 2025, \$3,574,087 of the Hospital's bank balance totaling \$4,075,587 was exposed to custodial credit risk. At each institution, \$250,000 of deposits was secured by federal deposit insurance coverage, which was not exposed to custodial credit risk.

The remaining deposits, which were exposed to custodial credit risk, were secured by the pledge of securities owned by the fiscal agent bank.

The Hospital's investments generally are reported at fair value, as discussed in Note 1. The Hospital categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The table below reconciles investments to the amounts recorded on the statements of net position at March 31:

	2025	2024
Short-term investments	\$ 7,081,093	\$ -
Internally designated by Board for capital improvements	15,545,414	15,803,633
Total investments	<u>\$ 22,626,507</u>	<u>\$ 15,803,633</u>

The Hospital had the following recurring fair value measurements as of March 31, 2025 and 2024:

Investments by Fair Value Level	2025	Level 1	Level 2	Level 3
U.S. Agencies	\$ 9,407,272	\$ 1,995,040	\$ 7,412,232	\$ -
Money market funds	13,219,235	-	13,219,235	-
Total	<u>\$ 22,626,507</u>	<u>\$ 1,995,040</u>	<u>\$ 20,631,467</u>	<u>\$ -</u>

Investments by Fair Value Level	2024	Level 1	Level 2	Level 3
U.S. Agencies	\$ 15,803,633	\$ 5,462,875	\$ 10,340,758	\$ -
Total	<u>\$ 15,803,633</u>	<u>\$ 5,462,875</u>	<u>\$ 10,340,758</u>	<u>\$ -</u>

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
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Years Ended March 31, 2025 and 2024

NOTES TO FINANCIAL STATEMENTS

Note 2. Continued

The Hospital had the following investment maturities as of March 31:

Investment Type	2025 Carrying Amount	Investment Maturities (in Years)		
		Less than 1	1 – 5	More than 5
U.S. Agencies	\$ 9,407,272	\$ 4,638,186	\$ 4,769,086	\$ -
Money market funds	13,219,235	13,219,235	-	-
Total	\$ 22,626,507	\$ 17,857,421	\$ 4,769,086	\$ -

Investment Type	2024 Carrying Amount	Investment Maturities (in Years)		
		Less than 1	1 – 5	More than 5
U.S. Agencies	\$ 15,803,633	\$ 12,445,089	\$ 3,358,544	\$ -
Total	\$ 15,803,633	\$ 12,445,089	\$ 3,358,544	\$ -

Interest Rate Risk

The Hospital's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates.

Credit Risk

The Hospital's investment policy, in compliance with Louisiana Revised Statute 33:2955, allows the Hospital to invest in United States Treasuries, United States Agency securities and certificates of deposit. As of March 31, 2025, the Hospital's investment in U.S. Agencies was rated Aaa by Moody's Investors Service and AA+ by Standard & Poor's.

Concentration of Credit Risk

The Hospital's investment policy does not limit the amount the Hospital may invest in any one issuer. More than 5.0 percent of the Hospital's investments are in the Federal Home Loan Bank, the U.S. Treasury Notes and Bonds ("N/B"), the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation. These investments are 58.0 percent, 21.0 percent, 3.0 percent, and 17.0 percent of total investments, respectively, as of March 31, 2025.

State statutes authorize the Parish to invest in collateralized certificates of deposits, government-backed securities, commercial paper, and mutual funds consisting solely of government-backed securities. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. ("LAMP"), a nonprofit organization formed by an initiative of the State Treasury and organized under the laws of the State of Louisiana, which operates a local government investment pool. The investments in LAMP are stated at fair value based on quoted market rates and are considered Level 2 investments. 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.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
A COMPONENT UNIT OF ST. JAMES PARISH COUNCIL
Years Ended March 31, 2025 and 2024

NOTES TO FINANCIAL STATEMENTS

Note 3. Restricted and Internally Designated Assets

The amounts reported as restricted assets are comprised of cash held by the trustee bank for debt service on behalf of the Hospital related to their required long-term debt described in Note 7. In addition, internally designated funds for capital acquisitions are set aside under the control of the Board of Commissioners who may, at their discretion, use these funds for other purposes.

The restricted and internally designated assets, which consist of cash, certificates of deposits and U.S. Agencies as of March 31 are as follows:

	2025	2024
Held by trustee for debt service		
Sinking fund	\$ 153	\$ 146
Reserve fund – rural development	1,273,832	1,216,515
Contingency fund	1,192,699	1,040,749
Rural Development transfer account	67,391	67,747
Debt service fund – limited tax bonds	180,133	-
Internally designated for capital acquisitions	15,545,414	15,803,633
Total	<u>\$ 18,259,622</u>	<u>\$ 18,128,790</u>

Note 4. Patient Accounts Receivable

Patient accounts receivable as of March 31 consist of the following:

	2025	2024
Receivable from patients and their insurance carriers	\$ 3,744,277	\$ 4,284,958
Receivable from Medicare	2,570,449	4,138,903
Receivable from Medicaid	1,100,796	1,350,986
Total patient receivables	7,415,522	9,774,847
Less: allowance for contractual adjustments and doubtful accounts	3,996,364	5,138,174
Patient accounts receivable, net	<u>\$ 3,419,158</u>	<u>\$ 4,636,673</u>

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
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Years Ended March 31, 2025 and 2024

NOTES TO FINANCIAL STATEMENTS

Note 5. Capital Assets

Capital assets and depreciation activity for the year ended March 31, 2025 are as follows:

	March 31, 2024	Additions	Disposals	March 31, 2025
Capital assets not being depreciated:				
Land	\$ 1,526,541	\$ -	\$ -	\$ 1,526,541
Construction in progress	382,988	2,889,936	(600,664)	2,672,260
Total capital assets not being depreciated	1,909,529	2,889,936	(600,664)	4,198,801
Capital assets being depreciated:				
Buildings and improvements	32,653,497	-	(47,256)	32,606,241
Equipment	16,181,051	1,190,495	(531,261)	16,840,285
Total capital assets being depreciated	48,834,548	1,190,495	(578,517)	49,446,526
Less: total accumulated depreciation	(27,245,587)	(2,202,429)	669,672	(28,778,344)
Total capital assets being depreciated, net	21,588,961	(1,011,934)	91,155	20,668,182
Capital assets, net	\$ 23,498,490	\$ 1,878,002	\$ (509,509)	\$ 24,866,983

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
A COMPONENT UNIT OF ST. JAMES PARISH COUNCIL
Years Ended March 31, 2025 and 2024

NOTES TO FINANCIAL STATEMENTS

Note 5. Continued

Capital assets and depreciation activity for the year ended March 31, 2024 are as follows:

	March 31, 2023	Additions	Disposals	March 31, 2024
Capital assets not being depreciated:				
Land	\$ 1,526,541	\$ -	\$ -	\$ 1,526,541
Construction in progress	194,900	2,653,070	(2,464,982)	382,988
Total capital assets not being depreciated	1,721,441	2,653,070	(2,464,982)	1,909,529
Capital assets being depreciated:				
Buildings and improvements	30,212,364	2,512,017	(70,884)	32,653,497
Equipment	15,725,148	502,202	(46,299)	16,181,051
Total capital assets being depreciated	45,937,512	3,014,219	(117,183)	48,834,548
Less: total accumulated depreciation	(25,315,780)	(2,043,487)	113,680	(27,245,587)
Total capital assets being depreciated, net	20,621,732	970,732	(3,503)	21,588,961
Capital assets, net	\$ 22,343,173	\$ 3,623,802	\$ (2,468,485)	\$ 23,498,490

For the years ended March 31, 2025 and 2024, depreciation expense for capital assets was approximately \$2,211,000 and \$2,043,000, respectively.

At March 31, 2025, the Hospital had approximately \$3,522,000 in commitments related to capital equipment purchases.

Note 6. Subscription Assets

A summary of subscription assets, net, included in subscription assets on the accompanying financial statements as of March 31, were as follows:

	2025	2024
Subscription lease assets	\$ 1,730,085	\$ 1,730,085
Less accumulated depreciation	(610,617)	(407,078)
Subscription leases, net	\$ 1,119,468	\$ 1,323,007

For the years ended March 31, 2025 and 2024, depreciation expense for subscription assets was approximately \$204,000.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
A COMPONENT UNIT OF ST. JAMES PARISH COUNCIL
Years Ended March 31, 2025 and 2024

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt

A schedule of changes in the Hospital's long-term debt for the year ended March 31, 2025 follows:

	Balance March 31, 2024	Additions	Retirements	Balance March 31, 2025	Due Within One Year
Revenue Bonds					
Series 2008 R-1	\$ 5,954,173	\$ -	\$ (145,228)	\$ 5,808,945	\$ 151,853
Series 2014	3,014,778	-	(537,228)	2,477,550	554,065
Limited tax bond	-	6,000,000	(2,000,000)	4,000,000	2,000,000
Note payable	1,528,072	-	(426,357)	1,101,715	426,421
Subscription leases	1,367,368	-	(189,054)	1,178,314	196,365
Total debt	\$ 11,864,391	\$ 6,000,000	\$ (3,297,867)	\$ 14,566,524	\$ 3,328,704

A schedule of changes in the Hospital's long-term debt for the year ended March 31, 2024 follows:

	Balance March 31, 2023	Additions	Retirements	Balance March 31, 2024	Due Within One Year
Revenue Bonds					
Series 2008 R-1	\$ 6,093,541	\$ -	\$ (139,368)	\$ 5,954,173	\$ 145,726
Series 2014	3,535,680	-	(520,902)	3,014,778	537,228
Note payable	1,918,899	-	(390,827)	1,528,072	426,421
Subscription leases	1,549,384	-	(182,016)	1,367,368	189,054
Total debt	\$ 13,097,504	\$ -	\$ (1,233,113)	\$ 11,864,391	\$ 1,298,429

On July 2, 2008, the Hospital issued \$7,600,000 of Revenue Bonds, Series 2008 R-1, as a single, fully registered bond issue, payable through July 2, 2048, at an interest rate of 4.125 percent.

On June 4, 2014, the Hospital issued \$7,470,000 of Hospital Revenue Refunding Bonds, Series 2014, as a single, fully registered bond issue, payable through June 2, 2029, at an interest rate of 3.09 percent to current refund \$8,185,000 of outstanding 2008 Series A-D bonds with an average interest rate of 7.80 percent. The proceeds of \$7,470,000, together with internal funds of \$1,856,370 (which includes monies in the existing sinking fund, a call premium, a forward fee and accrued interest), were used to secure the repayment of the outstanding 2008 Series A-D bonds. As a result, the 2008 Series A-D bonds are considered to be defeased and the liability for those bonds has been removed from the general long-term debt account group.

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,176,708. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through the year 2030 using the straight-line method. For the years ended March 31, 2025 and 2024, the deferred amount on refunding totaled \$340,000 and \$418,000, respectively.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
A COMPONENT UNIT OF ST. JAMES PARISH COUNCIL
Years Ended March 31, 2025 and 2024

NOTES TO FINANCIAL STATEMENTS

Note 7. Continued

The bonds are collateralized by a pledge of the Hospital Service District's revenue, land, building and improvements and personal property thereon. Under the terms of the revenue note indenture, the Hospital is required to maintain certain deposits with a trustee, as mentioned in Note 3. Such deposits are included in restricted and internally designated assets in the statements of net position.

These funds are maintained at the trustee and require monthly funding by the Hospital Service District. The revenue note indenture also requires that the Hospital satisfy certain measures of financial performance as long as the notes are outstanding. The Hospital was in compliance with all covenants of its outstanding bond issues at March 31, 2025 and 2024.

On October 1, 2024, the Hospital issued \$6,000,000 of Limited Tax Bond, Series 2024, payable through March 1, 2027, at an interest rate of 4.04 percent. The Hospital was required to set up a sinking fund ("debt service fund") which is designed to achieve proper matching of revenues and debt service on the bonds within each bond year, which is March 1 of each year. Any amounts deposited into the debt service fund will be applied to the next principal payment on the bond. The proceeds from the property tax each year will be deposited into this account until there's enough to fully cover the loan payments due the next year. Other than the debt service fund, there are no other accounts established under the bond ordinance which are pledged as collateral for the bonds.

The Hospital began recognizing subscription lease liabilities related to the adoption of GASB 96 during fiscal year 2024. The subscription lease liabilities relate to a subscription-based IT arrangement, with a maturity date in fiscal year 2031.

Scheduled interest and principal payments on long-term debt at March 31, 2025 are as follows:

Year Ending March 31,	Note Payable		Revenue and Tax Bonds		Subscription Lease Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 426,421	\$ -	\$ 2,705,918	\$ 460,279	\$ 196,365	\$ 41,379
2027	426,421	-	2,729,667	355,730	203,958	33,786
2028	248,873	-	754,229	257,102	211,845	25,899
2029	-	-	779,631	231,699	220,036	17,708
2030	-	-	333,949	210,268	228,545	9,199
2031 - 2035	-	-	1,014,653	927,907	117,565	1,307
2036 - 2040	-	-	1,246,627	695,933	-	-
2041 - 2045	-	-	1,531,639	410,921	-	-
2046 - 2049	-	-	1,190,182	84,008	-	-
	<u>\$ 1,101,715</u>	<u>\$ -</u>	<u>\$ 12,286,495</u>	<u>\$ 3,633,847</u>	<u>\$ 1,178,314</u>	<u>\$ 129,278</u>

Note 8. Information Technology Contract

In 2021, the Hospital entered into a seven-year equipment, software and services agreement with a major information technology vendor. The agreement generally commits the Hospital to the purchase of a variety of information technology products and services from this vendor for a defined payment stream over the term of the contract. The contract included a seven-year 0.00 percent financing agreement for certain equipment, software licenses and supporting fees totaling \$2,558,435, maturing in 2028. This amount is included in the note payable on the accompanying financial

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
A COMPONENT UNIT OF ST. JAMES PARISH COUNCIL
Years Ended March 31, 2025 and 2024

NOTES TO FINANCIAL STATEMENTS

Note 8. Continued

statements. Software maintenance expenses associated with this contract of approximately \$595,000 and \$545,000 were recognized for the years ended March 31, 2025 and 2024, respectively.

The following table summarizes the future payment commitments by year under the contract pertaining to fees, subscriptions and other related services, as of March 31, 2025. The Hospital has the ability under the contract to terminate these services on sixty days' written notice, as defined in the contract.

Year Ending March 31,	Software Maintenance Obligation
2026	\$ 594,903
2027	594,903
2028	594,903
2029	594,903
2030	594,903
2031	297,448
	<u>\$ 3,271,963</u>

Note 9. Pension Plan

Plan Description

The Hospital is a member of the Parochial Employees' Retirement System of Louisiana ("PERS" or the "System"), a cost-sharing multiple-employer defined benefit pension plan. All full-time, permanent employees working at least 28 hours per week who are paid wholly or in part from the Hospital's funds are eligible to participate in PERS Plan B ("Plan B").

Under PERS Plan B, any member can retire providing he/she meets one of the following:

For employees hired prior to January 1, 2007:

1. Age 55 with thirty (30) years of creditable service
2. Age 60 with a minimum of ten (10) years of creditable service
3. Age 65 with a minimum of seven (7) years of creditable service

For employees hired after January 1, 2007:

1. Age 55 with thirty (30) years of service
2. Age 62 with ten (10) years of service
3. Age 67 with seven (7) years of service

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NOTES TO FINANCIAL STATEMENTS

Note 9. Continued

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to 2.0 percent of the member's final average compensation multiplied by his years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues a publicly available financial report that includes financial statements and required supplementary information.

That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, accessed via internet at www.persla.gov or by calling (225) 928-1361.

Contributions

Contributions to Plan B include one-fourth of 1.0 percent of the taxes shown to be collectible by the tax rolls of each parish except Orleans and East Baton Rouge parishes. Plan B members are required to contribute 3.0 percent of their annual covered salary. The Hospital is required to contribute at an actuarially determined rate. The current rate is 7.00 and 7.50 percent of annual covered salary for the years ended March 31, 2025 and 2024, respectively. As provided by LRS 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation of the prior year. The Hospital's contributions to Plan B for the years ended March 31, 2025 and 2024, were approximately \$868,200 and \$845,200, respectively, which is equal to the required contribution.

Net Pension Asset (Liability)

At March 31, 2025 and 2024, the Hospital reported an asset (liability) of \$1,541,702 and (\$89,377), respectively, for its proportionate share of the net pension asset (liability). The net pension asset (liability) was measured as of December 31, 2024 and 2023 and was determined by actuarial valuation as of that date. The Hospital's proportion of the net pension asset (liability) was based on a projection of the Hospital's long-term share of contributions to the pension plan relative to the projected contributions of all municipalities, actuarially determined. At December 31, 2024 and 2023, the Hospital's proportion was 9.031198 percent and 8.910150 percent, respectively.

Certain changes in actuarial assumptions impacted 2024 pension expense and the related deferred outflows and inflows, including the following:

- The investment rate of return assumption was changed from 7.70 percent to 7.50 percent.
- The expected inflation rate was changed from 2.10 to 2.40 percent.
- The mortality tables used were updated from PUB-2010 to MP-2021 scale.

There were no changes in actuarial assumptions for 2025.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
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NOTES TO FINANCIAL STATEMENTS

Note 9. Continued

For the years ended March 31, 2025 and 2024, the Hospital recognized pension expense of \$784,958 and \$452,328, respectively. At March 31, 2025 and 2024, the Hospital reported deferred outflows of resources and deferred inflows of resources related to its pension from the following sources:

	2025	2024
Deferred outflows of resources		
Pension contributions subsequent to measurement date	\$ 235,451	\$ 230,361
Difference between expected and actual experience	491,551	289,225
Difference between projected and actual earnings on pension plan investments	-	1,212,379
Changes of assumptions	105,472	156,075
Change in Hospital's proportion	9,184	13,777
Total deferred outflows of resources	<u>\$ 841,658</u>	<u>\$ 1,901,817</u>
Deferred inflows of resources		
Difference between expected and actual experience	\$ 24,601	\$ 224,922
Difference between projected and actual earnings on pension plan investments	665,690	-
Change in Hospital's proportion	16,021	4,987
Total deferred inflows of resources	<u>\$ 706,312</u>	<u>\$ 229,909</u>

In the years ended March 31, 2025 and 2024, respectively, \$235,451 and \$230,361 was reported as deferred outflows of resources related to pensions resulting from the Hospital's contributions subsequent to the measurement date and will be recognized as an addition (reduction) to net pension asset (liability).

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an expense (benefit) in pension expense for the year ending March 31 as follows:

2026	\$ 407,136
2027	786,842
2028	(861,210)
2029	(432,873)
	<u>\$ (100,105)</u>

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
A COMPONENT UNIT OF ST. JAMES PARISH COUNCIL
Years Ended March 31, 2025 and 2024

NOTES TO FINANCIAL STATEMENTS

Note 9. Continued

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining net pension liability as of March 31, 2025, is as follows:

Valuation date	December 31, 2024
Actuarial cost	Method entry age normal
Investment return	6.40 percent (Net of investment expense, including inflation)
Expected remaining service lives	Four years
Projected salary increases	4.25 percent (1.95 percent merit/2.40 percent inflation)
Cost of living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130.0 percent for males and 125.0 percent for females using MP2021 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130.0 percent for males and 125.0 percent for females using MP2021 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130.0 percent for males and 125.0 percent for females using MP2021 scale for disabled annuitants.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	37%	1.08%
Equity	47	2.82
Alternatives	15	0.76
Real assets	1	0.07
	<u>100%</u>	<u>4.73</u>
Inflation		<u>2.40</u>
Expected arithmetic normal rate		<u>7.13%</u>

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NOTES TO FINANCIAL STATEMENTS

Note 9. Continued

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40 percent and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.13 percent, for the year ended December 31, 2024.

The discount rate used to measure the total pension liability was 6.40 percent for Plan B as of March 31, 2025 and 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and nonemployer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement System's Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Hospital's Proportionate Share of the Net Pension Asset (Liability) to Changes in the Discount Rate

The following presents the net pension asset (liability) of the Hospital as of March 31, 2025 and 2024, using the discount rate of 6.40 percent as of March 31, 2025 and 2024.

	1.0% Decrease (5.40%)	Current Discount Rate (6.40%)	1.0% Increase (7.40%)
2025	\$ (3,842,854)	\$ 1,541,702	\$ 6,050,483
2024	\$ (5,114,554)	\$ (89,377)	\$ 4,116,360

Note 10. Patient Service Revenue

The Hospital has agreements with third-party payors providing payments to the Hospital at amounts different from the Hospital's established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare

Since obtaining critical access designation, inpatient and outpatient services rendered to Medicare programs beneficiaries are reimbursed under cost reimbursement methodologies. The Hospital is reimbursed by the Medicare fiscal intermediary at a tentative interim rate with final settlement determined with the submission of annual cost reports and audits. The Hospital's Medicare cost reports have been filed with the Medicare fiscal intermediary through March 31, 2025. Desk reviews have been performed on reports issued through March 31, 2023.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
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Years Ended March 31, 2025 and 2024

NOTES TO FINANCIAL STATEMENTS

Note 10. Continued

Medicaid

Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid fiscal intermediary. The Hospital's Medicaid cost reports have been filed with the fiscal intermediary through March 31, 2025. A desk review has been performed on Medicaid reports issued through March 31, 2020.

Other

The Hospital has also entered into payment agreements 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, prospectively determined daily rates and Medicare fee schedules.

A summary of patient service revenue as of March 31 follows:

	2025	2024
Gross patient service revenue	\$ 65,490,698	\$ 67,165,342
Less provisions for		
Contractual adjustments under third-party reimbursement programs and managed care contracts	36,539,256	35,231,187
Uncollectible accounts	697,966	972,899
Net patient service revenue	<u>\$ 28,253,476</u>	<u>\$ 30,961,256</u>

The Hospital is located in Litcher, Louisiana and grants credit without personal collateral to its patients and their insurance companies, most of whom are residents in the area. The mix of gross patient service revenues as of March 31 is as follows:

	2025	2024
Medicare	10%	10%
Medicare Advantage	36	36
Medicaid	20	22
Commercial Providers	32	30
Self-pay	2	2
Total	<u>100%</u>	<u>100%</u>

Note 11. Charity Care

The amount of charges foregone for services and supplies furnished under the Hospital's charity care policy aggregated \$38,062 and \$38,434 for the years ended March 31, 2025 and 2024, respectively. The estimated cost of charity care, estimated using a ratio of cost-to-gross charges, totaled approximately \$20,000 and \$19,000 for the years ended March 31, 2025 and 2024, respectively.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
A COMPONENT UNIT OF ST. JAMES PARISH COUNCIL
Years Ended March 31, 2025 and 2024

NOTES TO FINANCIAL STATEMENTS

Note 12. Insurance Programs

Risk Management

The Hospital is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. 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 carries commercial insurance for all other risk of loss.

The trust funds for professional liability/comprehensive general liability and statutory workers' compensation are pooling arrangements whereby there is a sharing of risk among the participants of the trust funds. The Hospital reports its premiums as insurance expenditures and expenses these premiums over the pro-rata periods involved.

Year ended March 31,	Beginning of fiscal year liability	Current year claims and change in estimate	Claims paid	Balance at fiscal year-end
2025	\$ 383,101	\$ 1,273,090	\$ (1,300,844)	\$ 355,347
2024	\$ 183,433	\$ 2,608,639	\$ (2,408,971)	\$ 383,101

The Hospital is self-insured for its employees' health claims. The Hospital has stop loss insurance that provides coverage for claims in excess of certain self-insured limits. The Hospital accrued approximately \$355,000 and \$383,000 at March 31, 2025 and 2024, respectively.

The following table summarizes the changes to self-insured liability

Note 13. Louisiana Medicaid Supplemental Payment Programs

Since 2016, the Hospital has participated in a public private partnership with Baton Rouge General to more fully fund the Medicaid program (the "Program") to ensure services remain available to low-income and needy patients in the St. James Parish community. This partnership has enabled the Hospital to increase support for the Uncompensated Care Cost ("UCC") program for hospital services to the Medicaid and uninsured populations, the Medicaid Upper Payment Limit ("UPL") programs for physician services to the Medicaid fee-for-service population, the hospital State Directed Payment ("SDP") program for providing directed payments to hospitals reflecting a percentage increase on their base Medicaid claims payments for hospitals services to the Medicaid managed care population, and Medicaid capitation payments that fund services to the managed care population. The Hospital elects to provide the state match for the federal funds associated with some of the Program payments through intergovernmental transfers ("IGTs"). The Hospital expensed approximately \$811,000 and \$1,137,000 in IGTs to support the various programs for the year ending March 31, 2025 and 2024.

State Directed Payment Program

Upon legislative approval from the Centers of Medicare and Medicaid Services, the state implemented a new payment model for hospitals that is based on Medicaid paid claims data. The SDP program, titled the Medicaid Directed Payment Program ("DPP"), became effective July 1, 2022.

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NOTES TO FINANCIAL STATEMENTS

Note 13. Continued

The Hospital recognized total revenue received under SDP of approximately \$3,700,000 and \$3,400,000 during the years ended March 31, 2025 and 2024, respectively. The revenue is included as a component of other operating revenue in the accompanying statements of revenues, expenses and changes in net position. Future reconciliation differences will be reported prospectively.

In response to DPP, the Hospital entered into a cooperative endeavor agreement with the Rural Hospital Coalition ("RHC"). In collaboration with other rural hospitals, the RHC sought to offer a grant program that would ensure adequate funding for all rural hospitals across the state to guarantee access to hospital care. The term of this agreement begins July 1, 2023 and ends on June 30, 2024. Thereafter, this agreement will automatically renew for successive one-year terms unless previously terminated. The Hospital was assessed approximately \$3,845,000 and \$3,265,000 related to the grant program from the RHC and has received back approximately \$3,681,000 and \$3,368,000 for the years ended March 31, 2025 and 2024, respectively.

State Directed Payment Program for Physicians

Effective for the state fiscal year 2025, the state has submitted a preprint to CMS to implement a new payment model for the reimbursement of physician services to Medicaid managed care enrollees. The model is still pending final approval from the Centers of Medicare and Medicaid Services, consequently, no payments for this program were issued by the federal government prior to the Hospital's fiscal year end. As the model covers services for the period July 1, 2024 through June 30, 2025, the Hospital recorded a receivable. However, due to the uncertainty surrounding the new program's final approval, the receivable was conservatively based on payouts from the previously approved federal matching program.

The Hospital recorded a receivable, at net, under this program of approximately \$382,000 as of and for the year ended March 31, 2025. The receivable is included as a component of estimated third-party payor settlements in the accompanying statements of net position. The Hospital recognized net revenue of approximately \$563,000 and \$409,000 during the years ended March 31, 2025 and 2024, respectively. The revenue is included as a component of other operating revenue in the accompanying statements of revenues, expenses and changes in net position. Future reconciliation differences will be reported prospectively.

Subsequent to fiscal year-end 2025, on August 28, 2025, CMS approved Louisiana's state fiscal year 2025 plan related to this program.

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
A COMPONENT UNIT OF ST. JAMES PARISH COUNCIL
Years Ended March 31, 2025 and 2024

NOTES TO FINANCIAL STATEMENTS

Note 14. Blended Component Units

In accordance with GASB No. 61, see below for a reconciliation of the financial statement line items by component:

	March 31, 2025		
	SJPH	SJPA	Total
Condensed Statements of Net Position			
Assets			
Current assets	\$ 40,494,800	\$ 135,792	\$ 40,630,592
Due from related parties	(312,773)	312,773	-
Restricted and internally designated assets	18,259,622	-	18,259,622
Capital assets	24,866,983	-	24,866,983
Subscription assets	1,119,468	-	1,119,468
Net pension asset	1,541,702	-	1,541,702
Total assets	85,969,802	448,565	86,418,367
Deferred outflows of resources	1,181,596	-	1,181,596
Total assets and deferred outflows of resources	\$ 87,151,398	\$ 448,565	\$ 87,599,963
Liabilities			
Current liabilities	\$ 6,574,846	\$ 448,599	\$ 7,023,445
Long-term liabilities	11,237,820	-	11,237,820
Total liabilities	17,812,666	448,599	18,261,265
Deferred inflows of resources	706,312	-	706,312
Net position (deficit)	68,632,420	(34)	68,632,386
Total liabilities and deferred inflows of resources and net position	\$ 87,151,398	\$ 448,565	\$ 87,599,963
Condensed Statements of Revenues, Expenses and Changes in Net Position			
Operating revenues	\$ 30,015,954	\$ 2,922,836	\$ 32,938,790
Depreciation	2,414,814	-	2,414,814
Other operating expenses	29,207,384	2,922,866	32,130,250
Nonoperating revenues	5,634,130	-	5,634,130
Change in net position	\$ 4,027,886	\$ (30)	\$ 4,027,856
Condensed Statements of Cash Flows			
Net cash provided by (used in)			
Operating activities	\$ 1,344,702	\$ (351,780)	\$ 992,922
Noncapital financing activities	3,470,947	-	3,470,947
Capital and related financing activities	(910,490)	-	(910,490)
Investing activities	(5,228,834)	-	(5,228,834)
Change in cash	(1,323,675)	(351,780)	(1,675,455)
Beginning cash	26,729,467	535,332	27,264,799
Ending cash	\$ 25,405,792	\$ 183,552	\$ 25,589,344

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
A COMPONENT UNIT OF ST. JAMES PARISH COUNCIL
Years Ended March 31, 2025 and 2024

NOTES TO FINANCIAL STATEMENTS

Note 14. Continued

	March 31, 2024		
	SJPH	SJPA	Total
Condensed Statements of Net Position			
Assets			
Current assets	\$ 33,758,224	\$ 568,618	\$ 34,326,842
Due from (to) related parties	283,982	(283,982)	-
Restricted and internally designated assets	18,128,790	-	18,128,790
Capital assets	23,498,490	-	23,498,490
Subscription assets	1,323,007	-	1,323,007
Total assets	76,992,493	284,636	77,277,129
Deferred outflows of resources	2,320,202	-	2,320,202
Total assets and deferred outflows of resources	\$ 79,312,695	\$ 284,636	\$ 79,597,331
Liabilities			
Current liabilities	\$ 3,822,913	\$ 284,640	\$ 4,107,553
Long-term liabilities	10,655,339	-	10,655,339
Total liabilities	14,478,252	284,640	14,762,892
Deferred inflows of resources	229,909	-	229,909
Net position (deficit)	64,604,534	(4)	64,604,530
Total liabilities and deferred inflows of resources and net position	\$ 79,312,695	\$ 284,636	\$ 79,597,331
Condensed Statements of Revenues, Expenses and Changes in Net Position			
Operating revenues	\$ 32,377,635	\$ 2,790,180	\$ 35,167,815
Depreciation	(2,247,026)	-	(2,247,026)
Other operating expenses	(28,965,828)	(2,790,180)	(31,756,008)
Nonoperating revenues	5,046,650	-	5,046,650
Change in net position	\$ 6,211,431	\$ -	\$ 6,211,431
Condensed Statements of Cash Flows			
Net cash provided by (used in)			
Operating activities	\$ 3,641,275	\$ 169,329	\$ 3,810,604
Noncapital financing activities	3,975,074	-	3,975,074
Capital and related financing activities	(4,924,601)	-	(4,924,601)
Investing activities	(1,895,372)	-	(1,895,372)
Change in cash	796,376	169,329	965,705
Beginning cash	25,933,091	366,003	26,299,094
Ending cash	\$ 26,729,467	\$ 535,332	\$ 27,264,799

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
A COMPONENT UNIT OF ST. JAMES PARISH COUNCIL
Years Ended March 31, 2025 and 2024

NOTES TO FINANCIAL STATEMENTS

Note 15. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 22, 2025, and determined that no events occurred that require additional disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ST. JAMES PARISH HOSPITAL
Schedule of Employer Contributions and Proportionate Share of Net Pension Liability
PERS Pension Plan
March 31, 2025

SCHEDULE OF EMPLOYER CONTRIBUTIONS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required employer contribution	\$ 868,200	\$ 845,200	\$ 836,200	\$ 768,600	\$ 760,700	\$ 720,500	\$ 736,059	\$ 686,766	\$ 673,259	\$ 720,694
Contributions in relation to the statutorily required contributions	(868,200)	(845,200)	(836,200)	(768,600)	(760,700)	(720,500)	(736,059)	(686,766)	(673,259)	(720,694)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 11,800,265	\$ 11,268,762	\$ 11,149,623	\$ 10,247,953	\$ 10,142,508	\$ 9,606,662	\$ 9,419,282	\$ 8,712,618	\$ 8,415,735	\$ 8,224,215
Contributions as a percentage of covered-employee payroll	7.36%	7.50%	7.50%	7.50%	7.50%	7.50%	7.81%	7.88%	8.00%	8.76%

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension asset	9.031198%	8.910150%	9.085457%	9.032106%	8.713610%	8.565762%	8.908301%	8.532025%	8.408189%	8.710641%
Proportionate share of the net pension asset (liability)	\$ 1,541,702	\$ (89,377)	\$ (2,163,149)	\$ 5,047,237	\$ 2,237,010	\$ 619,701	\$ (2,406,711)	\$ 1,073,503	\$ (1,092,285)	\$ (1,550,889)
Covered-employee payroll	\$ 11,800,265	\$ 11,268,762	\$ 11,149,623	\$ 10,247,953	\$ 10,142,508	\$ 9,606,662	\$ 9,419,282	\$ 8,712,618	\$ 8,415,735	\$ 8,224,215
Proportionate share of the net pension asset (liability) as a percentage of its covered-employee payroll	13%	-1%	-19%	49%	22%	6%	-26%	12%	-13%	-19%
Plan fiduciary net position as a percentage of the total pension liability	104%	100%	94%	114%	107%	102%	92%	104%	96%	93%

* The amounts presented for each fiscal year were determined as of December 31.

See independent auditor's report.

SUPPLEMENTARY INFORMATION

ST. JAMES PARISH HOSPITAL SERVICE DISTRICT
A COMPONENT UNIT OF ST. JAMES PARISH COUNCIL
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended March 31, 2025

Agency Head

Mary Ellen Pratt, Chief Executive Officer

Purpose	Amount
Salary	\$ 306,087
Benefits – insurance	\$ 8,596
Benefits – retirement	\$ 22,282
Benefits – other – Employer 457 match	\$ 10,477
Benefits – other – FICA Medicare	\$ 5,534
Benefits – other – FICA OADSI	\$ 10,653
Car allowance	\$ 9,000
Vehicle provided by government	\$ -
Cellphone	\$ -
Per diem	\$ -
Reimbursements	\$ -
Travel	\$ 196
Registration fees	\$ 1,580
Conference travel	\$ 8,863
Continuing Professional Education fees	\$ -
Housing	\$ -
Unvouchered expenses	\$ -
Other – dues	\$ 570



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

Board of Trustees
St. James Parish Hospital Service District
Lutcher, Louisiana

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of St. James Parish Hospital Service District (the "Hospital"), as of and for the year ended March 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 September 22, 2025.

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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hospital's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 statement. 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 Hospital's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hospital's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

HORNE LLP

Ridgeland, Mississippi
September 22, 2025