

EAST JEFFERSON FEDERAL HOSPITAL
RETIREMENT AND SAVINGS PLAN
STATEMENTS OF PLAN NET ASSETS
DECEMBER 31, 2008 AND 2005

	1 2 3 4			1 2 3 4		
	2008 200717	2008 2008	2008 200717	2005 200717	2005 2008	2005 200717
ASSETS						
Investments						
Accrued interest and dividends	\$ 181,813	\$ 25,887	\$ 287,178	\$ 175,178	\$ 25,887	\$ 214,265
Contributions due from employer	--	--	--	--	124,825	124,825
Investments, at fair value						
Stock applications	1,488,719	93,588	1,865,884	883,867	24,284	907,151
U.S. Government and Agency Issues	4,288,884	--	5,815,884	5,188,188	--	1,026,696
Equities	8,879,119	--	9,885,118	9,284,495	--	1,000,000
Money funds	--	20,118,719	20,118,719	--	1,888,117	1,888,117
International investment contracts	--	5,815,884	5,815,884	--	1,794,284	1,794,284
RENTS	--	4,879,879	4,879,879	--	1,755,871	1,755,871
Total investments	14,656,622	23,628,174	23,652,664	13,358,560	17,678,367	15,166,414
cash assets	18,755,887	17,498,714	21,298,816	18,222,178	17,678,367	15,166,414
LIABILITIES						
Cash received	--	1,288	1,288	--	--	--
Participant benefits payable	--	254,750	254,750	--	254,750	254,750
Contributions and benefits due and forfeitures	--	55,798	55,798	--	--	--
Total liabilities	--	311,736	311,736	--	254,750	254,750
NET ASSETS (with 2008 200717) (with 200717)	\$ 16,532,449	\$ 16,814,122	\$ 16,332,178	\$ 13,358,560	\$ 17,423,617	\$ 14,911,664

(A schedule of funding progress for the plan is presented on Page 12)

See accompanying notes.

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REPORT
EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLAN
DECEMBER 31, 1950 AND 1951

Annual provisions of which only the
request in a public statement. A
request for accounts to members.
led to the receipt of a letter
and a letter from the Board of
Directors of the Hospital. The
Board of Directors of the Hospital
has approved the plan and has
authorized the Board of Directors
to enter into a contract with the
Comptroller General of the United States
for the purpose of having the
annual report prepared and
submitted to the Board of Directors
of the Hospital.

APR 17 1952

Comptroller General of the United States
Washington, D. C.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLAN
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED DECEMBER 31, 1997

January 31, 1997

To the Pension Committee
East Jefferson General Hospital
Retirement and Savings Plan
Metairie, Louisiana

We have audited the financial statements of East Jefferson General Hospital Retirement and Savings Plan, as of and for the year ended December 31, 1996, and have issued our report thereon dated January 31, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws and regulations applicable to East Jefferson General Hospital Retirement and Savings Plan, is the responsibility of the Plan's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Plan's compliance with certain provisions of laws and regulations. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

This report is intended for the information of the pension committee, management, Jefferson Parish, Louisiana and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Amplacher, Hampman Hogan & Mather LLP

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLAN
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
RELATED MATTERS NOTED IN A FINANCIAL STATEMENT AUDIT
CONDUCTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED DECEMBER 31, 1996

[Continued]

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of the pension committee, management, Jefferson Parish, Louisiana and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

D. L. ...

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLAN
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
RELATED MATTERS NOTED IN A FINANCIAL STATEMENT AUDIT
CONDUCTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED DECEMBER 31, 1996

January 31, 1997

To the Pension Committee
East Jefferson General Hospital
Retirement and Savings Plan
Metairie, Louisiana

We have audited the financial statements of East Jefferson General Hospital Retirement and Savings Plan, for the year ended December 31, 1996, and have issued our report thereon dated January 31, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of East Jefferson General Hospital, Retirement and Savings Plan, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of East Jefferson General Hospital, Retirement and Savings Plan, for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

EAST JEFFERSON GENERAL HOSPITAL
 RETIREMENT AND SAVINGS PLAN
 SUPPLEMENTARY INFORMATION (RETIREMENT PLAN)
 NOTES TO SCHEDULE OF CONTRIBUTIONS AND
 SCHEDULE OF FUNDING PROGRESS
DECEMBER 31, 1998

The information presented in the Schedule of Contributions - Employer and Other and the Schedule of Funding Progress was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	January 1, 1987
Actuarial Cost Method	Traditional Unit Credit
Amortization Method	The required amounts are determined at a level payment each year for the remaining amortization period. The amortization period is for a specific number of years. (Closed Basis)
Remaining Amortization Period	30 years
Asset Valuation Method	Market value
Actuarial Assumptions:	
Investment Rate of Return	8.50%
Projected Salary Increases	(2.50% Inflation, 2.50 Merit)
Cost of Living Adjustments	None

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLAN
SUPPLEMENTARY INFORMATION (RETIREMENT PLAN)
SCHEDULE OF FUNDING PROGRESS
DECEMBER 31, 1990 THROUGH 1996

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF PAYOUTS	ACTUARIAL ACCUMULATED LIABILITY GAAI	(UNFUNDED PENSION RESERVE)	FUNDING RATIO	COVERED PAYROLL	GAAI AS A PERCENTAGE OF COVERED PAYROLL
01/01/92	\$ 13,432,871	\$ 9,840,741	\$ (3,592,130)	138.5%	\$ 49,247,558	+0.4
01/01/93	13,951,170	11,617,404	(2,333,766)	138.3	52,329,948	+0.3
01/01/94	15,484,937	13,245,811	(1,239,183)	138.5	60,581,468	+0.3
01/01/95	16,862,891	14,617,362	(2,245,529)	96.8	57,836,888	0.3
01/01/96	18,932,105	17,358,800	(1,573,305)	105.0	59,844,867	+0.3
01/01/97	19,753,866	18,980,980	(772,886)	100.9	65,329,789	+0.3

EAST JEFFERSON GENERAL HOSPITAL
 RETIREMENT AND SAVINGS PLAN
 SUPPLEMENTARY INFORMATION (RETIREMENT PLAN)
 SCHEDULE OF CONTRIBUTIONS - EMPLOYER AND OTHER SOURCES
 DECEMBER 31, 1993, THROUGH 1998

YEAR ENDED DECEMBER 31	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED
1993	\$ --	100%
1994	--	100
1995	--	100
1996	--	100
1997*	--	100
1998	315,800	100

* Although not required, a contribution was made to the Plan in 1995 totaling \$281,475.

**EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1995 AND 1996**

7. CONTRACTS WITH INSURANCE COMPANIES:

The Plan has entered into guaranteed investment contracts with life insurance companies investing contributions during specified periods of time at guaranteed interest rates.

Generally the accounts are increased by contributions for the period specified and interest earned net of expenses. The accounts are reduced by withdrawals charged by each company.

The following is a summary of those agreements:

Date of Agreement	Life Insurance Company (Contract Number)	Term of Agreement	Contribution Period	Net Interest Rate
08/04/90	John Hancock (#5884)	8/25/90-8/15/92	8/18/90-8/15/91	5.05%
08/18/91	New York Life (#8315)	8/25/91-8/15/93	8/18/91-8/15/92	7.58
08/25/91	John Hancock (#8385)	8/25/91-8/28/94	10/1/90-8/30/91	4.16
10/01/90	Allstate Life Insurance Company (#6604) (SMA)	10/1/90-8/30/90	10/1/90-8/30/91	6.24
	(remaining 100%)	10/1/90-8/30/98	10/1/90-8/30/94	6.24
09/21/94	Commonwealth Life (#0048) (SMA)	9/21/94-8/30/98	9/21/94	7.50
	(remaining 100%)	9/21/94-8/30/99	9/21/94	7.50
09/23/94	Metropolitan Life (#20028) (SMA)	9/23/94-8/30/98	9/23/94-8/30/95	7.50
	(remaining 100%)	9/23/94-8/30/98	9/23/94-8/30/95	7.50

The contracts are included in the financial statements at December 31, 1995 and 1996 contract values as reported to the Plan by each life insurance company.

8. INVESTED:

The Plan has entered into a participation agreement with INVESTED Trust Company. Under the agreement the Plan may invest in investment funds which are part of the INVESTED retirement trust, a collective trust of INVESTED Trust Company for Participating Pension and Profit Sharing Trusts.

During 1995 and 1996 most of the funds invested in guaranteed investment contracts (Note 7) which matured were transferred into the INVESTED Trust Company Stable Value Fund. The INVESTED Stable Value Fund invests in a diversified portfolio of investment contracts with insurance companies, banks, and other financial institutions. An investment contract is an agreement whereby the issuing entity promises a specific rate of return for a period time. Returns are expected to be consistent with the earnings generated by intermediate term high quality debt instruments. Funds invested in the trust are currently earning interest of approximately 6% before fees.

The funds are included in the financial statements at December 31, 1996 and 1995 at the contract value reported to the Plan by the Trust Company.

9. PLAN TERMINATION:

Although it has not expressed any intent to do so, the Hospital has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1999

5. ASSETS, LIABILITIES AND INVESTMENTS: (Continued)

Cash Equivalents:

The Plan's cash equivalents totaling \$1,562,183 consist of government backed pooled funds. The funds are held by a sub-custodian and are managed by a separate money manager and are in the name of the Plan's custodian's trust department.

Investments:

Hospital service districts are authorized under Louisiana R.S. 46:1868 to establish and maintain actuarially sound pension and retirement systems making contributions from hospital service district funds. They may make contracts of insurance with any insurance company legally authorized to do business in Louisiana, and may enter into other contracts and trust agreements with banks, which are incidental to creating and maintaining an actuarially sound pension and retirement system. Except for deposits with insurance companies and INVESTCO, the Plan's investments were held by the First National Bank of Commerce's trust department at December 31, 1998 and 1999.

The Plan's investments are categorized below to give an indication of the level of risk assumed by the entity at year-end, that is, the risk associated with the exposure to a potential loss from unauthorized transfer of a financial instrument. Category 1 includes investments that are insured or registered or for which the securities are held by the Plan or its agent in the Plan's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Plan's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the Plan's name.

	Defined Benefit Retirement Plan	Savings Plan	TOTAL	Category
U.S. Government and Agency Issues	\$ 9,347,890	\$ --	\$ 9,347,890	1
Equities	8,833,378		8,833,378	1
Mutual Funds	--	30,761,799	30,761,799	N/A
Guaranteed Investment Contracts	--	5,427,448	5,427,448	N/A
INVESTCO	--	3,823,813	3,823,813	N/A
	<u>\$18,181,268</u>	<u>\$39,993,060</u>	<u>\$58,174,328</u>	

6. USE OF ESTIMATES:

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

**EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1996 AND 1995**

2. PLAN DESCRIPTION AND CONTRIBUTION INFORMATION: (Continued)

DEFINED CONTRIBUTION SAVINGS PLAN: (Continued)

Forfeitures

Basic and matching deposits in the account of a participant who separates from service prior to becoming vested are forfeited and used to reduce Hospital distributions.

If a participant returns to service within five years, the dollar amount forfeited is restored to his account.

3. ACTUARIAL COST METHOD:

The Traditional Unit Credit Cost Method was used to calculate the funding requirements for the defined benefit retirement plan for the years ended December 31, 1996 and 1995. This funding method provides for actuarially determined periodic contributions at rates that, for individual participants, remain fairly constant over time so that sufficient assets will be available to pay benefits when due. Under this method, the actuarial gains and losses generally reduce or increase the unfunded actuarial accrued liability.

4. REQUIRED SUPPLEMENTARY SCHEDULES:

Information in the required supplemental schedules is designed to provide information about the Plan's progress made in accumulating sufficient assets to pay benefits and is presented on pages 11 - 13.

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS:

Following are the components of the Plan's deposits, cash equivalents and investments at December 31, 1996 and 1995.

	Defined Benefit Retirement Plan	Savings Plan	Total
1996:			
Deposits (bank balances)	\$ --	\$ --	\$ --
Cash equivalents	1,488,790	93,568	1,582,358
Investments	16,181,050	22,308,218	38,489,268
	<u>\$17,670,840</u>	<u>\$22,401,786</u>	<u>\$40,072,626</u>
1995:			
Deposits (bank balances)	\$ --	\$ --	\$ --
Cash equivalents	421,987	38,864	460,851
Investments	11,495,085	17,428,892	28,923,977
	<u>\$11,917,072</u>	<u>\$17,467,756</u>	<u>\$29,384,828</u>

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997

2. PLAN DESCRIPTION AND CONTRIBUTION INFORMATION: (Continued)

DEFERRED ROYALTY RETIREMENT PLAN: (Continued)

Contributions:

Although not required, a contribution was made to the Plan in 1998 totaling \$29,473.

DEFERRED CONTRIBUTION SAVINGS PLAN:

The Plan covers all full-time employees who have been employed for a twelve month period during which at least one thousand hours of service are completed and who are at least twenty-one years of age. The Plan has 2,531 and 2,367 members for the years ended 1998 and 1997, respectively.

Contributions:

The Plan provides for a basic contribution by the Hospital of two percent of eligible annual compensation including overtime. The employees can contribute up to six percent of eligible annual compensation of which the Hospital will match up to two percent. This matching contribution is in addition to the basic contribution received by all participants.

Participants' Accounts:

Each participant's account is credited with the Hospital's contribution and Plan earnings. Allocation of the Hospital's contributions is based on Plan compensation. Compensation for Plan purposes is the employee's total annual compensation and overtime pay and other extra compensation as specified in the plan document.

vesting:

The Plan is one hundred percent vested after the completion of five years of vesting service. For this purpose participants earn one year of vesting service for each year in which they work one thousand hours or more. Any contributions made by participants for the Plan and earnings on that contribution are one hundred percent vested to the participants when made.

Withdrawals and Distributions:

Participants are allowed to withdraw their own contributions to the Plan. Hospital contributions may not be withdrawn. Withdrawals are limited to one per calendar year. No contributions may be made to the plan for a six month period after a withdrawal, and during that six months the participant is ineligible to receive the Hospital's matching contributions.

Loans are not permitted under the terms of the Plan.

Upon termination of employment for resignation, dismissal, retirement or death, the participant's contributions plus the vested portion of the Hospital's contributions, and the related earnings are distributed to the participant or his/her designated beneficiary. Distributions may be in the form of a lump sum or annuity provided by an insurance carrier.

**EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997**

Hospital service districts are authorized under Louisiana R.S. 48:5080 to establish and maintain actuarially sound pension and retirement systems making contributions from hospital service district funds. They may make contracts of insurance with any insurance company legally authorized to do business in Louisiana and may enter into other contracts and Trust Agreements with banks, which are incidental to creating and maintaining an actuarially sound pension and retirement system.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements are prepared in accordance with the standards established by the Governmental Accounting Standards Board (GASB) as the successor to the National Council on Governmental Accounting (NCGA).

Basis of Accounting:

The Plan's financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Interest and dividend income is recognized when earned.

Method Used in Valuing Investments:

Investments are reported at fair value, short-term investments are reported at cost and insurance contracts at contract value, which approximates fair value.

Memoranda Only Columns:

The total columns on the Statement of Plan Net Assets and Statement of Changes in Plan Net Assets are captioned memorandum only to indicate that they are presented to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. PLAN DESCRIPTION AND CONTRIBUTION INFORMATION:

The Plan is the administrator of a single employer defined benefit retirement plan and a defined contribution savings plan. The Plan was established for the purpose of providing retirement benefits for substantially all employees of East Jefferson General Hospital (Hospital).

DEFINED BENEFIT RETIREMENT PLAN:

All full-time employees at least age 21 with at least one year of credited service are eligible to participate in the Plan. Plan benefits vest after 5 years of credited service. Employees who retire at or after age 62 with 20 years of credited service are entitled to an annual retirement benefit, payable monthly for life. The Plan also provides death benefits. This benefit provision and all other requirements are established by the Plan.

In accordance with Government Auditing Standards, we have also issued reports dated January 31, 2001 on our consideration of the East Jefferson General Hospital Retirement and Savings Plan's internal control structure and on its compliance with laws and regulations.

D. L. Linder, Hargensen, Hooper & Maden LLP

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLAN
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DECEMBER 31, 1996 AND 1995

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DUPLANTIER, HRAPMAN,
HOGAN & MAHER, LLP.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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January 31, 1997

to the Pension Committee
East Jefferson General Hospital
Retirement and Savings Plan
Metairie, Louisiana

We have audited the accompanying statements of plan net assets of the East Jefferson General Hospital Retirement and Savings Plan as of December 31, 1996 and 1995 and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the Pension Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the East Jefferson General Hospital Retirement and Savings Plan at December 31, 1996 and 1995 and the results of its operations and changes in net assets for the years then ended in conformity with generally accepted accounting principles.

We have audited the financial statements of the Plan for the years ended December 31, 1996 and 1995 and issued our unqualified opinion on such financial statements. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The required supplemental schedules listed in the foregoing index to report are presented for the purpose of additional analysis and are not a part of the basic financial statements. Such required supplemental schedules for the years ending December 31, 1991 through December 31, 1996 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Received, Acknowledged
Legislative Auditor

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988 AND 1985

2. PLAN DESCRIPTION AND CONTRIBUTION INFORMATION: (Continued)

DEFINED BENEFIT RETIREMENT PLAN: (Continued)

Membership in the Plan as of the last actuarial valuation, January 1, 1987 consists of:

Retirees and beneficiaries receiving benefits	11,192
Terminated employees entitled to benefits but not yet receiving them	393
Active employees	548
	1,813
TOTAL PARTICIPANTS	2,581

Pension Benefits:

The annual benefit at normal retirement will be equal to the benefit accrued through December 31, 1985 under the previous pension plan formula plus, for each year after 1985, benefits accrued under the new formula.

Under the new formula benefits accrue at .75% of participant's annual pay up to a designated "breakpoint" and 1.25% of annual pay in excess of the breakpoint. In succeeding years the new formula would continue to apply, but as the Social Security taxable wage base increases, so will the breakpoint.

After five years of employment with the Hospital (counting all prior service), the pension benefit will be fully vested.

At retirement, the participant may choose to receive a monthly benefit amount in one of several annuity forms - life annuity, joint and survivor annuity, and ten year certain and life annuity.

Death Benefits:

If a participant dies after becoming vested, the surviving spouse will receive a monthly benefit from the plan. This benefit is only available to the surviving spouse and will be payable at the time the participant would have qualified for early retirement, unless the spouse elects to defer payments to a later date.

Contributions:

The Plan's funding policy provides for actuarially determined periodic contributions.

The actuarially determined recommended contribution for the plan year ending December 31, 1987 is shown below compared to the contribution made based on the prior valuation for 1985.

	January 1, 1987 <u>for 1987</u>	January 1, 1985 <u>for 1985</u>
ANNUAL CONTRIBUTION:		
As a dollar amount	\$ 1,357,257	\$ 315,883
As a percent of payroll	2.14	0.54
Participant payroll	65,128,760	58,844,867