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LAWYER MEMORIAL HOSPITAL RETIREMENT PLAN  
FINANCIAL STATEMENTS  
JUNE 30, 1954 AND 1953

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Code 512 17 2897

REPORT OF INDEPENDENT AUDITORS

Lane Memorial Hospital  
Self-Insured Plan

We have audited the accompanying balance sheets of the Lane Memorial Hospital Retirement Plan (the Plan) as of June 30, 1998 and 1999, and the related statements of revenues, expenses, and changes in net assets available for plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 accounts 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 financial statements referred to above present fairly, in all material respects, the financial position of the Plan at June 30, 1998 and 1999, and the results of its operations for the years then ended in conformity with generally accepted accounting principles.

The supplementary retirement plan information (unaudited) is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures to this data that consisted principally of comparing the information to the relevant actuarial reports. However, we did not audit the information, and we express no opinion on it.

October 15, 1999

  
James R. Douglas, Ltd.  
Certified Public Accountants

## BALANCE SHEETS

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## LAKE MEMORIAL HOSPITAL RETIREMENT PLAN

	JUNE 30	
	1988	1987 . . .
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash equivalents	\$ 382,090	\$ 329,320
Mutual funds - fixed	8,281,473	4,847,518
Mutual funds - equity	4,056,894	4,185,832
Contractual receivables	187,820	38,874
Receivable income receivable	27,824	32,424
Bank fees receivable	4,880	38,870
Cash	1	28,840
	<u>12,426,882</u>	<u>9,338,618</u>
<b>LIABILITIES</b>		
Bank fees payable	-	1,820
Benefits payable	1,352	2,428
	<u>1,352</u>	<u>4,248</u>
<b>NET ASSETS AVAILABLE FOR PLAN BENEFITS</b>	<u>12,425,530</u>	<u>9,334,370</u>
<b>PERMANENT BENEFIT OBLIGATION</b>		
<b>PROJECTED BENEFITS PAYABLE TO</b>		
Active employees:		
Accumulated employee contributions with interest	888,412	889,878
Employee - Unaccrued vested benefit obligation	3,248,481	3,847,811
Employee - Unaccrued unvested benefit obligation	2,809,881	3,320,320
Reliance and beneficiaries	1,338,828	889,828
Terminated vested participants	<u>280,383</u>	<u>223,379</u>
<b>TOTAL PERMANENT BENEFIT OBLIGATION</b>	<u>8,335,383</u>	<u>7,762,396</u>
<b>ASSETS IN EXCESS OF PERMANENT BENEFIT OBLIGATION</b>	<u>4,090,147</u>	<u>1,571,974</u>
	<u>12,425,530</u>	<u>9,334,370</u>

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

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
AVAILABLE FOR PLAN BENEFIT

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LAW MEDICAL HOSPITAL RETIREMENT PLAN

	YEARS ENDED JUNE 30	
	1998	1997
OPERATING REVENUES		
Employer contributions	\$ 267,909	\$ 499,711
Employee contributions	193,882	147,607
Investment income	1,098,188	1,069,877
GAIA fees refunded	<u>15,100</u>	<u>22,812</u>
TOTAL OPERATING REVENUES	<u>1,575,079</u>	<u>1,739,007</u>
OPERATING EXPENSES		
Benefits paid to participants and beneficiaries	672,829	821,808
Actuary fees	"	6,510
GAIA fees	<u>3,120</u>	<u>3,993</u>
TOTAL OPERATING EXPENSES	<u>675,949</u>	<u>832,311</u>
OPERATING INCOME	900,130	906,696
NET ASSETS AVAILABLE FOR BENEFITS, Beginning of year	<u>8,318,380</u>	<u>8,181,608</u>
NET ASSETS AVAILABLE FOR BENEFITS, End of year	<u><u>11,483,932</u></u>	<u><u>8,271,299</u></u>

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

## LEAS MEMORIAL HOSPITAL RETIREMENT PLAN

## 3. PLAN DESCRIPTION

**Overview:** The Leas Memorial Hospital Retirement Plan (the Plan) is a single-employer, non-tributory, defined benefit public employee retirement system (PERS). The Plan covers all eligible employees of Leas Memorial Hospital (the Employer) who elect to join after meeting certain length of service requirements and is funded through employee and employee contribution and investment earnings. As a governmental entity, the Plan provides disclosures required by the Governmental Accounting Standards Board. The Plan is not subject to the financial reporting requirements of the Employee Retirement Income Security Act of 1974 (ERISA).

**Plan membership:** At June 30, 1988 and 1989, the Plan's membership consisted of:

	JUNE 30	
	1988	1989
Active employees		
Fully-vested	113	71
Partially-vested	174	245
Non-vested	204	280
Total current employees	491	596
Retirees and beneficiaries currently receiving benefits	28	34
Terminated employees entitled to benefits but not yet receiving them	13	21
Total	532	651
Total plan participants	560	726

**Eligibility requirements:** An employee is eligible to participate in the Plan if, at the beginning of the Plan year, he/she has at least two years of continuous service and has worked an average of 18 or more hours per week. An eligible employee must make an application to the Employer for participation in the Plan and agree to the terms of the Plan.

**Retirement benefits:** The Plan provides retirement benefits as well as death and disability benefits. All benefits are vested 100% after 18 years of credited service. The basic annual retirement benefit at age 62 is a benefit payable for life in an amount equal to the number of years of credited service multiplied by 1.5% of the average of the highest three years of compensation. Employees can elect to receive a lump-sum payment in lieu of other options (refer to the Plan document for other options).

**Deferred benefits:** A member leaving employment after five years of credited service but before attaining retirement age is entitled to a benefit at age 62 equal to the member's accrued benefit upon termination of employment.

**Disability benefits:** A member leaving employment because of total and permanent disability before attaining retirement age is eligible for deferred benefits or may elect to receive reduced benefits beginning on the disability retirement date.

**Survivor benefits:** The survivor benefit provided under the Plan is a death benefit for a participant payable in the form of a post-retirement survivor annuity.

**Employer contributions:** The Employer is required to contribute amounts necessary to provide the benefits under the Plan determined by the application of accepted actuarial methods and assumptions.

**Employee contributions:** To join the Plan, the participant authorizes Leas Memorial Hospital to deduct from his/her salary - (1) 1% of his/her monthly earnings up to \$480; plus (2) 1% of any monthly earnings over \$480.

## LIFE MEMORIAL HOSPITAL RETIREMENT PLAN

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING AND FINANCIAL REPORTING POLICIES

**Basis of accounting:** The Plan's financial statements are prepared using the accrual basis of accounting.

**Employer contributions:** Employer contributions are recognized as revenues in the period in which employer services are performed.

**Employee contributions:** Employee contributions are recognized as revenues when the payroll deductions are made from the participant's salary.

**Investments:** The assets of the Plan are invested in various fixed income, equity, and money market funds managed by a Trustee. Investments are valued at market value as reported by the Trustee.

**Administrative expenses:** The administrative expenses of the Plan, with minor exceptions, have been paid by the Employer and are not to be reimbursed by the Plan.

## 3. PLAN AGREEMENTS

Effective July 1, 1979, the Plan adopted an Anniversary Date of July 1, and a Limitative Year of 12 months commencing on July 1 and ending on June 30. Effective July 1, 1979, the Plan changed the benefit formula for early retirees, the vesting formula for active employees at age 55, and the definition of credited service for part-time employees.

## 4. FUNDING STATUS AND PROGRESS

The pension benefit obligation is a standardized discounted measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help assess assets. The Plan's funding status is a going-concern basis. Assets progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERM. The measure is independent of the actuarial funding method used to determine contributions to the Plan.

The pension benefit obligation was determined as part of an actuarial valuation on June 30, 1995. Significant actuarial assumptions used include (a) a rate of return on the investment of premium and future assets of 8% per year, compounded annually, and (b) projected salary increases of 8% per year, compounded annually.

## 5. CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS PAID

The funding policy of the Plan provides for periodic employee contributions at actuarially determined rates that are sufficient to fund normal (current year) costs plus an additional amount necessary to amortize unfunded past service costs over a 20-year period (from the date the past service cost was first recognized). However, the Hospital will contribute no more than the amount necessary to achieve a ratio of "actuarial value of assets" to the "present value of accrued benefits" of 100% determined as of the beginning of the first year. The significant actuarial assumptions underlying the actuarial method used to compute the contribution requirements are the same as those used to compute the pension benefit obligation.

The actuarially determined contribution requirement for the year ended June 30, 1996 was \$247,709 (this amount was paid during the Plan year). Contributions paid during the current year represented 1.7% of estimated covered annual payroll of \$14,589,180.

## LANS BENEVOLENT INDUSTRIAL RETIREMENT PLAN

## 4. INVESTMENTS

The Plan's investments are held by the Trust Departments of two local banks. A summary of the activity in these investments follows:

	Bank One Trust	Wierco Trust	Total
Fair market value, July 1, 1998	\$2,321,200	\$1,158,200	\$3,479,400
Add:			
Employer contributions	\$81,800	-	\$81,800
Employee contributions	148,800	-	148,800
Investment earnings	\$76,878	\$0,860	1,017,638
Bank fees paid to the Plan	21,862	7,425	29,287
	<u>1,387,516</u>	<u>87,285</u>	<u>1,474,801</u>
Reduce:			
Benefits paid	404,814	-	404,814
Bank fees paid by the Plan	1,325	3,208	4,533
	<u>406,139</u>	<u>3,208</u>	<u>409,347</u>
Other - (deduct):			
Net appreciation (depreciation) in fair value of investments	<u>(7,319)</u>	<u>63,716</u>	<u>56,397</u>
Fair market value, June 30, 1999	<u>\$2,820,677</u>	<u>1,221,596</u>	<u>\$4,042,273</u>

The Plan has adopted certain investment goals and objectives and policy guidelines, as outlined below, which are intended to protect and preserve the Plan's assets while providing an appropriate return.

Investment Class	Percent
Equity securities	40%
Fixed income securities	60%

As of June 30, 1999, 48% of the Plan's invested assets were in equity securities, while 52% of the Plan's invested assets were in fixed income securities.

## 5. HISTORICAL TRUST INFORMATION

Historical trust information designed to provide information about the Plan's progress made in accumulating sufficient assets to pay benefits when due is presented on the following two pages.

## Analysis of Funding Programs

1980-81 to 1985-86

1982	1983	1984	1985	1986	1987
\$5,908,668	\$5,891,379	\$4,875,900	\$4,889,388	\$6,227,328	\$3,877,487
\$5,908,668	\$5,891,379	\$4,888,779	\$4,828,328	\$5,834,856	\$3,499,909
100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
\$59,899	\$61,280	\$17,128	\$33,389	\$373,323	\$3,162,680
\$5,968,567	\$5,952,659	\$4,906,028	\$4,865,000	\$6,264,151	\$7,662,589
0.9%	10.1%	2.4%	0.8%	10.7%	29.4%



REQUIRED SUPPLEMENTARY INFORMATION - SUPPLEMENTARY STATEMENT OF  
 EARNINGS BY SOURCE AND DEFERRED BY TYPE (continued)

LAST FEDERAL EMPLOYER RETIREMENT PLAN

June 30, 1994

Supplementary historical summary of revenue by source and expense by type for the Last Federal Employer Retirement Plan is presented below for all years in which data information is available.

REVENUE BY SOURCE

Period Ended -2010-31-	Employer Contributions Reimbursements	Employee Contributions	Investment Income	Total	Annual Concessed Expense**	Employee Contributions PFL
1992	474,189	4,48,321	\$ 126,484	41,121,184	57,595,577	474,189
1993	411,289	316,181	116,653	342,728	3,483,481	411,289
1994	458,151	242,907	2,127,428	3,119,487	6,765,863	458,151
1995	267,109	113,643	1,181,816	1,621,287	4,086,248	267,109

EXPENSE BY TYPE

Period Ended -2010-31-	Benefits	Administrative Expenses	Total
1992	2126,819	\$ "	2126,819
1993	787,493	18,181	805,674
1994	124,008	12,116	136,124
1995	475,819	1,108	476,927

\* The period ended June 30, 1993 covered a period of nine months; the periods ended June 30, 1994, 1995, and 1996 covered a fiscal year.

\*\* Employee contributions divided by annual concessed payroll.