EAST JEFFERSON GENERAL HOSPITAL RETIREMENT PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2021

Postlethwaite & Netterville

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2021

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P&N
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A Professional Accounting Corporation

INDEPENDENT AUDITORS' REPORT

Members of the Parish Council
Jefferson Parish, Louisiana

Opinion

We have audited the accompanying financial statements of the East Jefferson General Hospital Retirement Plan (the Plan), a component unit of Jefferson Parish Government, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Plan as of December 31, 2021, and the changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan 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.

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 Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of East Jefferson General Hospital Retirement Plan'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 East Jefferson General Hospital Retirement Plan's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matters

As disclosed in Note 4 to the financial statements, the total pension liability for the Plan was $53.8 million at December 31, 2021. The actuarial valuations were based on various assumptions made by Plan's actuary. Because actual experience may differ from the assumptions used in the actuarial valuation, there is a risk that the total pension liability at December 31, 2021, could be materially different from the estimate. Our opinion is not modified with respect to this matter.

As disclosed in Notes 1 and 5, effective October 1, 2020, LCMC Health acquired East Jefferson General Hospital. An amendment to the Plan signed in November 2020, terminated the Plan effective on the acquisition date. A favorable IRS determination letter to terminate the Plan was received on October 15, 2021. The Plan is currently in the process of taking the necessary steps to finalize and close out the Plan.

Required Supplementary Information

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

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Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plan's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, on our consideration of the plan'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 plan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the plan's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Metairie, Louisiana
June 30, 2022

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT PLAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) on the financial performance of East Jefferson General Hospital's Retirement Plan provides an overview of the Defined Benefit Plans' financial activities for the year ended December 31, 2021 and 2020. The information presented herein should be considered in conjunction with the accompanying financial statements and notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the Plan's basic financial statements, which are comprised of the three components:

- The Statement of Fiduciary Net Position report the Plan's assets, liabilities, and resulting net position held in trust for pension benefits. The statement discloses the financial position of the Plan as of December 31, 2021.

- The Statement of Changes in Fiduciary Net Position report the results of the Plan's operations for the year ended December 31, 2021, disclosing the additions to and deductions from the fiduciary net position. It supports the change that has occurred to the prior period's net position on the Statement of Fiduciary Net Position.

- The Notes to the Financial Statements provide additional information and insight that are essential to gaining a full understanding of the data provided in the financial statements.

Because of the long-term nature of a defined benefit pension plan, financial statements alone cannot provide sufficient information to properly reflect the Plan's ongoing plan perspective. Following the Notes to the Financial Statements, the required supplementary information is presented, which includes four schedules and the related notes. These schedules include historical information about net pension liability, actuarially determined contributions, significant actuarial methods and assumptions, and annual money-weighted rate of return on pension plan investments.

PLAN TERMINATION IN 2022

Pursuant to an IRS determination letter dated October 15, 2021, the plan has received a favorable determination to terminate the plan.

Effective October 1, 2020, LCMC Health acquired East Jefferson General Hospital from Jefferson Parish Hospital Service District No. 2 (the Service District) the Service District; however, the Plan remained with the Service District. Beginning on October 1, 2020, the Service District no longer had employees. On December 30, 2020, the Form 5310 application was submitted to the IRS to formally request the qualified status of the Plan regarding the termination. On October 15, 2021, the IRS issued a favorable determination letter.

During 2022, the Jefferson Parish Hospital Service District Number 2 contributed approximately $52.9 million to facilitate the termination of the Plan in order to have adequate funds to carry out the termination. All beneficiaries/retirees have the option to select an annuity or a receive a lump sum distribution. If neither option is selected, the funds are to be deposited into an IRA in the participant's name.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT PLAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE PLAN

Condensed Statements of Fiduciary Net Position

	12/31/2021	12/31/2020	Increase/ (Decrease)	Percentage Change
Cash and cash equivalents	$ 228,550	$ 507,826	$ (279,276)	-55.0%
Investments	29,844,759	35,329,213	(5,484,454)	-15.5%
Receivables	125,327	120,294	5,033	4.2%
Total assets	30,198,636	35,957,333	(5,758,697)	-16.0%
Total liabilities	23,635	33,288	(9,653)	-29.0%
Net position	$ 30,175,001	$ 35,924,045	$ (5,749,044)	-16.0%

The Plan's investments consist primarily of debt security funds, including, corporate bonds, U.S. government obligations and a fixed income mutual fund, which decreased by $5,484,454 due primarily to benefit payments made during the year. Liabilities decreased by $9,653 due timing of investment and administrative expenses.

Condensed Statements of Changes in Fiduciary Net Position

	12/31/2021	12/31/2020	Increase/ (Decrease)	Percentage Change
Additions:				
Contributions	$ -	$ -	$ -	0.0%
Investment income (expense)	(288,679)	244,879	(533,558)	-217.9%
Less: Advisory fees	(87,805)	(16,939)	(70,866)	418.4%
Total additions	(376,484)	227,940	(604,424)	-265.2%
Deductions:				
Benefits	5,332,855	1,969,424	3,363,431	170.8%
Administrative expenses	39,705	28,259	11,446	40.5%
Total deductions	5,372,560	1,997,683	3,374,877	168.9%
Decrease in net position	(5,749,044)	(1,769,743)	(3,979,301)	224.9%
Net position, beginning of period	35,924,045	37,693,788	(1,769,743)	-4.7%
Net position, end of period	$ 30,175,001	$ 35,924,045	$ (5,749,044)	-16.0%

The net position held in trust for Plan decreased by $5,749,044 during the year ended December 31, 2021 and totaled $30,175,001 as of December 31, 2021. The decrease is attributed primarily to the $5,332,855 of retirement benefits paid to participants in the year ended December 31, 2021. For fiscal year 2021, there was no recommended contribution due to the termination of the retirement plan.

INVESTMENTS

The Plan is responsible for the prudent management of funds held in trust for the exclusive benefits of its participants. Funds are invested to achieve maximum returns without exposing retirement assets to unacceptable risks. Total investments at December 31, 2021 amounted to $29,844,759 as compared to $35,329,213 at December 31, 2020, which is a decrease of $5,484,454. The major contributing factor to this decrease was benefit payments, with other factors including administrative expenses, net depreciation, and advisory fees.

CHANGES TO THE DEFINED BENEFIT PENSION PLAN

The Defined Benefit Plan Statement of Overall Investment Policy and Guidelines was revised in March 2020, and the Board of Directors approved the revised Investment Policy for the Qualified Defined Benefit Plan in March 2020. The plan revision changed the maximum and minimum allocation range for each plan asset category to the amounts as stated below.

Asset Class	Minimum	Policy Target	Maximum
Large Cap Equities	0.0%	35.0%	45.0%
Small/Mid Cap Equities	0.0%	10.0%	18.0%
International Equities	0.0%	17.0%	24.0%
Fixed Income	0.0%	32.0%	100.0%
Real Estate	0.0%	6.0%	10.0%
Absolute Return Funds	0.0%	0.0%	0.0%

REQUEST FOR INFORMATION

Questions concerning any of the information provided herein, or request for additional financial information, should be addressed to East Jefferson General Hospital Retirement Plan, Jefferson Parish Hospital Service District No. 2, c/o Jefferson Parish General Government Building, 200 Derbigny Street, Suite 6700, Gretna, LA 70053, (504) 364-2626.

EAST JEFFERSON GENERAL HOSPITAL RETIREMENT PLAN
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2021

	2021
ASSETS:	
Cash and cash equivalents	$ 228,550
Receivables:	
Accrued interest and dividends	68,374
Due from broker	56,953
Total receivables	125,327
Investments (at fair value):	
Fixed income funds	29,823,668
Investment in partnerships	21,091
Total investments	29,844,759
Total assets	30,198,636
LIABILITIES:	
Accrued expenses	23,635
Total liabilities	23,635
NET POSITION - RESTRICTED FOR PENSION BENEFITS	$ 30,175,001

See accompanying notes to financial statements.

EAST JEFFERSON GENERAL HOSPITAL RETIREMENT PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021

		2021
ADDITIONS:		
Investment income (loss):		
Net depreciation of investments	$	(653,216)
Dividends and interest income		465,433
Realized loss from sale of investments		(100,896)
Total investment (expense) income		(288,679)
Less:		
Investment advisory and custodial services		87,805
Net investment loss		(376,484)
Total additions		(376,484)
DEDUCTIONS:		
Benefits payments		5,332,855
Administrative expenses		39,705
Total deductions		5,372,560
NET DECREASE IN NET POSITION		(5,749,044)
NET POSITION - RESTRICTED FOR PENSION BENEFITS		
BEGINNING OF PERIOD		35,924,045
END OF PERIOD	$	30,175,001

See accompanying notes to financial statements.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

1. Plan Description

The following brief description of the East Jefferson General Hospital Retirement Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Reporting Entity

The Plan operates under the jurisdiction of the Parish Council of Jefferson Parish, Louisiana (the Parish) as Jefferson Parish Hospital Service District No. 2 (the Service District). A Louisiana Attorney General opinion empowers hospital service districts to create pension plans for officers and employees and to fund the plan with district funds, see R.S. 46:1068. The Parish acts as the board for the Plan since there are no current board members of the Service District. As such, the Plan is considered a component unit of the Jefferson Parish Government and is reported as a fiduciary fund.

General

The Plan is a single-employer, non-contributory, defined benefit public employee retirement system. The Plan covers certain former employees of East Jefferson General Hospital (the Employer) who meet certain length of service requirements and is funded through employer contributions and investment earnings.

All full-time employees hired or re-hired prior to January 1, 2005 who are at least age 21 with at least one year of credited service are eligible to participate in the Defined Benefit Retirement Plan (the "Plan"). Plan benefits vest after 5 years of credited service. Employees who retire at, or after, age 62 with 5 years of credited service are entitled to an annual retirement benefit, payable monthly for life, unless the present value amount of accumulated benefits are under $15,000. In these instances, the employer has the option to distribute benefits to the employee in a lump sum payment. The Plan also provides early retirement benefits at reduced amounts at age 55 with 10 years of service. The Plan also provides death benefits depending upon the payment option elected. This benefit provision and all other requirements are established by the Plan. In January 2005, a resolution was adopted to freeze the Plan effective April 1, 2005. Non-vested employees hired prior to January 1, 2005 will continue to vest in the Plan, pending continual employment through the vesting date.

Effective April 22, 2020, the plan was amended to offer a lump-sum window program in a phased approach to certain Plan participants. Phase one was offered to participants who were actively employed by the Employer who were at least the age of 59 ½. Phase two was offered to vested terminated participants regardless of age.

The phase one window was offered to employees to make a one-time election to immediately commence payment of their vested accrued benefit in one of the following manners: (1) lump sum, (2) life annuity, (3) 10 certain life, and if married, (4) 50% joint survivor, 75% joint survivor, or 100% joint survivor, and (5) no election.

1. <u>Plan Description</u> (continued)

<u>General</u> (continued)

The phase two window was offered to employees to make a one-time election dependent on age. If the participant was under the age of 55 or greater than the age of 55 but did not meet early retirement eligibility the participant could elect (1) lump sum distribution, (2) life annuity, or (3) no election. For the participants under 55 with an accrued vested benefit under $15,000, the lump sum option was the only available option. For participants that were over the age of 55 and met early retirement edibility the participant could elect (1) lump sum, (2) life annuity, (3) 10 certain life, and if married, (4) 50% joint survivor, 75% joint survivor, or 100% joint survivor, and (5) no election. The immediate lump-sum payment was the only option offered for participants over the age of 55 and met early retirement eligibility with an accrued benefit less than $15,000.

Participants for both phases who did not submit a valid election form during the phase windows were subject to normal provisions of the Plan regarding the timing and commencement of benefit payments and optional forms of benefit distribution.

<u>Plan Termination</u>

Effective October 1, 2020, LCMC Health acquired East Jefferson General Hospital from the Service District; however, the Plan remained with the Service District. Beginning on October 1, 2020, the Service District no longer had employees. On December 30, 2020, the Form 5310 application was submitted to the IRS to formally request the qualified status of the Plan regarding the termination. On October 15, 2021, the IRS issued a favorable determination letter.

<u>Plan Administrator</u>

The Service District has engaged third parties to provide actuarial services, consulting services, investment services, and to assist with certain administrative functions of the Plan.

<u>Plan Membership</u>

At December 31, 2021, the Plan's membership consisted of:

	2021
Active employees	-
Retirees and beneficiaries currently receiving benefits	1,136
Terminated employees entitled to but not yet receiving benefits	1,200
Total plan membership	2,336

1. **Plan Description** (continued)

Retirement Benefits

The annual benefit at normal retirement will be equal to the benefit accrued through December 31, 1988 under the previous Plan formula plus, for each year after 1988, benefits accrued under a new formula. Under the formula, benefits accrued at 0.75% of participant's annual pay up to a designated "breakpoint" and at 0.5% of annual pay in excess of the breakpoint.

Benefits ceased to accrue effective April 1, 2005 with the freezing of the Plan as of that date.

The benefits fully vested after five credited years of employment with the Hospital (counting all prior service). Prior service counts for vesting purposes for terminated employees rehired within five years that were not fully vested at termination. 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.

Survivor 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 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 funding policy of the Plan provides for periodic employer contributions at actuarially determined rates that are sufficient to pay benefits when due. The actuarially determined contributions for year ended December 31, 2021, was $3,191,340; however, due to the termination of the Plan, there was no contribution received for the year ended December 31, 2021

Tax Qualification

The Plan is a tax qualified plan under IRS Code Section 414(d).

2. **Summary of Significant Accounting and Financial Reporting Policies**

The financial statement is presented in accordance with standards established by the Governmental Accounting Standards Board (GASB).

2. Summary of Significant Accounting and Financial Reporting Policies (continued)

Basis of Accounting

The Plans' financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred. Employer contributions are recorded in the period in which the actuarial determined contribution is appropriated. The Plan on longer has employees as of October 1, 2020. Administrative expenses are funded from investment earnings. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans.

Investments

The Plans' policy in regard to the allocation of invested assets is established and may be amended by the District; however, the Parish Council acts in the capacity of the District as of October 1, 2020. It is the policy to pursue an investment strategy that balances return of current income and growth of principal. The assets of the Plan are invested in US government or corporate bonds, mutual fund and an investment in partnership managed by an investment manager and held by a custodian in a trust account. Investments are reported at fair value. Investments that do not have an established market value are reported at estimated fair value as determined by the Plan based on net asset value.

The following is the Plan's adopted asset allocation policy as of December 31, 2021:

Asset Class	Minimum	Policy Target	Maximum
Large Cap Equities	0.0%	35.0%	45.0%
Small/Mid Cap Equities	0.0%	10.0%	18.0%
International Equities	0.0%	17.0%	24.0%
Fixed Income	0.0%	32.0%	100.0%
Real Estate	0.0%	6.0%	10.0%

Dividend income and interest are recognized when earned.

Investment and Administrative Expenses

All investment, administrative, and professional services expenses of the Plan are paid by the Plan.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America 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.

3. Cash Equivalents and Investments

The Plan consisted of $228,550 of cash equivalents and $29,844,759 of investments at December 31, 2021.

Hospital Service Districts are authorized under Louisiana R.S. 46:1068 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. At December 31, 2021, the Plan's investments, except the investment in partnership, were held by custodian trustee, and a separate investment manager contracted to manage the investments.

Fair Value Measurements

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the investment. Level 1 inputs are quoted market prices in active markets; Level 2 inputs are other significant observable inputs; and Level 3 are significant unobservable inputs. As an alternative, accounting principles allow investments with fair value measured at net asset value per share (or its equivalent) to be separately reported and not included in a hierarchy level. The Plan has the following recurring fair value measurements as of December 31, 2021:

	December 31, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments Measured at Fair Value			
Debt securities			
Mutual funds - fixed income	$ 11,465,955	$ 11,465,955	$ -
US government obligations	12,879,437	-	12,879,437
Corporate bonds	5,478,276	-	5,478,276
Total Investments Measured at Fair Value	$ 29,823,668	$ 11,465,955	$ 18,357,713
Investments Measured at Net Asset Value (NAV)			
Investment in partnership	21,091		
Total Investments Measured at NAV	21,091		
Total Investments	$ 29,844,759		

3. Cash Equivalents and Investments (continued)

Fair Value Measurements (continued)

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using observable inputs, either directly or indirectly, for those securities.

The were no unfunded commitments and redemption frequency and notice period were quarterly and 90 days, respectively for investments measured at the net asset value (NAV) per share (or its equivalent) as of December 31, 2021.

Investments in Partnerships

As of December 31, 2021, the Plan was invested in Equitas Evergreen Fund, L.P., which had a net asset value of $21,091. This fund's strategy is to achieve consistent absolute returns in a variety of market environments, with substantially less volatility than global equity markets generally, by diversifying investments across Managers.

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. In order to achieve a prudent level of portfolio diversification, the Plan's investment policy seeks to maintain diversification within the portfolio. To achieve an appropriate level of expected return, value-added potential, and risk, the Plan followed the asset allocation ranges below as of December 31, 2021.

	Percent of Total Fund Allocation	
	Minimum	**Maximum**
Large Cap Equities	0.0%	45.0%
Small/Mid Cap Equities	0.0%	18.0%
International Equities	0.0%	24.0%
Fixed Income	0.0%	100.0%
Real Estate	0.0%	10.0%
Absolute Return Funds	0.0%	0.0%

3. Cash Equivalents and Investments (continued)

Credit Risk

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan has no formal investment policy regarding credit risk. In preparing this report, credit risk associated with all fixed income holdings has been included. The Plan's exposure to credit risk as of December 31, 2021, based on Standard and Poor's, and Morningstar's ratings or US Government unrated or not subject to ratings are as follows:

Rating	Fair Value 2021
Standards & Poor's	
AA+	$ -
AA	366,570
A+	-
A	-
A-	1,307,071
BBB+	2,980,723
BBB	446,302
BBB-	377,610
	5,478,276
Morningstar	
4 Star	11,465,955
US Government - Unrated	12,879,437
	$ 29,823,668

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All the investments of the Plan were held in the name of the Plan at December 31, 2021, and are held by its custodian separately from the other custodian's assets and would not be adversely affected if the custodian were placed in receivership.

Interest Rate Risk

Interest rate risk is defined as the risk that changes in market interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Plan has no formal investment policy regarding interest rate risk.

3. Cash Equivalents and Investments (continued)

As of December 31, 2021, the Plan had the following debt investments and maturities:

		Investment Maturities (in Years)	
Type	**Fair Value 2021**	**Less Than 1**	**1 - 5**
Corporate Bonds	$ 5,478,276	$ 444,947	$ 5,033,329
US Government Obligations	12,879,437	3,919,369	8,960,068
Fixed Income Mutual Fund	11,465,955	11,465,955	-
Total Fixed Income	**$ 29,823,668**	**$ 15,830,271**	**$ 13,993,397**

Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return on defined benefit plan investments, net of pension plan investment expense, was -1.07%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Cash Equivalents

The cash equivalents totaling $228,550 at December 31, 2021, 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 custodian's trust department.

4. Net Pension Liability of Jefferson Parish Hospital Service District No. 2

The components of the net pension liability of the Service District as of December 31, 2021, are as follows:

	2021
Total pension liability	$ 83,988,179
Plan fiduciary net position	30,175,001
East Jefferson General Hospital's net pension liability	$ 53,813,178
Plan fiduciary net position as a percentage of the total pension liability	35.93%

4. Net Pension Liability of Jefferson Parish Hospital Service District No. 2 (continued)

Actuarial Assumptions

Actuarial valuations involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Actuarially determined amounts regarding net pension liability are subject to continual revision as actual results are compared to past expectations, and new estimates are made about the future. However, the December 31, 2021 valuation was prepared and calculated using a plan termination approach under the assumption the Plan would terminate within the following year.

The total pension liability as of December 31, 2021, is based on an actuarial valuation for the same period, updated using generally accepted actuarial procedures. The pension liability was determined by an actuarial valuation using the following actuarial assumptions:

Plan Period	**2021 ****
Valuation Date	**12/31/2021**
Investment rate of return	7.0%
Inflation	2.2%
Salary increases	N/A *
Mortality rates	PRI-2012 Total Employee/Retiree mortality table, with mortality improvement based on projection scale MP-2020 (retirees and beneficiaries in pay status); 1971 Group Annuity Mortality Table blended 25% male and 75% female (vested terminated participants)

* As described in Note 1, Jefferson Parish Hospital Service District No. 2 has no employees effective October 1, 2020. As a result, no salary increases are projected.

** 2021 report prepared with assumption of the plan to terminate during 2022. Pension liability estimated to be expected liability for the termination of the plan.

As the December 31, 2021, valuation report was prepared under the assumption of the plan terminating, anticipating lump sum distributions along with an annuity purchase for retirees not electing a lump sum, the long-term expected rates of return for the various asset classes have no bearing on the discount rate that was used.

4. Net Pension Liability of Jefferson Parish Hospital Service District No. 2 (continued)

Actuarial Assumptions (continued)

Discount Rate

For year-ended December 31, 2021, the basis used to determine the discount rate reflects the value measured as of December 31, 2021 of expected lump sum distributions and annuity purchases for the plan participant group. Lump sums will be distributed to all vested terminated participants and have been valued as of December 31, 2021 in accordance with the actuarial equivalent plan definition: interest at 7.00% per annum and mortality using the 1971 Group Annuity Mortality Table blended 25% male and 75% female. Retirees and beneficiaries in pay status will be offered the choice between a lump sum distribution and a guaranteed annuity. The plan termination liability as of December 31, 2021 for this group has been weighted to assume annuities will be elected for 65% of the group and lump sum distributions for the remaining 35%. Annuities have been estimated on a current market basis by using a discount rate of 2.42% developed based on the FTSE Pension Discount Curve as of December 31, 2021 applied to the expected future benefit payments for the retiree group, along with the applicable mortality rates. Lump sums have been valued in accordance with the actuarial equivalent plan definition noted above for vested terminated participants.

Sensitivity of the Net Pension Liability to Change in the Discount Rate

The sensitivity of the Net Pension Liability to Change in the Discount Rate is not applicable to the December 31, 2021, valuation as it was prepared with the assumption the Plan was terminating during 2022.

5. Subsequent Events

As the Plan received a favorable determination letter from the IRS in October 2021, steps have been taken by the Plan Sponsor to settle all Plan obligations in 2022 through lump sum distributions and annuity purchases to effectively terminate the plan during fiscal year 2022.

Subsequent to the year ended December 31, 2021, the Plan contracted with an insurer to purchase a Single Premium Group Annuity Contract (GAC) on the remaining participants who made the annuity election, effective March 9, 2022, to fully guarantee the benefits or the remaining participants. To fund the annuity purchase and proceed with the Plan termination, the Service District contributed approximately $52.9 million to the Plan between March and April 2022. The payment of benefits under the GAC with the insurer began May 1, 2022. All participants who did not elect an annuity or lump sum payment were transferred to over to an Individual Retirement Account managed by trust company.

REQUIRED SUPPLEMENTARY INFORMATION

EAST JEFFERSON GENERAL HOSPITAL RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF NET PENSION LIABILITY
LAST 9 YEARS

Fiscal year ended December 31	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a % of Total Pension Liability	Covered Payroll		Net Pension Liability (Asset) as a % of Covered Payroll
12/30/2021	$ 83,988,179	$ 30,175,001	$ 53,813,178	35.93%	N/A	*	N/A
12/31/2020 [1]	72,526,589	35,924,045	36,602,544	49.53%	N/A	*	N/A
9/30/2020	73,262,981	37,693,788	35,569,193	51.45%	N/A	*	N/A
12/31/2019	83,714,888	51,714,254	32,000,634	61.77%	20,731,885		154.4%
12/31/2018	81,073,642	45,138,742	35,934,900	55.68%	23,047,697		155.9%
12/31/2017	80,727,672	49,942,792	30,784,880	61.87%	24,032,433		128.1%
12/31/2016	80,409,889	45,183,153	35,226,736	56.19%	26,891,000		131.0%
12/31/2015	75,869,220	43,921,902	31,947,318	57.89%	33,150,184		96.4%
12/31/2014	74,758,328	45,637,344	29,120,984	61.05%	35,666,374		81.6%
12/31/2013	73,504,221	43,877,027	29,627,194	59.69%	40,725,802		72.7%

Note to Schedule:
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available

* The Hospital has no active employees effective October 1, 2020

[1] December 31, 2020, includes activity for three months from Ocotober 1, 2020 through December 31, 2020

EAST JEFFERSON GENERAL HOSPITAL RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
LAST 8 YEARS

	Year ended December 31, 2021	3 Months Period ended December 31, 2020	9 Month Period ended September 30, 2020	Year ended December 31, 2019	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016	Year ended December 31, 2015	Year ended December 31, 2014
Total Pension Liability									
Service cost	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest on total pension liability	4,893,368	1,233,032	3,963,249	5,684,898	5,477,864	5,462,102	5,428,629	5,456,932	5,372,794
Effect of plan changes	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	-	1,697,672	(612,540)	(186,959)	(386,811)	(395,081)	(347,572)	(384,755)
Effect of assumption changes or inputs	11,901,077	-	(764,286)	2,785,652	-	-	3,858,117	-	-
Benefit payments	(5,332,855)	(1,969,424)	(15,348,542)	(5,216,764)	(4,944,935)	(4,757,508)	(4,350,996)	(3,998,468)	(3,733,932)
Net change in total pension liability	11,461,590	(736,392)	(10,451,907)	2,641,246	345,970	317,783	4,540,669	1,110,892	1,254,107
Total pension liability, beginning	72,526,589	73,262,981	83,714,888	81,073,642	80,727,672	80,409,889	75,869,220	74,758,328	73,504,221
Total pension liability, ending (a)	$ 83,988,179	$ 72,526,589	$ 73,262,981	$ 83,714,888	$ 81,073,642	$ 80,727,672	$ 80,409,889	$ 75,869,220	$ 74,758,328
Plan Fiduciary Net Position									
Employer contributions	$ -	$ -	$ 2,651,344	$ 2,937,614	2,480,111	2,801,979	2,815,274	$ 2,499,752	$ 2,506,300
Investment income net of investment expenses	(376,484)	227,940	(1,261,598)	8,921,212	(2,280,606)	6,773,739	2,851,414	(162,396)	3,051,945
Benefit payments	(5,332,855)	(1,969,424)	(15,348,542)	(5,216,764)	(4,944,935)	(4,757,508)	(4,350,996)	(3,998,468)	(3,733,932)
Administrative expenses	(39,705)	(28,259)	(61,670)	(66,550)	(58,620)	(58,571)	(54,441)	(54,330)	(63,996)
Net change in plan fiduciary net position	$ (5,749,044)	$ (1,769,743)	$ (14,020,466)	$ 6,575,512	$ (4,804,050)	$ 4,759,639	$ 1,261,251	$ (1,715,442)	$ 1,760,317
Plan fiduciary net position, beginning	35,924,045	37,693,788	51,714,254	45,138,742	49,942,792	45,183,153	43,921,902	45,637,344	43,877,027
Plan fiduciary net position, ending (b)	$ 30,175,001	$ 35,924,045	$ 37,693,788	$ 51,714,254	$ 45,138,742	$ 49,942,792	$ 45,183,153	$ 43,921,902	$ 45,637,344
WJMC's net pension liability, ending = (a) - (b)	$ 53,813,178	$ 36,602,544	$ 35,569,193	$ 32,000,634	$ 35,934,900	$ 30,784,880	$ 35,226,736	$ 31,947,318	$ 29,120,984
Plan fiduciary net position as a % of total pension liability	35.93%	49.53%	51.45%	61.77%	55.68%	61.87%	56.19%	57.89%	61.05%
Covered payroll *	N/A	N/A	N/A	$ 20,731,885	$ 23,047,697	$ 24,032,433	$ 26,891,000	$ 33,150,184	$ 35,666,374
WJMC's net pension liability as a % of covered payroll *	N/A	N/A	N/A	154.4%	155.9%	128.1%	131.0%	96.4%	81.6%

Notes to Schedule:
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

* The Hospital has no active employees effective October 1, 2020.

EAST JEFFERSON GENERAL HOSPITAL RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST 10 YEARS

For the Periods Ending	Actuarially Determined Contribution	Contributions in Relation to the Actuarial Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
12/31/2021	$ 3,191,340	$ -	$ 3,191,340	N/A *	N/A
12/31/2020	-	-	-	N/A *	N/A
9/30/2020	2,651,344	2,651,344	-	N/A *	N/A
12/31/2019	2,937,614	2,937,614	-	20,731,885	14.17%
12/31/2018	2,480,111	2,480,111 *	-	23,047,697	10.76%
12/31/2017	2,801,979	2,801,979	-	24,032,433	11.66%
12/31/2016	2,815,274	2,815,274	-	26,891,000	10.47%
12/31/2015	2,462,649	2,499,752	(37,103)	33,150,184	7.43%
12/31/2014	2,606,300	2,606,300	-	35,666,374	7.31%
12/31/2013	2,792,819	2,792,819	-	40,725,802	6.86%
12/31/2012	3,046,895	3,046,895	-	46,621,480	6.54%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

* The Hospital has no active employees effective October 1, 2020.

EAST JEFFERSON GENERAL HOSPITAL RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
FOR THE YEAR ENDED DECEMBER 31, 2021

For the Periods Ending		Net Money-Weighted Rate of Return
December 31, 2021	*	-1.07%
December 31, 2020	*	0.59%
September 30, 2020	*	-2.88%
December 31, 2019		20.62%
December 31, 2018		-4.85%
December 31, 2017		15.78%
December 31, 2016		6.78%
December 31, 2015		-0.33%
December 31, 2014		6.94%

Notes to Schedule:
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

* The Hospital has no active employees effective October 1, 2020.

1. Factors that significantly affect trends in amounts reported

For the periods presented, there were no changes of benefit terms or changes in the size or composition of the population covered by the benefit terms which significantly affect trends in the amounts reported.

In February 2016, the Board approved reducing the discount rate for the defined benefit retirement plan by 0.5% to a 7.0% rate. The adoption of this rate was retroactive to January 1, 2016.

2. Changes of Assumptions

For the Plan for the valuation period ended December 31, 2021, discount rates and mortality rates have been changed to the assumptions described below based on the calculation being performed on the plan termination basis.

3. Method and assumptions used in calculations of actuarially determined contributions

The information presented in the required supplementary schedules was used in the actuarial valuation for purposes of determining the actuarially determined contribution and the total pension liability. The following actuarially determined methods and assumptions were used to determine contribution rates reported for the year ended December 31, 2021.

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuation method	Fair value
Inflation	2.20%
Salary increases	N/A as a frozen plan
Discount rate	Retirees and beneficiaries in pay status – Annuities have been estimated on a current market basis by using a discount rate of 2.42%; Lump sums – 7.0%
Investment rate of return	7.0% per annum, compounded annually, net of investment expenses
Mortality	Retirees and beneficiaries in pay status – PRl-2012 Total Employee/Retiree mortality table, with mortality improvement based on projection scale MP-2020; Lump sums – 1971 Group Annuity Mortality Table blended 25% male and 75% female

SUPPLEMENTARY INFORMATION

EAST JEFFERSON GENERAL HOSPITAL RETIREMENT PLAN
SCHEDULE OF COMPENSATION PAID TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2021

Note: Effective October 1, 2020, Jefferson Parish Hospital Service District No. 2 (the Service District) had no employees. The governing body of the Service District is the Jefferson Parish Council. The East Jefferson General Hospital Retirement Plan did not make any payments to or on behalf of the Parish President or any other employees of Jefferson Parish or members of Jefferson Parish Council for the year end December 31, 2021.

See independent auditor's report.

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

Members of the Parish Council
Jefferson Parish, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the East Jefferson General Hospital Retirement Plan (the Plan), a component unit of Jefferson Parish Government, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements, and have issued our report thereon dated June 30, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plan'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 Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan'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 Plan's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2021-001 that we consider to be a significant deficiency.

Postlethwaite & Netterville

Report on Compliance and Other Matters

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

East Jefferson General Hospital Retirement Plan's Response to Findings

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

Purpose of this Report

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

Postlethwaite & Netterville

Metairie, Louisiana
June 30, 2022

A. Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

• Material weakness(es) identified?	_______ yes	___x___ no
• Significant deficiencies identified that are not considered to be material weaknesses?	___x___ yes	_______ none
Noncompliance material to financial statements noted?	_______ yes	___x___ no

B. Findings – Financial Statement Audit

2021 – 001) **Benefit Payments**

Criteria: The amount paid to a Plan participant should only be the amount calculated as benefit either as a lump sum payment or benefit payment as retiree depending on the participant's circumstances and elections made.

Condition(s): Our audit test over the accuracy of benefit payments showed one participant out of 25 tested who elected to receive a lump sum payment of $8,466 received five payments totaling $42,330 instead. Three of these payments, or a total of $25,398, was paid as of December 31, 2020, while two payments, or a total of $16,932, was paid as of December 31, 2021. The participant was overpaid a total of $33,864.

Cause: The participant elected a lump sum payment; however, the payment was set up as a recurring monthly payment instead of a one-time payment. Internal controls over the set up and processing of this transaction did not identify that recuring payments were set up instead of a one-time lump sum payment.

Effect: The Plan overpaid the participant $33,864.

Recommendation: We recommend for those administrating the Plan to review the internal controls over processing of benefit payments to identify the reasons which resulted in the beneficiary being paid five payments instead of one. In addition, we recommend for the Plan to consult with legal counsel to take steps to recover the overpayment.

Repeat Finding: No

B. Findings – Financial Statement Audit (continued)

2021-001) Benefit Payments (continued)

View of Responsible Official:

The overpayments to the one participant, out of 25 tested, were processed by a contracted Third Party Administrator of the Plan. The Plan agrees with the Recommendation.