
EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2022

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT PLAN

FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

Members of the Parish Council
Jefferson Parish, Louisiana

Report on the Audit of the Financial Statements

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, 2022, 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, 2022, 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.

Emphasis of Matters

As more fully disclosed in Note 1 and Note 6, the Plan completed executing its termination plan after a favorable IRS determination letter to terminate the Plan was received on October 15, 2021. During the fiscal year ended December 31, 2022, all plan retiree/beneficiary obligations were settled through either lump sum distributions or annuity purchase, resulting in no plan participants remaining and the net pension liability was eliminated. The remaining assets are expected to be disbursed through liability payments during 2023. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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



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.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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.

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 15, 2023, 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 15, 2023

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 years ended December 31, 2022 and 2021. 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, 2022.
- The Statement of Changes in Fiduciary Net Position report the results of the Plan's operations for the year ended December 31, 2022, 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 had the option to select an annuity or a receive a lump sum distribution. If neither option was selected, the funds were to be deposited into an IRA in the participant's name. All plan retiree/beneficiary obligations were settled through either lump sum distributions or annuity purchase, resulting in no plan participants remaining and the net pension liability was eliminated.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT PLAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE PLAN

Condensed Statements of Fiduciary Net Position

| | <u>12/31/2022</u> | <u>12/31/2021</u> | <u>Increase/ (Decrease)</u> | <u>Percentage Change</u> |
|---------------------------|-------------------|-------------------|---------------------------------|------------------------------|
| Cash and cash equivalents | \$ 322,474 | \$ 228,550 | \$ 93,924 | 41.1% |
| Investments | - | 29,844,759 | (29,844,759) | -100.0% |
| Receivables | 1,035 | 125,327 | (124,292) | -99.2% |
| Total assets | 323,509 | 30,198,636 | (29,875,127) | -98.9% |
| Total liabilities | 323,509 | 23,635 | 299,874 | 1268.8% |
| Net position | \$ - | \$ 30,175,001 | \$ (30,175,001) | -100.0% |

The Plan's investments consisted primarily of debt security funds, including, corporate bonds, U.S. government obligations and a fixed income mutual fund, which decreased by \$29,844,759 due to all investments required to be liquidated to provide the cash necessary to complete the plan termination. Liabilities increased by \$299,874 which represents accrual of excess contributions received that are due back to the Jefferson Parish Hospital Service District No. 2 fund maintained by Jefferson Parish and administrative expenses.

Condensed Statements of Changes in Fiduciary Net Position

| | <u>12/31/2022</u> | <u>12/31/2021</u> | <u>Increase/ (Decrease)</u> | <u>Percentage Change</u> |
|-----------------------------------|-------------------|-------------------|---------------------------------|------------------------------|
| Additions (reductions): | | | | |
| Contributions | \$ 52,527,212 | \$ - | \$ 52,527,212 | 100.0% |
| Investment income (loss) | (542,689) | (288,679) | (254,010) | 88.0% |
| Less: Advisory fees | - | (87,805) | 87,805 | -100.0% |
| Other income | 714 | - | 714 | 0.0% |
| Total additions (reductions) | 51,985,237 | (376,484) | 52,361,007 | 13907.9% |
| Deductions: | | | | |
| Benefit payments | 33,536,353 | 5,332,855 | 28,203,498 | 528.9% |
| Annuity purchases | 48,590,979 | - | 48,590,979 | 0.0% |
| Administrative expenses | 32,906 | 39,705 | (6,799) | -17.1% |
| Total deductions | 82,160,238 | 5,372,560 | 76,787,678 | 1429.3% |
| Decrease in net position | (30,175,001) | (5,749,044) | (24,425,957) | 424.9% |
| Net position, beginning of period | 30,175,001 | 35,924,045 | (5,749,044) | -16.0% |
| Net position, end of period | \$ - | \$ 30,175,001 | \$ (30,175,001) | -100.0% |

**EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT PLAN**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The net position held in trust for Plan decreased by \$30,175,001 during the year ended December 31, 2022 and totaled \$0 as of December 31, 2022. The decrease was the result of the Plan termination that was funded with proceeds from the liquidation of investments along with contributions from Jefferson Parish Council's Hospital Service District No. 2 Fund of \$52,527,212.

INVESTMENTS

The Plan liquidated its investments during 2022 to provide the cash necessary to complete the termination. Total investments as of December 31, 2022 amounted to \$0 as compared to \$29,844,759 as of December 31, 2021, which is a decrease of \$29,844,759.

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, 2022

| | |
|---|--------------------|
| ASSETS: | |
| Cash and cash equivalents | \$ 322,474 |
| Accrued interest and dividends | <u>1,035</u> |
| Total assets | 323,509 |
| LIABILITIES: | |
| Accrued expenses | <u>323,509</u> |
| Total liabilities | <u>323,509</u> |
| NET POSITION - RESTRICTED FOR PENSION BENEFITS | <u><u>\$ -</u></u> |

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, 2022**

| | |
|--|--------------------|
| ADDITIONS: | |
| Employer contribution | \$ 52,527,212 |
| Investment income (loss): | |
| Net appreciation of investments | 243,608 |
| Dividends and interest income | 48,450 |
| Realized loss from sale of investments | (834,747) |
| Net investment loss | <u>(542,689)</u> |
| Other income | <u>714</u> |
| Total additions | <u>51,985,237</u> |
| DEDUCTIONS: | |
| Benefits payments | 33,536,353 |
| Annuity purchases | 48,590,979 |
| Administrative expenses | <u>32,906</u> |
| Total deductions | <u>82,160,238</u> |
| NET DECREASE IN NET POSITION | (30,175,001) |
| NET POSITION - RESTRICTED FOR PENSION BENEFITS | |
| BEGINNING OF PERIOD | <u>30,175,001</u> |
| END OF PERIOD | <u><u>\$ -</u></u> |

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.

**EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS**

1. Plan Description (continued)

General (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.

Plan Termination

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.

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 were provided the option to select an annuity or a receive a lump sum distribution. If neither option was selected, the funds were deposited into an IRA in the participant's name. During the fiscal year ended December 31, 2022, all plan retiree/beneficiary obligations were settled through either lump sum distributions or annuity purchase, resulting in no plan participants remaining and the net pension liability was eliminated. The remaining assets are expected to be disbursed through liability payments during 2023.

Plan Administrator

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.

Plan Membership

As of December 31, 2022, the Plan had no members due to the completion of the Plan termination.

**EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS**

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. Due to the termination of the Plan in 2022, the actuarially determined contributions for year ended December 31, 2022, was \$52,526,712 and contributions received were \$52,527,212 for the year ended December 31, 2022.

Tax Qualification

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

**EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS**

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).

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 no 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.

Investment Income

Dividend income and interest are recognized when earned. Investment fair value is adjusted as net appreciation (depreciation) of investment during the year. Gains or losses on disposition of investments is recorded as realized gains (losses) during the year.

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 \$322,474 of cash equivalents and no of investments as of December 31, 2022.

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. During 2022, the Plan's investments, except the investment in partnership, were held by custodian trustee, and a separate investment manager contracted to manage the investments.

As of December 31, 2022, the Plan had no investments due to the completion of the Plan termination.

**EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS**

3. Cash Equivalents and Investments (continued)

Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return on defined benefit plan investments, net of pension plan investment expense, was -3.39%. 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 \$322,474 as of December 31, 2022, 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 net pension liability of the Service District is \$0 as of December 31, 2022, due to the Plan being terminated and all plan retiree/beneficiary obligations being settled through either lump sum distributions or annuity purchase, resulting in no plan participants remaining.

5. Accrued Expenses

As of December 31, 2022, accrued expenses reported by the Plan includes the following:

| | <u>Balance</u> |
|---|-------------------|
| Due to Jefferson Parish Hospital Service District No. 2 | \$ 323,009 |
| Custodial fee payable | <u>500</u> |
| Accrued expenses | <u>\$ 323,509</u> |

The balance due to the Service District represents contribution in excess of what was necessary to complete the plan termination and settle all obligations due to plan retirees and beneficiaries.

6. Going Concern

Due to completion of the Plan Termination and settling all obligations due to plan retirees and beneficiaries as described in Note 1, the Plan no longer has a purpose for continuing operations. The Plan is not expected to have assets remaining after settling the liabilities as of December 31, 2022. Therefore, the Plan is not expected to continue as a going concern for twelve months beyond the financial statement date.

REQUIRED SUPPLEMENTARY INFORMATION

**EAST JEFFERSON GENERAL HOSPITAL RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF NET PENSION LIABILITY
LAST 10 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 |
|----------------------------------|----------------------------|--------------------------------|-------------------------------------|--|--------------------|---|
| 12/30/2022 | \$ - | \$ - | \$ - | 0.00% | N/A | N/A |
| 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 October 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 9 YEARS**

| | Year ended December 31, 2022 | 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 | 438,500 | 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 | (2,299,347) | 11,901,077 | - | (764,286) | 2,785,652 | - | - | 3,858,117 | - | - |
| Benefit payments | (33,536,353) | (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) |
| Annuity purchases | (48,590,979) | - | - | - | - | - | - | - | - | - |
| Net change in total pension liability | (83,988,179) | 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 | 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 | 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 | \$ 52,527,212 | \$ - | \$ - | \$ 2,651,344 | \$ 2,937,614 | 2,480,111 | 2,801,979 | 2,815,274 | \$ 2,499,752 | \$ 2,506,300 |
| Annuity purchases | (48,590,979) | - | - | - | - | - | - | - | - | - |
| Investment income net of investment expenses | (542,689) | (376,484) | 227,940 | (1,261,598) | \$,921,212 | (2,280,606) | 6,773,739 | 2,851,414 | (162,396) | 3,051,945 |
| Benefit payments | (33,536,353) | (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) |
| Other income | 714 | - | - | - | - | - | - | - | - | - |
| Administrative expenses | (32,906) | (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 | \$ (30,175,001) | \$ (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 | 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 | 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 | 0.00% | 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 | 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 | 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 |
|------------------------------|---|--|--|--------------------|--|
| 12/31/2022 | \$ 52,526,712 | \$ 52,527,212 | \$ (500) | N/A | * |
| 12/31/2021 | 3,191,340 | - | 3,191,340 | N/A | * |
| 12/31/2020 | - | - | - | N/A | * |
| 9/30/2020 | 2,651,344 | 2,651,344 | - | 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% |

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, 2022**

| <u>For the Periods Ending</u> | | <u>Net Money-Weighted Rate of Return</u> |
|-------------------------------|---|--|
| December 31, 2022 | * | -3.39% |
| 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% |
| December 31, 2013 | | 0.00% |

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 RETIRMENT PLAN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

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.

For the 2022 plan year, all plan obligations have been settled through lump sum distributions and annuity purchases. The long-term expected rate of return on assets assumption was lowered to 0.0% effective for the plan year beginning January 1, 2022 to reflect the immediate liquidity needed to close out the plan in 2022.

2. Changes of Assumptions

For the Plan for the valuation period ended December 31, 2022, all plan obligations have been settled. The long-term rate of return on assets assumption was lowered to 0.0% effective for the plan year beginning January 1, 2022 to reflect the immediate liquidity needs to close out the Plan in 2022.

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, 2022.

| | |
|-------------------------------|--|
| 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 – 0.0% |
| Investment rate of return | 0.0% per annum, compounded annually, net of investment expenses |

**EAST JEFFERSON GENERAL HOSPITAL RETIRMENT PLAN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

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

Mortality

PRI-2012 Total Employee/Retiree mortality table for males and females, with mortality improvement based on projection scale MP-2020 for the 9/30/2020 actuarial valuation, updated as indicated above for the 12/31/2021 actuarial valuation determined on a plan termination basis.

SUPPLEMENTARY INFORMATION

**EAST JEFFERSON GENERAL HOSPITAL RETIREMENT PLAN
SCHEDULE OF COMPENSATION PAID TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2022**

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, 2022.

See independent auditor's report.

**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, 2022, 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 15, 2023.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

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 15, 2023

**EAST JEFFERSON GENERAL HOSPITAL RETIREMENT PLAN
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
DECEMBER 31, 2022**

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.

EJGH
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, 2022. 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 recurring 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 administering 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

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.

Current year status: The Plan and the Participant settled this matter during 2022.