

**RETIREMENT PLAN FOR THE EMPLOYEES OF  
WEST JEFFERSON MEDICAL CENTER**

**FINANCIAL STATEMENTS**

**December 31, 2019 and 2018**



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**RETIREMENT PLAN FOR THE EMPLOYEES OF WEST JEFFERSON MEDICAL CENTER**  
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**December 31, 2019 and 2018**

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**Report**



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## **INDEPENDENT AUDITORS' REPORT**

Members of the Parish Council  
Jefferson Parish, Louisiana

We have audited the accompanying financial statements of the Retirement Plan for Employees of West Jefferson Medical Center (the Plan), which comprise the statements of fiduciary net position as of December 31, 2019 and 2018, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of December 31, 2019 and 2018, and the changes in its fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *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.

### *Other Supplementary Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plan's basic financial statements. The other 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.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated June 25, 2020 on our consideration of the Plan's internal control over financial reporting and 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 controls 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.

*Caru, Riggs & Ingram, L.L.C.*

June 25, 2020



**Required Supplementary  
Information (Part I)**

**RETIREMENT PLAN FOR EMPLOYEES OF WEST JEFFERSON MEDICAL CENTER**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**December 31, 2019**

The Management’s Discussion and Analysis (MD&A) offers the readers of the Retirement Plan for Employees of West Jefferson Medical Center’s (the “Plan”) financial statements this narrative overview and analysis of the financial activities of the Plan as of December 31, 2019 and 2018. 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 three components:

- The Statements of Fiduciary Net Position report the Plan’s assets, liabilities, and resulting net position held in trust for pension benefits. These statements disclose the financial position of the Plan as of December 31, 2019 and 2018.
- The Statements of Changes in Fiduciary Net Position report the results of the Plan’s operations for the years ended December 31, 2019 and 2018, 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 Statements 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 are required schedules of historical trend information.

The Schedule of Net Pension Liability and the Schedule of Changes in Net Pension Liability and Related Ratios present sources of changes in the net pension liability and historical information about the components of the net pension liability and related ratios, including fiduciary net positions as a percentage of the total pension liability and the net pension liability as a percentage of covered employee payroll. The Schedule of Employer Contributions includes information about the actuarially determined contribution, contributions to the pension plan, and related ratios. Additionally, significant methods and assumptions used in calculating the actuarially determined contributions are presented in the Notes to the Required Supplementary Information. The Schedule of Investment Returns includes the annual money-weighted rate of return on pension plan investments for each year. These schedules provide information that contributes to understanding the changes in the funded status of the Plan over time.



**RETIREMENT PLAN FOR EMPLOYEES OF WEST JEFFERSON MEDICAL CENTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2019**

**FINANCIAL ANALYSIS OF THE PLAN – 2019**

**CONDENSED STATEMENTS OF FIDUCIARY NET POSITION**

	2019	2018	Increase (Decrease)	Increase (Decrease)
Cash and cash equivalents	\$ 2,845,226	\$ 2,227,975	\$ 617,251	27.7%
Accrued interest and dividends	23,002	16,026	6,976	43.5%
Investments	73,017,033	67,503,333	5,513,700	8.2%
<b>Total assets</b>	<b>75,885,261</b>	<b>69,747,334</b>	<b>6,137,927</b>	<b>8.8%</b>
<b>Total liabilities</b>	<b>161,659</b>	<b>93,467</b>	<b>68,192</b>	<b>73.0%</b>
<b>Total Net Position – Restricted for Pension Benefits</b>	<b>\$ 75,723,602</b>	<b>\$ 69,653,867</b>	<b>\$ 6,069,735</b>	<b>8.7%</b>

The Plan's investments consist primarily of fixed income and equity mutual funds, which increased by \$5,513,700 due to employer contributions and investment income exceeding benefit payments and administrative expenses. Liabilities increased due to timing of administrative fees.

**CONDENSED STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**

	2019	2018	Increase (Decrease)	Increase (Decrease)
<b>Additions:</b>				
Employer contributions	\$ 1,705,153	\$ 35,694,829	\$ (33,989,676)	(95.2%)
Investment income (loss)	13,449,857	(4,996,725)	18,446,582	369.2%
<b>Total additions</b>	<b>15,155,010</b>	<b>30,698,104</b>	<b>(15,543,094)</b>	<b>(50.6%)</b>
<b>Deductions:</b>				
Benefits	8,886,736	19,709,929	(10,823,193)	(54.9%)
Administrative expenses	198,539	763,563	(565,024)	(74.0%)
<b>Total deductions</b>	<b>9,085,275</b>	<b>20,473,492</b>	<b>(11,388,217)</b>	<b>(55.6%)</b>
<b>Change in net position</b>	<b>6,069,735</b>	<b>10,224,612</b>	<b>(4,154,877)</b>	<b>(40.6%)</b>
<b>Net position, beginning of year</b>	<b>69,653,867</b>	<b>59,429,255</b>	<b>10,224,612</b>	<b>17.2%</b>
<b>Total Net Position – Restricted for Pension Benefits</b>	<b>\$ 75,723,602</b>	<b>\$ 69,653,867</b>	<b>\$ 6,069,735</b>	<b>8.7%</b>

**RETIREMENT PLAN FOR EMPLOYEES OF WEST JEFFERSON MEDICAL CENTER  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
December 31, 2019**

The Plan’s Net Position – Restricted for Pension Benefits increased by \$6,069,735 during the year ended December 31, 2019 due to employer contributions and investment income exceeding benefit payments and administrative expenses. During the year ended December 31, 2019, investment income increased by \$18,446,582 due to the an increase in realized gains and the overall positive performance of the market. The Plan’s employer contributions and benefit payments decreased by \$33,989,676 and \$11,388,217, respectively, due to the fully funded status of the plan and the ending of the voluntary settlement program in 2018.

**FINANCIAL ANALYSIS OF THE PLAN - 2018**

**CONDENSED STATEMENTS OF FIDUCIARY NET POSITION**

	2018	2017	Increase (Decrease)	Increase (Decrease)
Cash and cash equivalents	\$ 2,227,975	\$ 2,293,322	\$ (65,347)	(2.8%)
Accrued interest and dividends	16,026	1,478	14,548	984.3%
Investments	67,503,333	57,242,875	10,260,458	17.9%
<b>Total assets</b>	<b>69,747,334</b>	<b>59,537,675</b>	<b>10,209,659</b>	<b>17.1%</b>
<b>Total liabilities</b>	<b>93,467</b>	<b>108,420</b>	<b>(14,953)</b>	<b>(-13.8%)</b>
<b>Total Net Position – Restricted for Pension Benefits</b>	<b>\$ 69,653,867</b>	<b>\$ 59,429,255</b>	<b>\$ 10,224,612</b>	<b>17.2%</b>

The Plan’s investments consist primarily of fixed income and equity mutual funds, which increased by \$10,260,458 due to employer contributions exceeding benefit payments, administrative expenses, and net investment losses. Liabilities decreased due to timing of administrative fees.

**RETIREMENT PLAN FOR EMPLOYEES OF WEST JEFFERSON MEDICAL CENTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2019**

**CONDENSED STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**

	2018	2017	Increase (Decrease)	Increase (Decrease)
<b>Additions:</b>				
Employer contributions	\$ 35,694,829	\$ 9,919,427	\$ 25,775,402	259.8%
Investment (loss) income	(4,996,725)	7,042,878	(12,039,603)	(170.9%)
<b>Total additions</b>	<b>30,698,104</b>	<b>16,962,305</b>	<b>13,735,799</b>	<b>81.0%</b>
<b>Deductions:</b>				
Benefits	19,709,929	8,838,804	10,871,125	123.0%
Administrative expenses	763,563	168,590	594,973	352.9%
<b>Total deductions</b>	<b>20,473,492</b>	<b>9,007,394</b>	<b>11,466,098</b>	<b>127.3%</b>
<b>Change in net position</b>	<b>10,224,612</b>	<b>7,954,911</b>	<b>2,269,701</b>	<b>28.5%</b>
<b>Net position, beginning of year</b>	<b>59,429,255</b>	<b>51,474,344</b>	<b>7,954,911</b>	<b>15.5%</b>
<b>Total Net Position – Restricted for Pension Benefits</b>	<b>\$ 69,653,867</b>	<b>\$ 59,429,255</b>	<b>\$ 10,224,612</b>	<b>17.2%</b>

The Plan's Net Position – Restricted for Pension Benefits increased by \$10,224,612 during the year ended December 31, 2018 due to employer contributions exceeding benefit payments, administrative expenses and net investment losses. During the year ended December 31, 2018, the Plan's employer contributions increased by \$25,775,402, which included the minimum required contributions for 2018 and a funding contribution to bring the Plan to fully funded status, and the Plan's benefit payments increased due to a settlement program offered to permit eligible participants to elect a voluntary settlement and release of all claims arising under the Plan in exchange for a cash payment.

**INVESTMENTS**

The Plan is responsible for the prudent management of funds held in trust for the exclusive benefit of its participants. Funds are invested to achieve maximum returns without exposing retirement assets to unacceptable risks. Total investments at December 31, 2019 were \$73,017,033 as compared to \$67,503,333 at December 31, 2018, which is an increase of \$5,513,700. The major contributing factor to this increase was investment income exceeding benefit payments and administrative expenses.

**RETIREMENT PLAN FOR EMPLOYEES OF WEST JEFFERSON MEDICAL CENTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2019**

The Plan's investments in various asset classes as of December 31, 2019 and 2018 are as follows:

	2019	2018	Increase (Decrease)	Increase (Decrease)
Fixed income mutual funds	<b>\$ 18,840,309</b>	\$ 22,627,572	\$ (3,787,263)	(16.7%)
Equity mutual funds	<b>54,176,724</b>	44,875,761	9,300,963	20.7%
<b>Total investments</b>	<b>\$ 73,017,033</b>	\$ 67,503,333	\$ 6,137,927	8.8%

**REQUEST FOR INFORMATION**

Questions concerning any of the information provided herein, or request for additional financial information, should be addressed to Retirement Plan for Employees of West Jefferson Medical Center, Jefferson Parish Hospital Service District No. 1, c/o Jefferson Parish General Government Building, 200 Derbigny Street, Suite 6700, Gretna, LA 70053, (504) 364-2626.





# Financial Statements

**Retirement Plan for Employees of West Jefferson Medical Center**  
**Statements of Fiduciary Net Position**

<i>As of December 31,</i>	<b>2019</b>	2018
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,845,226	\$ 2,227,975
Accrued interest and dividends	<b>23,002</b>	16,026
Investments (at fair value):		
Fixed income mutual funds	<b>18,840,309</b>	22,627,572
Equity mutual funds	<b>54,176,724</b>	44,875,761
<b>Total Investments</b>	<b>73,017,033</b>	67,503,333
<b>Total assets</b>	<b>75,885,261</b>	69,747,334
<b>LIABILITIES</b>		
Accrued expenses	<b>161,659</b>	93,467
<b>Total liabilities</b>	<b>161,659</b>	93,467
<b>NET POSITION - RESTRICTED FOR PENSION BENEFITS</b>	<b>\$ 75,723,602</b>	\$ 69,653,867

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

**Retirement Plan for Employees of West Jefferson Medical Center  
Statements of Changes in Fiduciary Net Position**

<i>For the Years Ended December 31,</i>	<b>2019</b>	<b>2018</b>
<b>ADDITIONS:</b>		
Employer contributions	\$ <b>1,705,153</b>	\$ 35,694,829
<b>Total contributions</b>	<b>1,705,153</b>	35,694,829
Investment (loss) income:		
Net (depreciation) of investments	<b>(6,710,712)</b>	(10,221,954)
Dividends and interest income	<b>1,445,217</b>	2,067,659
Realized gains and losses	<b>18,953,934</b>	3,346,114
Less:		
Investment advisory and custodial services	<b>238,582</b>	188,544
<b>Total net investment income (loss)</b>	<b>13,449,857</b>	(4,996,725)
<b>Total Additions</b>	<b>15,155,010</b>	30,698,104
<b>DEDUCTIONS:</b>		
Benefits	<b>8,886,736</b>	19,709,929
Administrative expenses	<b>198,539</b>	763,563
<b>Total Deductions</b>	<b>9,085,275</b>	20,473,492
<b>NET INCREASE</b>	<b>6,069,735</b>	10,224,612
<b>NET POSITION - RESTRICTED FOR PENSION BENEFITS</b>		
Beginning of year	<b>69,653,867</b>	59,429,255
<b>End of year</b>	<b>\$ 75,723,602</b>	\$ 69,653,867

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

# RETIREMENT PLAN FOR EMPLOYEES OF WEST JEFFERSON MEDICAL CENTER

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 – DESCRIPTION OF THE PLAN

The following brief description of the Retirement Plan for Employees of West Jefferson Medical Center (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. 1 (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.

#### ***General***

The Plan is a single-employer, non-contributory, defined public employee retirement system (PERS). The plan covers certain former employees of West Jefferson Medical Center (the "Employer") who meet certain length of service requirements and is funded through employer contributions and investment earnings.

Employees or former employees who were not participants in the Plan as of December 31, 2005 are not eligible to participate in the Plan after December 31, 2005. Active participants in the Plan as of December 31, 2005 made a one-time, irrevocable election to either continue as an active participant in the Plan effective January 1, 2006, earning future benefit accruals under the applicable provisions of the Plan, or to instead become a participant effective January 1, 2006 in a Defined Contribution Plan. Any participant of the Plan that elected to participate effective January 1, 2006 in the Defined Contribution Plan would not accrue further benefits under the Plan for service or earnings after December 31, 2005. As a governmental entity, the Plan provides disclosures required by the Governmental Accounting Standards Board (GASB).

Effective October 1, 2015, Jefferson Parish Hospital Service District No. 1 and Jefferson Parish entered into a long-term agreement to lease West Jefferson Medical Center to Louisiana Children's Medical Center (LCMC). Effective October 1, 2015, the employees of West Jefferson Medical Center are employees of LCMC, and are no longer employees of Jefferson Parish Hospital Service District No. 1. Therefore, there are no longer any active participants in the Plan accruing benefits for services provided.

#### ***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.



## RETIREMENT PLAN FOR EMPLOYEES OF WEST JEFFERSON MEDICAL CENTER NOTES TO FINANCIAL STATEMENTS

### NOTE 1 – DESCRIPTION OF PLAN (CONTINUED)

#### *Membership*

At December 31, 2019 and 2018, the membership of the Plan consisted of:

	<b>2019</b>	<b>2018</b>
Active Members	-	-
Retirees and beneficiaries		
currently receiving benefits	<b>916</b>	932
Terminated employees entitled to		
but not yet receiving benefits	<b>482</b>	487
<b>Total plan membership</b>	<b>1,398</b>	<b>1,419</b>

#### *Eligibility Requirements*

An employee was eligible to participate in the Plan as of the date they had completed one year of service of 1,000 hours or more and attained the age of 21. No new entrants were allowed to participate in the Plan after December 31, 2005.

#### *Retirement Benefits*

The Plan provides retirement benefits as well as death and disability benefits. Prior to July 1, 2002, all benefits were fully vested after 10 years of credited service. Effective July 1, 2002, all employees become fully vested after 5 years of credited service. The basic annual retirement benefit at age 65 is a benefit payable for life in the amount equal to the number of years of credited service up to 30 years, multiplied by the sum of (1) 1.20 percent of final average monthly compensation and (2) 0.65 percent of final average monthly compensation in excess of “covered” compensation, which is defined as the average of the Social Security Taxable Wage Base for the 35-year period ending in the year in which social security normal retirement age is attained. Final average monthly compensation is defined as the monthly compensation of a participant averaged over the 5 consecutive calendar years which produces the highest monthly average within the last 10 calendar years preceding the earlier of retirement or termination of employment. Employees with 10 years of credited service may elect to receive a reduced benefit beginning at age 55. Terminated employees may receive regular benefits beginning at age 62.

Effective January 1, 2018, the Plan was amended to permit eligible participants to elect a voluntary settlement and release of all claims arising under the Plan in exchange for a cash payment. The period during which an eligible participant may have elected to participate in the settlement program commenced on February 15, 2018 and ended on March 30, 2018.

## **RETIREMENT PLAN FOR EMPLOYEES OF WEST JEFFERSON MEDICAL CENTER NOTES TO FINANCIAL STATEMENTS**

### **NOTE 1 – DESCRIPTION OF PLAN (CONTINUED)**

#### ***Deferred and Disability Benefits***

A Plan member leaving employment after 10 years of credited service but before attaining retirement age or who ceases active employment because of total and permanent disability after 10 years of credited service but before attaining retirement age is eligible for deferred benefits or may elect to receive reduced benefits beginning on the early retirement date.

#### ***Survivor Benefits***

The survivor benefit provided under the Plan is a death benefit for a vested participant in the form of a survivor annuity. Such annuity payments are generally equal to 50 percent of the amount which would be payable to the participant if he or she had survived and elected to commence receiving retirement income at the earliest date allowed under the Plan.

#### ***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 contribution is based on a closed 30-year and 20-year amortization period for the December 31, 2019 and 2018 valuations, respectively, calculated using the entry age normal cost method.

The Service District is required to contribute amounts necessary to provide the benefits under the Plan determined by the application of accepted actuarial methods and assumptions.

#### ***Plan Termination***

The Parish has the right under the Plan to discontinue its contributions at any time and to terminate the Plan.

#### ***Tax Qualification***

The Plan is a tax qualified plan under IRS Code Section 401(a).

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

## RETIREMENT PLAN FOR EMPLOYEES OF WEST JEFFERSON MEDICAL CENTER NOTES TO FINANCIAL STATEMENTS

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Basis of Accounting*

The Plan’s financial statements are prepared on 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 contributions are paid. Administrative expenses are funded from investment earnings. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

#### *Method Used to Value Investments*

The Plan’s policy in regard to the allocation of invested assets is established and may be amended by the Parish. It is the policy of the Parish to pursue an investment strategy that balances return of current income and growth of principal. The assets of the Plan are invested in various fixed income, equity, global real estate, and short-term money market funds managed by a trustee. Investments are carried at fair value. Fair values are determined using quoted market prices, as available.

The following is the Parish’s adopted asset allocation policy as of December 31, 2019 and 2018:

<b>Asset Class</b>	<b>2019 Preferred Allocation</b>
Global Equity	11.0%
Private Equity	5.0%
U.S. Equity	22.5%
Non-U.S. Equity	22.5%
Global Real Estate	11.0%
Fixed Income	28.0%

<b>Asset Class</b>	<b>2018 Preferred Allocation</b>
Equities	65%
Fixed Income	30%
Cash and Equivalents	5%

Dividend income and interest are recognized when earned.

#### *Administrative Expenses*

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



## RETIREMENT PLAN FOR EMPLOYEES OF WEST JEFFERSON MEDICAL CENTER NOTES TO FINANCIAL STATEMENTS

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding the reported amounts of assets and liabilities and changes in Fiduciary Net Position. Actual results could differ from those estimates.

### NOTE 3 – INVESTMENTS

#### *Investments*

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, 2019 and 2018, the Plan's investments were held by Regions Wealth Management. At December 31, 2019 and 2018, Aon Hewitt was the investment managers.

Investments at December 31, 2019 and 2018 consist of the following mutual funds, which are stated at fair value.

		2019
Fixed Income:		
State Street Intermediate US Credit Index	\$	14,431,516
State Street US Short Term Govt Credit		4,408,793
Total Fixed Income		18,840,309
Equity:		
Global Equity:		
AON Global Equity		7,026,039
State Street Global Equity Index		5,053,972
U.S Equity:		
State Street Russell All Cap Index		16,905,193
Non-U.S Equity:		
State Street Global All Cap Equity		16,857,415
Global Real Estate:		
AGT Global Real Estate		8,334,105
Total Equity		54,176,724
Total Investments	\$	73,017,033



**RETIREMENT PLAN FOR EMPLOYEES OF WEST JEFFERSON MEDICAL CENTER  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 – INVESTMENTS (CONTINUED)**

	2018
Fixed Income:	
Federated U.S. Government Trust Institutional Fund	\$ 6,693,228
Vanguard Short-term Treasury Fund	15,934,344
Total Fixed Income	22,627,572
Equity:	
Amer Cap World Growth & Inc. FD CL R5	5,963,999
Homestead Small Co Stock FD	2,865,276
Vanguard Institutional Index Fund	28,732,673
Vanguard Mid Cap Index Fund	7,313,813
Total Equity	44,875,761
Total Investments	\$ 67,503,333

***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 asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs

The Plan has the following fair value measurements as of December 31, 2019 and 2018:

	<b>2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Fixed income mutual funds	\$ 18,840,309	\$ -	\$ 18,840,309	\$ -
Equity mutual funds	54,176,724	-	54,176,724	-
Total	\$ 73,017,033	\$ -	\$ 73,017,033	\$ -

As of December 31, 2019, fixed income and equity mutual funds are valued using quoted prices for the holdings of the underlying funds.

	<b>2018</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Fixed income mutual funds	\$ 22,627,572	\$ 22,627,572	\$ -	\$ -
Equity mutual funds	44,875,761	44,875,761	-	-
Total	\$ 67,503,333	\$ 67,503,333	\$ -	\$ -

As of December 31, 2018, fixed income and equity mutual funds are valued using prices quoted in active markets for those securities.

## RETIREMENT PLAN FOR EMPLOYEES OF WEST JEFFERSON MEDICAL CENTER NOTES TO FINANCIAL STATEMENTS

### NOTE 3 – INVESTMENTS (CONTINUED)

#### *Interest Rate Risk*

Interest rate risk is 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. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Plan's investment policy limits the maximum maturity for any single fixed income security to 10 years. None of the investments of the Plan have fixed maturity dates.

#### *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's investment policy has established targets for investments in equities and fixed income. In order to manage its credit risk, the Plan invests in mutual funds mostly comprised of U.S. Treasuries, U.S. Agency Securities, and corporate bonds.

#### *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, 2019 and 2018.

#### *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 following the following asset allocation ranges as of December 31, 2019 and 2018.

2019 Asset Class	Percent of Total Fund Allocation	
	Minimum	Maximum
Global Equity	6%	16%
Private Equity	0%	10%
U.S. Equity	17.5%	27.5%
Non-U.S. Equity	17.5%	27.5%
Global Real Estate	6%	16%
Fixed Income	23%	33%

**RETIREMENT PLAN FOR EMPLOYEES OF WEST JEFFERSON MEDICAL CENTER  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 – INVESTMENTS (CONTINUED)**

2018 Asset Class	Percent of Total Fund Allocation	
	Minimum	Maximum
Equities	45%	70%
Fixed Income	10%	35%
Cash and Equivalents	3%	20%

***Rate of Return***

For the years ended December 31, 2019 and 2018, the annual money-weighted rate of return on Plan investments, net of Plan investment expense, was 20.6% and -8.30%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**NOTE 4 – NET PENSION LIABILITY OF JEFFERSON PARISH HOSPITAL SERVICE DISTRICT NO. 1**

The components of the net pension liability of Jefferson Parish Hospital Service District No. 1 as of December 31, 2019 and 2018 are as follows:

	2019	2018
Total Pension Liability	\$ 103,270,782	\$ 103,314,294
Plan Fiduciary Net Position	75,723,602	69,653,867
The Service District's Net Pension Liability	\$ 27,547,180	\$ 33,660,427
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	73.3%	67.4%

***Actuarial Assumptions***

Actuarial valuations involve estimates of the 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 the net pension liability are subject to continual revision as actual results are compared to past expectations, and new estimates are made about the future.



**RETIREMENT PLAN FOR EMPLOYEES OF WEST JEFFERSON MEDICAL CENTER  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – NET PENSION LIABILITY OF THE JEFFERSON PARISH HOSPITAL SERVICE DISTRICT NO. 1  
(CONTINUED)**

***Actuarial Assumptions (Continued)***

The required Schedule of Net Pension Liability on page 22 presents multi-year trend information regarding whether the plan fiduciary net positions are increasing or decreasing over time relative to the total pension liability. The total pension liability as of December 31, 2019, and 2018 is based on actuarial valuations for the same periods, updated using generally accepted actuarial procedures.

The total pension liability was determined by an actuarial valuation as of December 31, 2019 and 2018, respectively, using the following actuarial assumptions, applied to all periods included in the measurement:

	2019	2018
Investment rate of return	<b>7.0%</b>	7.0%
Inflation	<b>2.2%</b>	2.2%
Salary increases	<b>N/A*</b>	N/A*
Mortality rates	<b>Pri-2012 with generational projection using Scale MP-2019</b>	RP-2000 with generational projection using Scale AA

\* As described in Note 1, Jefferson Parish Hospital Service District No. 1 has no employees effective October 1, 2015. As a result, no salary increases are projected.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Plan’s current and expected asset allocation as of December 31, 2019 and 2018 are summarized in the following table:

Asset Class, 2019	Long-Term Expected Rate of Return
Global Equity	5.2%
U.S. Equity	4.6%
Non-U.S. Equity	5.3%
Real Estate	3.8%
Private Equity	6.8%
Fixed Income	0.8%



**RETIREMENT PLAN FOR EMPLOYEES OF WEST JEFFERSON MEDICAL CENTER  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – NET PENSION LIABILITY OF THE JEFFERSON PARISH HOSPITAL SERVICE DISTRICT NO. 1  
(CONTINUED)**

***Actuarial Assumptions (Continued)***

Asset Class, 2018	Long-Term Expected Rate of Return
U.S. Large Cap Equity	4.1%
U.S. Small Cap Equity	4.6%
Global Equity (Developed & Emerging)	5.1%
International (non-US) Equity (Developed)	4.7%
Emerging Markets Equity	5.4%
Real Estate	3.1%
Core Bonds	1.6%
Return-Seeking Credit	3.3%

***Discount Rate***

The discount rate used to measure the total pension liability was 7.0% for the years ended December 31, 2019 and 2018. The projection of cash flows used to determine the discount rate assumed that the Plan's contributions would be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

The following presents the net pension liability of the Plan as of December 31, 2019 and 2018, calculated using the discount rate of 7.0%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
<b>2019</b>			
Sponsor's Net Pension Liability	\$ 113,283,364	\$ 103,270,782	\$ 94,754,780
Fiduciary net position	75,723,602	75,723,602	75,723,602
Net pension liability	\$ 37,559,762	\$ 27,547,180	\$ 19,031,178

**RETIREMENT PLAN FOR EMPLOYEES OF WEST JEFFERSON MEDICAL CENTER  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – NET PENSION LIABILITY OF THE JEFFERSON PARISH HOSPITAL SERVICE DISTRICT NO. 1  
(CONTINUED)**

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued)***

<b>2018</b>	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Sponsor's Net Pension Liability	\$ 113,314,305	\$ 103,314,294	\$ 94,806,413
Fiduciary net position	69,653,867	69,653,867	69,653,867
Net pension liability	\$ 43,660,438	\$ 33,660,427	\$ 25,152,546

**NOTE 5 – SUBSEQUENT EVENTS**

Management has evaluated all events or transactions that occurred after December 31, 2019 through June, 25, 2020, the date the Plans' financial statements were available to be issued.

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have significant negative impact on the operating activities and the results of the Plan. The occurrence and extent of such impact will depend on future development including (i) the duration and the spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the overall economy, all of which are uncertain.



**Required Supplementary  
Information (Part II)**

**Retirement Plan for Employees of West Jefferson Medical Center**  
**Schedule of Net Pension Liability**  
**Last 7 Years**

<i>For the Years Ended December 31,</i>	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Pension Liability	Plan Fiduciary Net Position as a % of Total Pension Liability	Covered Employee Payroll	Net Pension Liability (Asset) as a % of Covered Payroll
<b>2019</b>	<b>\$ 103,270,782</b>	<b>\$ 75,723,602</b>	<b>\$ 27,547,180</b>	<b>73.3%</b>	<b>N/A</b>	<b>* N/A</b>
2018	103,314,294	69,653,867	33,660,427	67.4%	N/A	* N/A
2017	119,873,027	59,429,255	60,443,772	49.6%	N/A	* N/A
2016	121,881,490	51,474,344	70,407,146	42.2%	N/A	* N/A
2015	117,680,324	57,091,925	60,588,399	48.5%	28,963,544	** 209.2%
2014	112,206,090	60,837,664	51,368,426	54.2%	26,812,234	191.6%
2013	97,327,968	58,900,046	38,427,922	60.5%	28,416,747	135.2%

**Notes to Schedule:**

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

\*The Service District has no employees effective October 1, 2015.

\*\* For comparability, covered payroll for the nine months ended September 30, 2015 of \$21,722,658 has been annualized.



**Retirement Plan for Employees of West Jefferson Medical Center  
Schedule of Changes in Net Pension Liability and Related Ratios**

<i>For the years ended December 31,</i>	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>						
Service cost	\$ -	\$ -	\$ -	\$ -	\$ 391,500	\$ 323,166
Interest on total pension liability	6,925,626	7,700,649	8,206,170	7,885,910	7,782,801	7,580,434
Effect of plan changes	-	-	-	-	-	-
Difference between expected and actual experience	145,320	(4,549,453)	(1,375,829)	(707,968)	4,051,107	1,737,592
Effect of assumption changes or inputs	1,772,278	-	-	5,766,246	-	11,028,337
Benefit payments	(8,886,736)	(19,709,929)	(8,838,804)	(8,743,022)	(6,751,174)	(5,791,407)
<b>Net change in total pension liability</b>	<b>(43,512)</b>	<b>(16,558,733)</b>	<b>(2,008,463)</b>	<b>4,201,166</b>	<b>5,474,234</b>	<b>14,878,122</b>
<b>Total pension liability, beginning</b>	<b>103,314,294</b>	<b>119,873,027</b>	<b>121,881,490</b>	<b>117,680,324</b>	<b>112,206,090</b>	<b>97,327,968</b>
<b>Total pension liability, ending (a)</b>	<b>\$ 103,270,782</b>	<b>\$ 103,314,294</b>	<b>\$ 119,873,027</b>	<b>\$ 121,881,490</b>	<b>\$ 117,680,324</b>	<b>\$ 112,206,090</b>
<b>Plan Fiduciary Net Position</b>						
Employer contributions	\$ 1,705,153	\$ 35,694,829	\$ 9,919,427	\$ -	\$ 3,601,769	\$ 3,457,582
Investment income net of investment expenses	13,449,857	(4,996,725)	7,206,264	4,009,145	(54,972)	4,471,241
Benefit payments	(8,886,736)	(19,709,929)	(8,838,804)	(8,743,022)	(6,751,174)	(5,791,407)
Administrative expenses	(198,539)	(763,563)	(331,976)	(883,704)	(541,362)	(199,798)
<b>Net change in plan fiduciary net position</b>	<b>6,069,735</b>	<b>10,224,612</b>	<b>7,954,911</b>	<b>(5,617,581)</b>	<b>(3,745,739)</b>	<b>1,937,618</b>
<b>Plan fiduciary net position, beginning</b>	<b>69,653,867</b>	<b>59,429,255</b>	<b>51,474,344</b>	<b>57,091,925</b>	<b>60,837,664</b>	<b>58,900,046</b>
<b>Plan fiduciary net position, ending (b)</b>	<b>\$ 75,723,602</b>	<b>\$ 69,653,867</b>	<b>\$ 59,429,255</b>	<b>\$ 51,474,344</b>	<b>\$ 57,091,925</b>	<b>\$ 60,837,664</b>
<b>WJMC's net pension liability, ending = (a) - (b)</b>	<b>\$ 27,547,180</b>	<b>\$ 33,660,427</b>	<b>\$ 60,443,772</b>	<b>\$ 70,407,146</b>	<b>\$ 60,588,399</b>	<b>\$ 51,368,426</b>
<b>Plan fiduciary net position as a % of total pension liability</b>	<b>73.33%</b>	<b>67.42%</b>	<b>49.58%</b>	<b>42.23%</b>	<b>48.51%</b>	<b>54.22%</b>
<b>Covered payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>* N/A</b>	<b>** \$ 28,963,544</b>	<b>** \$ 26,963,544</b>
<b>WJMC's net pension liability as a % of covered payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>209.2%</b>	<b>190.5%</b>

**Notes to Schedule:**

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

\*The Service District has no employees effective October 1, 2015.

\*\* For comparability, covered payroll for the nine months ended September 30, 2015 of \$21,722,658 has been annualized.

See independent auditors' report.

**Retirement Plan for Employees of West Jefferson Medical Center**  
**Schedule of Employer Contributions**  
**Last 10 Years**

Year Ended December 31	Actuarially Determined Contribution	Contributions in Relation to the Actuarial Determined Contribution	Contribution (Deficiency) Excess	Covered Payroll	Contributions as a % of Covered Payroll
<b>2019</b>	<b>\$ 1,705,153</b>	<b>\$ 1,705,153</b>	<b>\$ -</b>	<b>N/A</b>	<b>N/A</b>
2018	5,913,512	5,913,512 **	-	N/A	N/A
2017	6,220,746	-	(6,220,746)	N/A	N/A
2016	5,653,720	-	(5,653,720)	N/A	N/A
2015	4,265,707	-	(4,265,707)	28,963,544 *	14.73%
2014	3,601,769	3,601,769	-	26,812,234	13.43%
2013	3,457,582	3,457,582	-	28,416,747	12.17%
2012	3,444,682	3,444,682	-	31,237,839	11.03%
2011	3,219,414	3,219,414	-	33,928,713	9.49%
2010	3,050,861	3,050,861	-	37,334,047	8.17%

**Notes to Schedule:**

\* For comparability, covered payroll for the nine months ended September 30, 2015 of \$21,722,658 has been annualized.

\*\* In addition, a contribution of \$29,781,317 was made for the year ended December 31, 2018 to improve the Plan's funded status.

**Retirement Plan for Employees of West Jefferson Medical Center  
Schedule of Investment Returns**

<u>Year Ended December 31</u>	<u>Net Money-Weighted Rate of Return</u>
<b>2019</b>	<b>20.60%</b>
2018	-8.30%
2017	14.20%
2016	7.68%
2015	3.08%
2014	7.42%

**Note to Schedule:**

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

See independent auditors' report.

## RETIREMENT PLAN FOR EMPLOYEES OF WEST JEFFERSON MEDICAL CENTER NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

### ***Factors that significantly affect trends in amounts reported***

Effective January 1, 2018, the Plan was amended to permit eligible participants to elect a voluntary settlement and release of all claims arising under the Plan in exchange for a cash payment, which significantly affect trends in the amounts reported.

### ***Changes of Assumptions***

For the Plan for the valuation year ended December 31, 2019, mortality table was updated from RP 2000 to Pri 2012.

### ***Method and assumptions used in calculations of actuarially determined contributions***

The following actuarially determined methods and assumptions were used to determine contribution rates reported for the year ended December 31, 2019.

Actuarial cost method	Entry age normal
Amortization method	Closed level dollar
Remaining amortization period	30 years
Asset valuation method	Market value
Inflation	2.20%
Salary increases	Not applicable. Jefferson Parish Hospital Service District No. 1 has no employees effective October 1, 2015. As a result, no salary increases are projected.
Investment rate of return	7.0%, net of pension plan investment expense, including inflation
Mortality	Pri-2012 with generational projection using Scale MP-2019





**Other Supplementary  
Information**

**Retirement Plan for Employees of West Jefferson Medical Center  
Schedule of Compensation, Benefits, and  
Other Payments to Agency Head  
For the Year Ended December 31, 2019**

**Agency Head Name: Michael S. Yenni, Parish President, Jefferson Parish**

Note: Effective October 1, 2015, Jefferson Parish Hospital Service District No. 1 (the "Service District") has no employees. The governing body of the Service District is the Jefferson Parish Council. The agency head was Michael S. Yenni, Parish President of Jefferson Parish. The Retirement Plan for the Employees of West Jefferson Medical Center 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, 2019.

See independent auditors' report.



## Other Reporting



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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 Retirement Plan for Employees of West Jefferson Medical Center (the Plan), as of and for the year ended December 31, 2019, 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 25, 2020.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 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 may exist that have not been identified.



## **Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing 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 Plan's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Caru, Riggs & Ingram, L.L.C.*

June 25, 2020