East Jefferson General Hospital

Financial Report
December 31, 2020

Contents

Independent Auditor's Report

To the Board of Directors
East Jefferson General Hospital

Report on the Financial Statements
We have audited the accompanying financial statements of the business–type activities, the discretely presented component unit and the fiduciary fund of Jefferson Parish Hospital Service District No. 2, d/b/a East Jefferson General Hospital (Organization), a component unit of Jefferson Parish Louisiana, as of December 31, 2020 and September 30, 2020 and for the three months ended December 31, 2020 and the nine months ended September 30, 2020, and the related notes to the basic financial statements, which collectively comprise the Organization’s basic financial statements as listed in the table of contents.

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.

Auditor’s Responsibility
Our responsibility is to express opinions on these basic financial statements based on our audits. We did not audit the financial statements of East Jefferson Ambulatory Surgery Center, LLC, a discretely presented component unit, for the three months ended December 31, 2020 and the nine months ended September 30, 2020 which represents 100% of the assets, net position and revenue of this discretely presented component unit. We also did not audit the financial statements of East Jefferson General Hospital Retirement and Savings Plans (Pension Trust Fund), a fiduciary fund, for the three months ended December 31, 2020 and the nine months ended September 30, 2020. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for East Jefferson Ambulatory Surgery Center, LLC and Pension Trust Fund financial statements, is based solely on the reports of the other auditors. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of East Jefferson Ambulatory Surgery Center, LLC, East Jefferson Radiation Oncology, LLC, East Jefferson Physicians Group, LLC, East Jefferson Physician Network, LLC and East Jefferson General Hospital Foundation were not audited in accordance with *Government Auditing Standards.*

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’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 entity’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 opinions.

Opinions
In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business type activities, the discretely presented component unit and the fiduciary fund as of December 31, 2020 and September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the three months ended December 31, 2020 and the nine months ended September 30, 2020 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 14 to the basic financial statements, the Organization entered into an Asset Purchase Agreement with Louisiana Children's Medical Center to purchase substantially all assets and assume certain liabilities.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information on pages 3–8 and 54–59, respectively, 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 (GASB) 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 Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Organization's basic financial statements. The combining financial statements, listed in the table of contents as Supplementary Information, are presented for purposes of additional analysis and are 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. Such 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, based on our audits, the procedures as described above, and the reports of the other auditors, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2021 on our consideration of the Organization'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 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 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 Organization's internal control over financial reporting and compliance.

RSM US LLP

Davenport, Iowa
June 30, 2021

Introduction

Management's Discussion and Analysis provides an overall review of the business-type activities of Jefferson Parish Hospital Service District No. 2, d/b/a East Jefferson General Hospital, a component unit of Jefferson Parish Louisiana, as of December 31, 2020, September 30, 2020 and December 31, 2019 and for the three months ended December 31, 2020, the nine months ended September 30, 2020 and the year ended December 31, 2019.

East Jefferson General Hospital (EJGH) operated a 420-bed general acute care hospital and physician practices located in Metairie, Louisiana. EJGH serves the citizens of the greater New Orleans area and particularly residents of the East Bank of Jefferson Parish.

The basic financial statements also include the following blended component units: East Jefferson Physician Network, LLC which was used to acquire several physician practices; East Jefferson Radiation Oncology, LLC, which operates a radiation oncology center; East Jefferson Physicians Group, LLC (EJPG), which operates various clinic practices; and the East Jefferson General Hospital Foundation. See Note 1 for further discussion of the reporting entity.

EJGH along with its blended component units are collectively referred to as the Organization.

East Jefferson Ambulatory Surgery Center, LLC, which operates an ambulatory surgery center, is a legally separate, discretely presented component unit. East Jefferson General Hospital Retirement and Savings Plan is a fiduciary fund type, pension trust fund.

As discussed in Note 1 of the basic financial statements, substantially all assets of the Organization were acquired and certain liabilities were assumed by Louisiana Children's Medical Center and LCMC Health Holdings, Inc. (collectively, LCMC), effective October 1, 2020.

The intent of this discussion is to provide an overview of the Organization's performance and should be read in conjunction with the Organization's basic financial statements and notes thereto. The notes to basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Overview of Financial Statements

The audited financial statements include the basic financial statements: Statements of Net Position, Statements of Revenue, Expenses and Changes in Net Position and Statements of Cash Flows plus the Notes to the Basic Financial Statements.

Our financial position is measured in terms of resources (assets) we own, obligations (liabilities) we owe, deferred outflows of resources and deferred inflows of resources at a given date. This information is reported in the Statements of Net Position, which reflects the Organization's assets in relation to its debts to bondholders, suppliers, employees and other creditors. The excess of our assets and deferred outflows of resources over our liabilities and deferred inflows of resources is reported as net position.

Information regarding the results from operations during the year is reported in the Statements of Revenue, Expenses and Changes in Net Position. This statement shows how much our net position increased or decreased during the year as a result of our operations, nonoperating activities and other changes.

The Statement of Cash Flows discloses the flow of cash resources into and out of the Organization during the year. It identifies all cash received during the year from operating activities, contributions and other sources, and how we applied those funds (for example, payment of expenses, repayment of debt, purchases of new property and equipment, additions and deletions to the investment accounts and transfers to related entities).

Financial Highlights

The assets and deferred outflows of the Organization exceeded its liabilities and deferred inflows by $38,615,723 and $124,168,903 (net position) as of December 31, 2020 and September 30, 2020, respectively.

The Organization's total assets decreased by $273,645,052 or 74,.54% from September 30, 2020 and increased by $18,266,714 or 5.24% from December 31, 2019 to September 30, 2020.

The Organization's deferred outflows related to pension increased by $382,831 or 42.70% from September 30, 2020 and increased by $896,552 or 100% from December 31, 2019 to September 30, 2020.

The Organization's total liabilities decreased by $187,709,041 or 76.99% from September 30, 2020, and liabilities increased by $19,112,491 or 8.47% from December 31, 2019 to September 30, 2020.

Condensed Statements of Revenue, Expenses and Changes in Net Position

A summary version of the Statements of Revenue, Expenses and Changes in Net Position for the three months ended December 31, 2020, the nine months ended September 30, 2020 and the year ended December 31, 2019 follows:

	Three Months Ended December 31, 2020	Nine Months Ended September 30, 2020	Year Ended December 31, 2019
	(Dollars in Thousands)		
Net patient revenue	$ -	$ 207,133	$ 300,789
Other operating revenue	-	14,819	16,368
Rental income from leases	-	3,293	4,662
Total operating revenue	-	225,245	321,819
Nonoperating revenue	-	33,313	4,715
Total revenue	-	258,558	326,534
Expenses:			
Salaries, wages and benefits	1,090	93,328	123,765
Purchased services and other	48	111,445	155,074
Supplies	-	29,874	44,547
Depreciation and amortization	-	13,582	19,436
Interest	-	6,216	8,335
Total operating expenses	1,138	254,445	351,157
Nonoperating expenses	84,414	331	400
Total expenses	85,552	254,776	351,557
Excess of revenue over (under) expenses and change in net position	$ (85,552)	$ 3,782	$ (25,023)

Operations

Three Months Ended December 31, 2020: There was no material activity other than recognizing a loss on the sale to LCMC discussed in Note 14 to the basic financial statements.

Nine Months Ended September 30, 2020: The Organization's net patient service revenue decreased approximately $93,656,000 from 2019. This decrease is primarily seen in EJGH (Hospital), which is the result of comparing nine months to twelve months of activity and also a decrease in both inpatient and outpatient volumes due to the COVID-19 pandemic.

The Organization's other operating revenue decreased approximately $1,549,000 from 2019. This is primarily due to comparing nine months to twelve months of activity. The decrease was offset by an increase in other income related to Upper Payment Limit (UPL) programs as discussed in Note 14 to the basic financial statements.

The Organization's total operating expenses decreased approximately $95,809,000 from 2019. The decrease is due to comparing nine months to twelve months of activity and due to the Organization continuing to identify cost savings opportunities to improve operating margins, including salaries, wages and benefits decreasing approximately $30,437,000.

Condensed Statements of Net Position

Condensed versions of the Statements of Net Position as of December 31, 2020, September 30, 2020 and December 31, 2019 follow:

	December 31, 2020	September 30, 2020	December 31, 2019
		(Dollars in Thousands)	
Assets and Deferred Outflows			
Current assets	$ 91,453	$ 219,830	$ 166,739
Assets limited as to use, noncurrent	2,000	3,207	25,930
Capital assets, net	-	139,059	150,502
Other assets	-	4,999	5,659
Total assets	93,453	367,095	348,830
Deferred outflows of resources	1,279	896	-
	$ 94,732	$ 367,991	$ 348,830
Liabilities and Deferred Inflows			
Current liabilities, including current maturities of long-term debt	$ 13,298	$ 201,808	$ 187,895
Net pension liability, noncurrent	36,603	35,569	29,349
Other liabilities, noncurrent	6,215	6,446	8,370
Total liabilities	56,116	243,823	225,614
Deferred inflows of resources	-	-	2,830
Net Position			
Net investment in capital assets	-	8,457	16,589
Restricted:			
Expendable	-	28,791	35,873
Nonexpendable	-	360	360
Unrestricted	38,616	86,560	67,564
Total net position	38,616	124,168	120,386
	$ 94,732	$ 367,991	$ 348,830

December 31, 2020: Assets and liabilities decreased significantly due to the sale to LCMC discussed in Note 14 to the basic financial statements.

September 30, 2020: Current assets increased by approximately $53,091,000 due to the large increase in cash due to stimulus money received related to the COVID-19 pandemic. Total liabilities increased approximately $19,112,000, which is due to the liability for Medicare Accelerated and Advance Payment Program (MAAP) and the increase in the net pension liability, which was offset by a decrease in accounts payable.

Condensed Statements of Cash Flows

	Three Months Ended December 31, 2020	Nine Months Ended September 30, 2020	Year Ended December 31, 2019
	(Dollars in Thousands)		
Cash provided by operating activities	$ (9,522)	$ 9,028	$ 12,204
Cash used in capital and related financing activities	(111,845)	(13,445)	(14,167)
Cash provided by (used in) noncapital financing activities	62,065	30,859	(316)
Cash provided by (used in) investing activities	(2,000)	92,212	(6,460)
Net increase (decrease) in cash and cash equivalents	(61,302)	118,654	(8,739)
Cash and cash equivalents:			
Beginning	138,093	19,439	28,178
Ending	$ 76,791	$ 138,093	$ 19,439

Three Months Ended December 31, 2020: Cash provided by operating activities decreased by approximately $49,819,000 over the prior period due to the sale to LCMC discussed in Note 14.

Nine Months Ended September 30, 2020: Cash provided by operating activities decreased by approximately $3,176,000 over the prior year due to changes in working capital items from 2019 to 2020.

Capital Assets

	December 31, 2020	September 30, 2020	December 31, 2019
	(Dollars in Thousands)		
Capital assets not being depreciated:			
Land	$ -	$ 16,750	$ 16,750
Construction in progress	-	4,505	4,262
Capital assets, net of depreciation:			
Land improvements	-	233	251
Buildings	-	92,731	98,403
Fixed equipment	-	4,234	4,969
Major movable equipment	-	20,309	25,524
Minor equipment	-	297	343
Total capital assets, net	$ -	$ 139,059	$ 150,502

Additional information on the Organization's capital assets can be found in Note 6 of the basic financial statements.

December 31, 2020: As of December 31, 2020, capital assets were $0 due to the sale to LCMC, which is discussed in Note 14 to the basic financial statements.

September 30, 2020: As of September 30, 2020, the Organization had approximately $139,059,000 invested in capital assets. Capital expenditures in 2020 were approximately $11,443,000 less than depreciation expense, which caused a decrease in capital assets from 2019 to 2020.

Long-Term Debt

Long-term debt included the Hospital's Series 2011 revenue bond issue, described in more detail in the notes to basic financial statements. The principal balance on the outstanding bonds was $0, $131,550,000 and $134,915,000 as of December 31, 2020, September 30, 2020 and December 31, 2019, respectively.

Because the Restricted Group's (Restricted Group is defined in the Bond Indenture Agreement), financial performance for 2019 were unable to produce the required minimum debt service coverage ratio to be in compliance with debt covenants, this constitutes a technical default and requires that all associated debt be classified as current. In March 2019, the Organization entered into a forbearance agreement with UMB Bank, N.A. in its capacity as Trustee. As one condition of the agreement, the Organization retained consultants to evaluate its operations and provide improvement suggestions. To avoid the occurrence of forbearance termination events, the Organization must have met certain milestones. The forbearance agreement also grants the bondholders security interests and liens in certain real property and personal property, as described in the agreement, as additional collateral. As discussed in the notes to the basic financial statements, the bonds were defeased in October 2021.

Additional information on the Organization's long-term debt can be found in Note 7 of the basic financial statements.

COVID-19 Pandemic

During 2020, the State of Louisiana experienced an increase in the Novel Coronavirus 19 (COVID-19) beginning in March 2020. As a result of the Federal and State declaration of an emergency pandemic status, a mandate to cease elective services became effective in mid-March. Specific safety guidelines issued by the Center for Disease Control have been implemented and maintained. The Organization experienced significant reductions in volume and related financial performance, primarily in April and May 2020. In addition, the Federal government issued the Coronavirus Aid, Relief and Economic Security Act (CARES Act) providing significant funds of approximately $30,934,000 to assist in covering costs incurred and any lost revenues that occurred as a result of the pandemic. More detailed discussion is included in the notes to basic financial statements.

Financial Information Contact

The Organization's basic financial statements are designed to provide a general overview of the Organization's finances for all those with an interest in the Organization's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to East Jefferson General Hospital.

East Jefferson General Hospital

Statements of Net Position

	Organization		Discrete Component Unit, East Jefferson Ambulatory Surgery Center, LLC	
	December 31, 2020	September 30, 2020	**December 31, 2020**	September 30, 2020
Assets and Deferred Outflows				
Current assets:				
Cash and cash equivalents	**$ 76,790,511**	$ 138,093,111	**$ -**	$ 134,798
Short-term investments	**-**	1,657,196	**-**	-
Receivables:				
Patients, net	**-**	29,531,776	**-**	1,198,201
Other	**14,661,134**	10,584,827	**-**	-
Assets limited as to use, current portion	**-**	27,785,851	**-**	-
Inventories	**-**	8,855,580	**-**	-
Prepaid expenses	**-**	3,322,780	**-**	46,473
Total current assets	**91,451,645**	219,831,121	**-**	1,379,472
Noncurrent assets:				
Assets limited as to use:				
Under bond indenture	**-**	27,785,851	**-**	-
Restricted by donor	**-**	1,105,153	**-**	-
Other	**2,000,000**	250,000	**-**	-
Board-designated for strategic initiatives and for endowment	**-**	1,851,355	**-**	-
	2,000,000	30,992,359	**-**	-
Less portion required for current liabilities	**-**	27,785,851	**-**	-
	2,000,000	3,206,508	**-**	-
Capital assets:				
Nondepreciable	**-**	21,255,302	**-**	-
Depreciable, net	**-**	117,803,457	**-**	655,278
	-	139,058,759	**-**	655,278
Other assets	**-**	5,000,309	**-**	-
Total noncurrent assets	**2,000,000**	147,265,576	**-**	655,278
Total assets	**93,451,645**	367,096,697	**-**	2,034,750
Deferred outflows related to pension	**1,279,383**	896,552	**-**	-
	$ 94,731,028	$ 367,993,249	**$ -**	$ 2,034,750

See notes to basic financial statements.

	Organization		Discrete Component Unit, East Jefferson Ambulatory Surgery Center, LLC	
	December 31, 2020	September 30, 2020	**December 31, 2020**	September 30, 2020
Liabilities, Deferred Inflows and Net Position				
Current liabilities:				
Current maturities of long-term debt	**$ -**	$ 130,602,096	**$ -**	$ 171,446
Accounts payable	**1,446,460**	12,154,789	**-**	651,700
Medicare Accelerated and Advance Payment program (MAAP)	**-**	28,019,231	**-**	-
Accrued expenses:				
Salaries and wages	**-**	3,846,542	**-**	-
Paid leave	**-**	3,402,323	**-**	-
Health insurance claims	**1,509,231**	1,280,477	**-**	-
Interest	**-**	2,048,377	**-**	-
Other	**10,342,016**	17,640,769	**-**	704,570
Estimated third-party payor settlements	**-**	2,814,209	**-**	-
Total current liabilities	**13,297,707**	201,808,813	**-**	1,527,716
Noncurrent liabilities:				
Deferred compensation and executive benefits		-	**-**	-
Estimated self-insurance reserves	**6,215,054**	6,266,174	**-**	-
Net pension liability	**36,602,544**	35,569,193	**-**	-
Long-term debt, less current maturities	**-**	-	**-**	231,783
Other accrued expenses	**-**	180,166	**-**	-
Total noncurrent liabilities	**42,817,598**	42,015,533	**-**	231,783
Total liabilities	**56,115,305**	243,824,346	**-**	1,759,499
Commitments and contingencies (Note 10)				
Net position:				
Net investment in capital assets	**-**	8,456,663	**-**	506,588
Restricted:				
Expendable	**-**	28,790,615	**-**	-
Nonexpendable	**-**	360,497	**-**	-
Unrestricted	**38,615,723**	86,561,128	**-**	(231,337)
Total net position	**38,615,723**	124,168,903	**-**	275,251
	$ 94,731,028	$ 367,993,249	**$ -**	$ 2,034,750

East Jefferson General Hospital

Statements of Revenue, Expenses and Changes in Net Position

	Organization		Discrete Component Unit, East Jefferson Ambulatory Surgery Center, LLC	
	Three Months Ended December 31, 2020	Nine Months Ended September 30, 2020	**Three Months Ended December 31, 2020**	Nine Months Ended September 30, 2020
Operating revenue:				
Net patient service revenue	**$ -**	$ 207,135,123	**$ -**	$ 2,588,150
Other operating revenue	**-**	14,819,143	**-**	16,890
Rental income from leases	**-**	3,292,592	**-**	-
Total operating revenue	**-**	225,246,858	**-**	2,605,040
Operating expenses:				
Salaries, wages and benefits	**1,090,847**	93,328,151	**-**	964,633
Purchased services and other	**47,631**	111,446,365	**-**	1,252,287
Supplies	**-**	29,874,116	**-**	908,808
Depreciation and amortization	**-**	13,581,526	**-**	86,452
Interest	**-**	6,215,797	**-**	11,491
Total operating expenses	**1,138,478**	254,445,955	**-**	3,223,671
Loss from operations	**(1,138,478)**	(29,199,097)	**-**	(618,631)
Nonoperating revenue (expenses):				
Investment earnings	**-**	2,371,668	**-**	-
Community expenses	**-**	(74,757)	**-**	-
Provider relief fund grant revenue	**-**	30,934,051	**-**	101,833
Grant and other revenues	**-**	7,500	**-**	-
Loss on bond defeasance	**(6,980,178)**	-	**-**	-
Loss on sale to LCMC	**(77,434,524)**	-	**(275,251)**	-
Equity in net loss of component units and associated companies	**-**	(255,806)	**-**	-
	(84,414,702)	32,982,656	**(275,251)**	101,833
Excess of revenue over (under) expenses before distributions	**(85,553,180)**	3,783,559	**(275,251)**	(516,798)
Contributions	**-**	-	**-**	100,000
Change in net position	**(85,553,180)**	3,783,559	**(275,251)**	(416,798)
Net position:				
Beginning	**124,168,903**	120,385,344	**275,251**	692,049
Ending	**$ 38,615,723**	$ 124,168,903	**$ -**	$ 275,251

See notes to basic financial statements.

East Jefferson General Hospital

Statements of Cash Flows

	Organization		Discrete Component Unit, East Jefferson Ambulatory Surgery Center, LLC	
	Three Months Ended December 31, 2020	Nine Months Ended September 30, 2020	**Three Months Ended December 31, 2020**	Nine Months Ended September 30, 2020
Cash flows from operating activities:				
Receipts from patients and third-party payors	**$ -**	$ 203,099,732	**$ -**	$ 2,133,454
Payments to suppliers	**(1,832,650)**	(143,498,535)	**-**	(1,437,388)
Payments to employees	**(7,689,192)**	(92,406,232)	**-**	(964,633)
Other receipts and payments	**-**	41,833,212	**-**	16,890
Net cash provided by (used in) operating activities	**(9,521,842)**	9,028,177	**-**	(251,677)
Cash flows from capital and related financing activities:				
Purchase of capital assets	**-**	(1,752,614)	**-**	(36,000)
Grant and other revenues	**-**	7,500	**-**	-
Borrowings on long-term debt	**-**	-	**-**	254,539
Payment for defeasance of long-term debt	**(111,844,800)**	-	**-**	-
Principal payments on long-term debt	**-**	(3,365,000)	**-**	(69,044)
Interest payments on long-term debt, net of interest capitalized	**-**	(8,334,839)	**-**	(11,491)
Net cash provided by (used in) capital and related financing activities	**(111,844,800)**	(13,444,953)	**-**	138,004
Cash flows from noncapital financing activities:				
Contributions paid	**-**	(74,757)	**-**	-
Net cash received upon sale to LCMC (Note 14)	**62,064,042**	-	**(134,798)**	-
Provider relief fund grants received	**-**	30,934,051	**-**	101,833
Contributions from members	**-**	-	**-**	100,000
Net cash provided by (used in) noncapital financing activities	**62,064,042**	30,859,294	**(134,798)**	201,833
Cash flows from investing activities:				
Investment earnings	**-**	2,371,668	**-**	-
Purchase of investments and assets limited as to use	**(2,000,000)**	(69,853,017)	**-**	-
Proceeds from sales and maturities of investments and assets limited as to use	**-**	159,621,305	**-**	-
Other	**-**	71,895	**-**	-
Net cash provided by (used in) investing activities	**(2,000,000)**	92,211,851	**-**	-
Increase (decrease) in cash and cash equivalents	**(61,302,600)**	118,654,369	**(134,798)**	88,160
Cash and cash equivalents:				
Beginning, including cash and cash equivalents limited as to use: September 30, 2020 $0; December 31, 2019 $23,690	**138,093,111**	19,438,742	**134,798**	46,638
Ending, including cash and cash equivalents limited as to use: December 31, 2020 $0; September 30, 2020 $0	**$ 76,790,511**	$ 138,093,111	**$ -**	$ 134,798

(Continued)

East Jefferson General Hospital

Statements of Cash Flows (Continued)

	Organization		Discrete Component Unit, East Jefferson Ambulatory Surgery Center, LLC	
	Three Months Ended December 31, 2020	Nine Months Ended September 30, 2020	**Three Months Ended December 31, 2020**	Nine Months Ended September 30, 2020
Reconciliation of operating (loss) to net cash provided by (used in) operating activities:				
(Loss) from operations	**$ (1,138,478)**	$ (29,199,097)	**$ -**	$ (618,631)
Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities:				
Depreciation and amortization	**-**	13,581,526	**-**	86,452
Interest expense	**-**	6,215,797	**-**	11,491
(Increase) decrease in:				
Patient receivables	**-**	(4,363,759)	**-**	(454,696)
Other receivables	**-**	(4,297,754)	**-**	-
Inventories	**-**	(176,891)	**-**	-
Prepaid expenses	**-**	7,331,951	**-**	92
Deferred outflows related to pension	**(382,831)**	(896,552)	**-**	-
Increase (decrease) in:				
Accounts payable	**-**	(13,889,842)	**-**	410,138
Third-party payor settlements	**-**	328,368	**-**	-
Accrued expenses	**(8,982,764)**	7,560,480	**-**	313,477
Medicare Accelerated and Advance Payment program	**-**	28,019,231	**-**	-
Deferred compensation and executive benefits, retirement benefits and self-insurance reserves	**(51,120)**	(1,923,673)	**-**	-
Pension liability	**1,033,351**	3,568,559	**-**	-
Deferred inflows related to pension	**-**	(2,830,167)	**-**	-
Net cash provided by (used in) operating activities	**$ (9,521,842)**	$ 9,028,177	**$ -**	$ (251,677)
Noncash investing activities:				
Equity in net loss of component unit and associated companies	**$ -**	$ 255,806	**$ -**	$ -
Decrease in assets limited as to use under CEA with service district hospitals and due to service district hospitals under CEA	**$ -**	$ (23,690)	**$ -**	$ -
Supplemental disclosure of noncash information, sale of Organization to LCMC (Note 14):				
Current assets, primarily accounts receivable	**$ 42,497,533**	$ -	**$ -**	$ -
Long-term assets, primarily capital assets	**144,059,068**	-	**-**	-
Liabilities, primarily MAAP	**(47,058,035)**	-	**-**	-
Loss on sale to LCMC	**(77,434,524)**	-	**-**	-
Net cash received upon sale to LCMC	**$ 62,064,042**	$ -	**$ -**	$ -

See notes to basic financial statements.

East Jefferson General Hospital

Retirement and Savings Plans
Statements of Fiduciary Net Position—Pension Trust Fund

	December 31, 2020	September 30, 2020
Assets		
Cash and cash equivalents	**$ 522,322**	$ 1,358,332
Investments at fair value:		
Debt securities	**35,310,221**	36,385,146
Equity securities	**44,532,856**	159,482,844
Investment in partnership	**18,992**	18,564
Investments at contract value, group fixed unallocated annuity contract	**7,303,231**	27,728,596
Total investments	**87,165,300**	223,615,150
Receivables:		
Accrued interest and dividends	**120,294**	131,398
Contributions receivable, employer	**-**	67,269
Due from broker	**-**	919,336
Total receivables	**120,294**	1,118,003
Total assets	**87,807,916**	226,091,485
Liabilities		
Accounts payable	**33,288**	49,924
Due to broker	**-**	408,130
Total liabilities	**33,288**	458,054
Net Position Restricted for Pension Benefits	**$ 87,774,628**	$ 225,633,431

See notes to basic financial statements.

East Jefferson General Hospital

Retirement and Savings Plans
Statements of Changes in Fiduciary Net Position—Pension Trust Fund

	Three Months Ended December 31, 2020	Nine Months Ended September 30, 2020
Additions:		
Contributions:		
Members	**$ -**	$ 4,625,784
Rollovers	**-**	189,836
Employer	**1,965**	7,601,862
Total contributions	**1,965**	12,417,482
Investment income:		
Interest	**193,374**	418,956
Dividends	**4,321,824**	1,160,331
Net appreciation in fair value of investments	**4,130,507**	2,863,969
	8,645,705	4,443,256
Less:		
Investment advisory services	**16,939**	115,733
Custodial fees and administrative fees	**9,397**	57,341
Net investment income	**8,619,369**	4,270,182
Total additions	**8,621,334**	16,687,664
Deductions:		
Retirement benefits paid and savings plan withdrawals	**44,833,557**	29,847,112
Administrative expenses	**28,259**	61,670
Total deductions	**44,861,816**	29,908,782
Net decrease	**(36,240,482)**	(13,221,118)
Transfer to LCMC plan	**(101,618,321)**	-
Net position restricted for pension benefits:		
Beginning	**225,633,431**	238,854,549
Ending	**$ 87,774,628**	$ 225,633,431

See notes to basic financial statements.

Note 1. Nature of Business and Significant Accounting Policies

Nature of business:

Reporting entity: East Jefferson General Hospital (Hospital) is organized as Jefferson Parish Hospital Service District No. 2 by the Parish Council of Jefferson Parish, Louisiana (Parish) under provisions of the Jefferson Parish Charter and of Chapter 10 of Title 46 of the Louisiana Revised Statutes of 1950 and is exempt from federal and state income taxes. The Hospital operates an acute care hospital and physician practices and owns certain medical office buildings. The Hospital is a component unit of Jefferson Parish, Louisiana for financial reporting purposes and is included in the basic financial statements of Jefferson Parish together with its component units, which are described below. The component units discussed below are included because the nature and significance of their relationship to the Hospital are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete under criteria set forth by the Governmental Accounting Standards Board (GASB).

Substantially all assets of the Organization were acquired, and certain liabilities were assumed by Louisiana Children's Medical Center and LCMC Health Holdings, Inc. (collectively, LCMC) effective October 1, 2020 as discussed in Note 14.

Blended component units: The following component units are legally separate organizations for which the Hospital has determined should be presented as blended component units. With the exception of the East Jefferson General Hospital Foundation (Foundation), the Hospital appoints the voting majority of the component units' Board of Directors, and each has a specific financial benefit or burden to the Hospital. While the Foundation appoints its own Board of Directors, it also has a specific financial benefit to the Hospital and the resources held by the Foundation have historically been for the benefit of the Hospital. Accordingly, these organizations represent blended component units of the Hospital.

East Jefferson Radiation Oncology, LLC (EJRO) was formed in 2006 and shall continue perpetually. EJRO provides radiation oncology services. The Hospital had a 100% ownership interest in EJRO as of September 30, 2020 and this ownership interest was sold effective October 1, 2020 to LCMC as discussed in Note 14.

East Jefferson Physicians Group, LLC (EJPG) was formed in 2006 and shall continue perpetually. EJPG owns and operates a wide range of clinical practices. The Hospital had a 100% ownership interest in EJPG as of September 30, 2020 and this ownership interest was sold effective October 1, 2020 to LCMC as discussed in Note 14.

East Jefferson Physician Network, LLC (EJPN) was formed in 1996 and shall continue perpetually. EJPN is used to acquire several physician practices. The Hospital had a 95% ownership interest in EJPN as of September 30, 2020 and this ownership interest was sold effective October 1, 2020 to LCMC as discussed in Note 14.

East Jefferson General Hospital Foundation (Foundation) was formed in 1969 to generate philanthropic support for the Hospital. The Foundation is an independent non-profit organization governed by a community board of trustees. The Foundation is a private nonprofit organization that reports under FASB standards for not-for-profit organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. Other than the reclassification of amounts to different financial statement line items, no modifications have been made to the Foundation's financial information for these differences. Individual financial statements can be requested from the Foundation's office at 4200 Houma Blvd. Metairie, Louisiana 70006. The Foundation is no longer considered a blended component unit effective October 1, 2020 due to the sale to LCMC discussed in Note 14.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

The Hospital, along with its blended component units, EJRO, EJPG, EJPN and the Foundation, are collectively referred to as the Organization. All significant intercompany accounts and transactions have been eliminated in the preparation of the financial statements.

Discrete component unit: East Jefferson Ambulatory Surgery Center, LLC (EJASC) is a legally separate, discretely presented component unit of the Hospital. The Hospital does not appoint the voting majority of EJASC's Board of Directors and EJASC does not have a specific financial benefit or burden to the Hospital; however, EJASC's financial results are included in the Organization's financial statements as it would be misleading to exclude them. EJASC was formed in 2004 and shall continue perpetually. EJASC operates a surgery center on the Hospital's campus. The Hospital had a 51% ownership interest in EJASC as of September 30, 2020 but only had a 50% voting right and did not have the voting majority over the board. EJASC was sold effective October 1, 2020 to LCMC as discussed in Note 14. EJASC has a December 31 fiscal year-end. EJASC is a private organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. Other than the reclassification of amounts to different financial statement line items, no modifications have been made to EJASC's financial information in the Hospital's financial reporting entity for these differences. Individual financial statements can be requested from EJASC's office at 4320 Houma Blvd., Metairie, Louisiana 70006.

Presented below are condensed combining schedules for the blended component units.

Condensed Combining Statement of Net Position
December 31, 2020
(Dollars in Thousands)

	EJGH	EJRO	EJPG	EJPN	Foundation	Eliminations	Total Organization (Memorandum Only)
Assets and Deferred Outflows							
Total assets	$ 93,453	$ -	$ -	$ -	$ -	$ -	$ 93,453
Deferred outflows	1,279	-	-	-	-	-	1,279
	$ 94,732	$ -	$ -	$ -	$ -	$ -	$ 94,732
Liabilities, Deferred Inflows and Net Position							
Liabilities:							
Current liabilities	$ 13,298	$ -	$ -	$ -	$ -	$ -	$ 13,298
Other liabilities	42,818	-	-	-	-	-	42,818
Total liabilities	56,116	-	-	-	-	-	56,116
Net position, unrestricted	38,616	-	-	-	-	-	38,616
	$ 94,732	$ -	$ -	$ -	$ -	$ -	$ 94,732

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Condensed Combining Statement of Net Position
September 30, 2020
(Dollars in Thousands)

	EJGH	EJRO	EJPG	EJPN	Foundation	Eliminations	Total Organization (Memorandum Only)
Assets and Deferred Outflows							
Current assets	$ 224,303	$ 48	$ 69	$ 202	$ 1,854	$ (6,646)	$ 219,830
Assets limited as to use	250	-	-	-	2,957	-	3,207
Capital assets, net	138,962	-	97	-	-	-	139,059
Other assets	(1,953)	-	3,989	-	175	2,788	4,999
Total assets	361,562	48	4,155	202	4,986	(3,858)	367,095
Deferred outflows	896	-	-	-	-	-	896
	$ 362,458	$ 48	$ 4,155	$ 202	$ 4,986	$ (3,858)	$ 367,991
Liabilities, Deferred Inflows and Net Position							
Liabilities:							
Current liabilities	$ 201,453	$ 1,504	$ 5,497	$ -	$ -	$ (6,646)	$ 201,808
Other liabilities	42,280	-	-	-	-	(265)	42,015
Total liabilities	243,733	1,504	5,497	-	-	(6,911)	243,823
Net position:							
Net investment in capital assets	8,360	-	97	-	-	-	8,457
Restricted, expendable	28,036	-	-	-	755	-	28,791
Restricted, nonexpendable	-	-	-	-	350	10	360
Unrestricted	82,329	(1,456)	(1,439)	202	3,881	3,043	86,560
Total net position	118,725	(1,456)	(1,342)	202	4,986	3,053	124,168
	$ 362,458	$ 48	$ 4,155	$ 202	$ 4,986	$ (3,858)	$ 367,991

Condensed Combining Statement of Revenue, Expenses and Changes in Net Position
Three Months Ended December 31, 2020
(Dollars in Thousands)

	EJGH	EJRO	EJPG	EJPN	Foundation	Eliminations	Total Organization (Memorandum Only)
Total operating expenses	$ 1,138	$ -	$ -	$ -	$ -	$ -	$ 1,138
Loss from operations	(1,138)	-	-	-	-	-	(1,138)
Nonoperating revenue	(78,971)	1,456	1,342	(202)	(4,986)	(3,053)	(84,414)
Change in net position	(80,109)	1,456	1,342	(202)	(4,986)	(3,053)	(85,552)
Net position:							
Beginning	118,725	(1,456)	(1,342)	202	4,986	3,053	124,168
Ending	$ 38,616	$ -	$ -	$ -	$ -	$ -	$ 38,616

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Condensed Combining Statement of Revenue, Expenses and Changes in Net Position
Nine Months Ended September 30, 2020
(Dollars in Thousands)

	EJGH	EJRO	EJPG	EJPN	Foundation	Eliminations	Total Organization (Memorandum Only)
Total operating revenue	$ 222,156	$ 1,488	$ 1,652	$ -	$ 275	$ (326)	$ 225,245
Operating expenses, before depreciation and amortization	234,823	1,951	4,204	-	212	(326)	240,864
Depreciation and amortization	13,328	-	253	-	-	-	13,581
Total operating expenses	248,151	1,951	4,457	-	212	(326)	254,445
Income (loss) from operations	(25,995)	(463)	(2,805)	-	63	-	(29,200)
Nonoperating revenue	29,705	-	36	-	42	3,199	32,982
Change in net position	3,710	(463)	(2,769)	-	105	3,199	3,782
Net position:							
Beginning	115,015	(993)	1,427	202	4,881	(146)	120,386
Ending	$ 118,725	$ (1,456)	$ (1,342)	$ 202	$ 4,986	$ 3,053	$ 124,168

Condensed Combining Statement of Cash Flows
Three Months Ended December 31, 2020
(Dollars in Thousands)

	EJGH	EJRO	EJPG	EJPN	Foundation	Eliminations	Total Organization (Memorandum Only)
Operating activities	$ (9,786)	$ -	$ -	$ -	$ -	$ 264	$ (9,522)
Capital and related financing activities	(111,845)	-	-	-	-	-	(111,845)
Noncapital financing activities	62,823	(6)	(241)	(85)	(162)	(264)	62,065
Investing activities	(2,000)	-	-	-	-	-	(2,000)
Net decrease in cash and cash equivalents	(60,808)	(6)	(241)	(85)	(162)	-	(61,302)
Cash and cash equivalents:							
Beginning of the year	137,599	6	241	85	162	-	138,093
End of the year	$ 76,791	$ -	$ -	$ -	$ -	$ -	$ 76,791

Condensed Combining Statement of Cash Flows
Nine Months Ended September 30, 2020
(Dollars in Thousands)

	EJGH	EJRO	EJPG	EJPN	Foundation	Eliminations	Total Organization (Memorandum Only)
Operating activities	$ 9,176	$ 32	$ (143)	$ -	$ (37)	$ -	$ 9,028
Capital and related financing activities	(13,349)	-	(96)	-	-	-	(13,445)
Noncapital financing activities	30,889	-	36	-	(66)		30,859
Investing activities	92,112	-	-	-	100	-	92,212
Net increase (decrease) in cash and cash equivalents	118,828	32	(203)	-	(3)	-	118,654
Cash and cash equivalents:							
Beginning of the year	18,771	(26)	444	85	165	-	19,439
End of the year	$ 137,599	$ 6	$ 241	$ 85	$ 162	$ -	$ 138,093

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Significant accounting policies:

Accrual basis of accounting: The accrual basis of accounting is used by the Organization. Under the accrual basis of accounting, revenue is recognized when earned and expenses are recognized when the liability has been incurred. Under this basis of accounting, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the Organization are included in the statements of net position.

Accounting standards: These financial statements have been prepared in accordance with GASB standards.

Fiduciary fund: East Jefferson General Hospital Retirement and Savings Plans (Pension Trust Fund) is a fiduciary fund type, pension trust fund. The Pension Trust Fund is accounted for in essentially the same manner as the Organization, using the same measurement focus and accrual basis of accounting. Employee and employer contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Pension Trust Fund accounts for the assets of the East Jefferson General Hospital Retirement and Savings Plan. The plans are included in the reporting entity due to the Organization's significant administrative involvement. The Pension Trust Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to East Jefferson General Hospital, Administration Department or by calling (504) 454-4000.

Accounting estimates: The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents: Cash and cash equivalents include temporary cash investments whose use is not limited. The temporary cash investments have original maturities of three months or less at date of issuance. Certain temporary investments internally designated as long-term investments are excluded from cash and cash equivalents.

Patient receivables: Patient receivables, where a third-party payor is responsible for paying the amount, are carried at a net amount determined by the original charge for the service provided, less an estimate made for contractual adjustments or discounts provided to third-party payors.

Patient receivables due directly from the patients, net of any third-party payor responsibility, are carried at the original charge for the service provided less an estimated allowance for doubtful accounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by historical experience applied to an aging of accounts. The Organization does not charge interest on patient receivables. Patient receivables are written off as bad debt expense when deemed uncollectible. Recoveries of receivables previously written off are recorded as a reduction of bad debt expense when received. Provision for bad debts was approximately $0 and $5,504,000 for the three months ended December 31, 2020 and the nine months ended September 30, 2020, respectively, and is recorded as a reduction of net patient service revenue.

Receivables or payables related to estimated settlements on various risk contracts that the Hospital participates in are reported as estimated third-party payor receivables or payables.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Inventories: Inventories, which consist primarily of drugs and supplies, are valued at the lower of cost (first-in, first-out method) or market.

Assets limited as to use and investments: Assets limited as to use include assets set aside by the Board of Directors for strategic initiatives and for endowment, over which the Board retains control and may at its discretion subsequently use for other purposes, assets held by trustees under bond indenture agreements, assets held which are for the benefit of service district hospitals under Cooperative Endeavor Agreements (CEA), donor restricted assets, and assets held as security for medical malpractice claims due to participation in the Louisiana Patient's Compensation Fund.

Investments, including assets limited as to use, are recorded at fair value. Investments in equity securities with readily determinable fair values and all investments in debt securities, including those classified as assets limited as to use, are measured at fair value in the statements of net position. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investment earnings, including realized gains and losses on investments, interest and dividends, and changes in unrealized gains and losses are included in nonoperating income.

Funds that were established in connection with the issuance of the revenue bonds are maintained by a trustee in special trust accounts for the benefit and security of the holders and owners of the debt and are reported as assets limited as to use under bond indentures. Interest earned on the investments held in trust is retained in the funds and used for the purposes described in the respective bond ordinances.

The Organization has investments in associated companies and a component unit, which are reported as other assets on the accompanying statements of net position and are accounted for by the equity method of accounting under which the Organization's share of the net income of the associated companies and component unit are recognized as income in the Organization's statements of revenue, expenses and changes in net position and is added to the investment account. Dividends and distributions received from the associated companies and component unit are treated as a reduction of the investment account. The Organization's equity in the net income (loss) of the associated companies and component unit was $0 and $(255,806) for the three months ended December 31, 2020 and the nine months ended September 30, 2020, respectively.

Capital assets: Capital assets are carried at cost or, if donated, at acquisition value at date of donation. Depreciation is computed by the straight-line method over the assets' estimated useful lives ranging from three to forty years.

Goodwill: Goodwill is primarily the result of an acquisition of a physician group in 2012. Goodwill, which is included in other assets on the accompanying statements of net position, is being tested for impairment when a triggering event occurs that indicates that the fair value of the entity may be below its carrying amount. Management has determined that no triggering events occurred during the nine months ended September 30, 2020 and, therefore, determined no goodwill impairment exists. The goodwill is subject to amortization and is amortized on a straight-line method over its estimated useful lives, which range from 5 to 20 years.

Deferred inflows of resources: Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources consist of the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Paid leave: Paid leave is accrued when earned. Paid leave activity for the three months ended December 31, 2020 and the nine months ended September 30, 2020 is as follows:

	December 31, 2020	September 30, 2020
Balance, beginning	$ 3,402,323	$ 3,270,132
Additions	-	41,470,410
Deletions	(3,402,323)	(41,338,219)
Balance, ending	$ -	$ 3,402,323

Net position: Net position is reported in three components: net investment in capital assets, restricted and unrestricted. The classifications are defined as follows:

Net investment in capital assets—This component of net position consists of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted—The restricted expendable component of net position consists of constraints placed on net position through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The restricted nonexpendable component of net position is permanently unavailable for use. The earnings on the nonexpendable net position are classified as restricted expendable.

Unrestricted—This component of net position consists of net position that does not meet the definition of the other components of net position described above.

Net patient service revenue: Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments with third-party payors are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Net patient service revenue is reported net of provision for bad debts.

Operating income: The Organization distinguishes operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from the primary purpose of the Organization, which is to provide medical services to the region. Operating revenue consists of net patient service revenue, cafeteria and special meals, Wellness Center membership fees, Upper Payment Limit (UPL) revenue, rental income from leases, provider relief fund grant revenue and other miscellaneous services. Operating expenses consist of salaries, wages and benefits, purchased services, supplies, depreciation and amortization, interest, payments related to the UPL programs and the low income and needy care collaboration and other miscellaneous. All revenue and expenses not meeting these criteria are considered nonoperating.

Charity care: The Organization provides care to patients who meet certain criteria under its charity care policy at amounts less than its established rates.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Gifts, grants and bequests: Gifts, grants and bequests not designated by donors for specific purposes are reported as nonoperating revenue regardless of the use for which they might be designated by the Board of Directors. Grants are recognized as revenue when earned. Expense-driven grants are recognized as revenue when the qualifying expenses have been incurred and all other grant requirements have been met.

Board of Directors: Members of the Hospital's Board of Directors receive no compensation or per diem.

Subsequent Events: Management has evaluated and disclosed subsequent events up to and including June 30, 2021, which is the date the financial statements were available to be issued.

Note 2. Net Patient Service Revenue

Approximately 72% of the Hospital's net patient service revenue for the nine months ended September 30, 2020 is earned under agreements with Medicare and Medicaid. These agreements with third-party payors provide for payments to the Hospital at amounts different from its established rates. These third-party payors include: the Medicare and Medicaid programs, health maintenance organizations, and various commercial insurance and preferred provider organizations. A summary of the payment arrangements with major third-party payors follows:

Medicare: The Hospital is paid for inpatient acute care services rendered to Medicare program beneficiaries under prospectively determined rates-per-discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. The prospectively determined classification of patients and the appropriateness of the patients' admissions are subject to validation reviews by a Medicare peer review organization which is under contract with the Hospital to perform such reviews.

Outpatient services are paid via the outpatient prospective payment system. Outpatient services subject to the outpatient prospective payment system are not subject to cost report settlement with several exceptions.

The Hospital is reimbursed for certain cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been finalized by the Medicare fiscal intermediary through December 31, 2017.

Medicaid: Inpatient services rendered to Medicaid program beneficiaries are reimbursed based upon prospectively determined rates. The prospectively determined rates are not subject to retroactive adjustment. Outpatient services are reimbursed based on cost reimbursement and fee schedule limitations. The cost-based rates are subject to retroactive adjustment.

The Hospital's Medicaid cost reports have been finalized through December 31, 2013.

Other agreements: The Hospital has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges, prospectively determined daily rates and capitated per member per month rates.

Note 2. Net Patient Service Revenue (Continued)

A summary of the Organization's net patient revenue for the three months ended December 31, 2020 and the nine months ended September 30, 2020 is as follows:

	Organization		EJASC	
	December 31, 2020	September 30, 2020	December 31, 2020	September 30, 2020
Gross patient service revenue	$ -	$ 796,202,860	$ -	$ 16,956,799
Less discounts, allowances and estimated contractual adjustments under third-party reimbursement programs	-	583,564,006	-	14,368,649
Less provision for bad debts	-	5,503,731	-	-
	$ -	$ 207,135,123	$ -	$ 2,588,150

Contractual adjustment expense for the nine months ended September 30, 2020 include the effects of changes in the estimate of third-party payor settlements. The effect of this change in estimate for third-party payor settlements was an increase (decrease) in contractual adjustment expense of approximately $815,000 for the nine months ended September 30, 2020.

Note 3. Charity Care and Community Benefit

The Organization maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges forgone for services and supplies furnished under its charity care policy and the estimated cost of those services and supplies. The amount of charges forgone, based on established rates during the nine months ended September 30, 2020, were not material.

Although not accounted for as charity care, the Organization considers the contractual adjustment expense related to the Medicaid services as charity care. Contractual adjustment expense related to the Medicaid services performed was approximately $0 and $71,996,000 for the three months ended December 31, 2020 and the nine months ended September 30, 2020, respectively.

Community benefit services represent the cost of providing services such as ambulance services, food and nutritional services, pastoral care and public speeches on health care issues to Parish organizations. The Organization recorded approximately $0 and $75,000 of community benefit expenses related to these services for the three months ended December 31, 2020 and the nine months ended September 30, 2020, respectively.

Note 4. Cash and Investments

The Organization's cash, cash equivalents and investments as of December 31, 2020 and September 30, 2020 are classified in the accompanying statements of net position as follows:

	December 31, 2020	September 30, 2020
Hospital:		
Current assets:		
Cash and cash equivalents	$ 76,790,511	$ 137,598,217
Assets limited as to use:		
Certificates of deposit	-	250,000
Investments	-	27,785,851
Other blended component units:		
Current assets:		
Cash and cash equivalents	-	494,894
Short-term investments	-	1,657,196
Assets limited as to use, investments	-	2,956,508
	$ 76,790,511	$ 170,742,666

Authorized investments: Louisiana state statutes authorize the Hospital to invest in direct obligations of the U.S. Treasury and other federal agencies, time deposits with state banks and national banks having their principal office in the State of Louisiana, guaranteed investment contracts issued by highly rated financial institutions, and certain investments with qualifying mutual or trust fund institutions. Louisiana statutes also require that all of the deposits of the Hospital be protected by insurance or collateral. The market value of collateral pledged must equal or exceed 100% of the deposits not covered by insurance.

The Foundation's policy allows for investing of available funds in depository accounts in federally insured banks and savings and loan associations; money market mutual funds; fixed income securities and equity securities. The Foundation strives to obtain growth of asset value at a rate of 5% greater than inflation, as measured by CPI.

Interest rate risk: Interest rate risk is the risk that changes in market interest rates which will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of December 30, 2020, the Organization does not hold any investments subject to interest rate risk.

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Organization's investment policy limits any investments in Louisiana Municipal Bonds to have long-term ratings at Baa3 or higher by Moody's Investor Service or BBB– or higher by Standard & Poor's Corporation or Fitch Inc. or short-term ratings at MIG1 or higher by Moody's Investor Service or VM1G1 or higher by Standard & Poor's Corporation or Fitch Inc. The policy also limits the total portfolio to a duration that is within a range between 50% and 150% of the duration of the Barclays Capital U.S. 1-3 Year Government Bond index and the Barclays Capital Municipal Managed Money Short/Intermediate 1-10 Year index as weighted by the portfolio holdings.

Note 4. Cash and Investments (Continued)

Concentration of credit risk: The Hospital's investment policy is to apply the standard of prudence. Investments shall be made with judgment and care, under circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The Hospital places no limits on the amount that may be invested with one issuer. As of September 30, 2020, the Organization does not have any investments in any one issuer that represent greater than 5% of the Organization's investments.

Custodial credit risk: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The custodial risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Hospital's investment policy requires all certificates of deposit and repurchase agreements be collateralized by government securities for an amount in excess of FDIC and SAIF insurance limits. Certificates of deposit or repurchase agreements with terms longer than four days must be held by an independent third party.

As of December 31, 2020, all of the Hospital's bank balances in deposits with financial institutions were covered by insurance or collateral held by financial institutions in the Hospital's name. The investments were also entirely covered by insurance or held by financial institutions in the Hospital's name.

East Jefferson General Hospital Retirement and Savings Plans: Following are the components of the East Jefferson General Hospital Retirement and Savings Plans' (Pension Trust Fund), which includes a single employer defined benefit retirement plan (Pension Plan) and defined contribution savings plans (Savings Plans) cash equivalents and investments as of December 31, 2020 and September 30, 2020:

	Defined Benefit Retirement Plan	Savings Plans	Total
		December 31, 2020	
Cash equivalents	$ 507,826	$ 14,496	$ 522,322
Investments	35,329,213	51,836,087	87,165,300
	$ 35,837,039	$ 51,850,583	$ 87,687,622
		September 30, 2020	
Cash equivalents	$ 697,398	$ 660,934	$ 1,358,332
Investments	36,403,710	187,211,440	223,615,150
	$ 37,101,108	$ 187,872,374	$ 224,973,482

Cash equivalents: The cash equivalents totaling $522,322 and $1,358,332 as of December 31, 2020 and September 30, 2020, respectively, 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 Pension Trust Fund's custodian's trust department.

Note 4. Cash and Investments (Continued)

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. As of December 31, 2020 and September 30, 2020, the Pension Plan's investments are held by Comerica. The Savings Plans' investments are held by VALIC. The following were the Pension Plan's adopted portfolio target percentages for the defined contribution plans as of December 31, 2020:

	Minimum	Policy Target	Maximum
Asset category:			
Large cap equities	25%	35%	45%
Small/Mid cap equities	5	10	18
International equities	10	17	24
Fixed income	20	32	40
Real estate	4	6	10
Absolute return funds	-	-	1

The following were the Pension Plan's adopted portfolio target percentages for the defined benefit plan as of December 31, 2020:

	Minimum	Policy Target	Maximum
Asset category:			
Large cap equities	- %	35%	45%
Small/Mid cap equities	-	10	18
International equities	-	17	24
Fixed income	-	32	100
Real estate	-	6	10
Absolute return funds	-	-	-

Concentration of credit risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of the Pension Plan's investment in a single issuer. The Pension Plan's investment policy states that no more than 5% of market value of the assets assigned to an investment manager may be invested in unsecure investments of a single company by a manager. As of December 31, 2020 and September 30, 2020, there were no investments that exceeded the Pension Plan's concentration of credit risk policy. The Savings Plans' investment policy does not set a maximum percentage allowed to be invested in a single company.

Credit risk: Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Pension Trust Fund has no formal investment policy regarding credit risk. The Pension Trust Fund did not have investments in long-term debt securities as of December 31, 2020 and September 30, 2020.

Custodial credit risk: Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the Pension Trust Fund will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Pension Trust Fund holds all investments in a trust in the Pension Trust Fund's name, and therefore, are not exposed to custodial credit risk.

Note 4. Cash and Investments (Continued)

Interest rate risk: Interest rate risk is defined as the risk that changes in the interest rates which will adversely affect the fair value of an investment. The Pension Trust Fund has no formal investment policy regarding interest rate risk.

Rate of return: For the three months ended December 31, 2020 and the nine months ended September 30, 2020, the annual money-weighted rate of return on defined benefit plan investments, net of pension plan investment expense, was (9.75)% and (2.15)%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Group fixed unallocated annuity contract: As of December 31, 2020 and September 30, 2020, the Pension Plan was invested in Group Fixed Unallocated Annuity Contracts featuring a highly competitive current interest rate. The strategy for these contracts is intended to produce a reasonably stable and predictable return throughout the economic cycle, without undue risk or volatility. The portfolio consists principally of investment-grade corporate debt securities and highly rated mortgage-backed and asset-backed securities. In addition, a small allocation—normally 10% or less—is made to other, more volatile but potentially higher-yielding investments.

Investment in partnership: As of December 31, 2020 and September 30, 2020, the Pension Plan was invested in Equitas Evergreen Fund, L.P., which had a cost basis of $18,992 and $18,564, respectively. This fund’s strategy is to achieve consistent absolute returns in a variety of market environments, with substantially less volatility than global equity markets, by diversifying investments across managers. The fair value of the investment has been determined using the net asset value (NAV) per share (or equivalent) of the Pension Plan’s ownership interest in partners’ capital.

Savings plans funds: During the year ended December 31, 2004, agreements with VALIC were obtained for each of the Savings Plans. The Hospital invests each participant’s deferred compensation as directed by the employee. The investments are generally mutual funds; however, the plan documents provide for other types of investments. The responsibility for the selection of the investment alternatives has been retained by the Hospital. The funds are included in the financial statements as of December 31, 2020 and September 30, 2020 at fair market value.

Fair value: The Organization and the Pension Trust Fund use the fair value hierarchy established by generally accepted accounting principles 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. Level 3 inputs are significant unobservable inputs.

Note 4. Cash and Investments (Continued)

Fair value information for the Organization's investments which are carried at fair value is as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	September 30, 2020			
Government agency bonds	$ 190,198	$ -	$ 190,198	$ -
U.S. Treasury bonds	487,677	487,677	-	-
Corporate and foreign bonds	552,919	-	552,919	-
Other mutual funds	3,222,541	-	3,222,541	-
	4,453,335	$ 487,677	$ 3,965,658	$ -
Cash and cash equivalents	138,343,111			
Money market mutual funds	27,946,220			
	$ 170,742,666			

There were no investments carried at fair value as of December 31, 2020 that are required to be measured within the fair value hierarchy.

Investments in U.S. Treasury bonds are based on active quoted market prices. Investments in government agency bonds, corporate and foreign bonds and other mutual bonds are based on quoted market prices that are not active.

The Organization had no other investments meeting the disclosure requirements of GASB Statement No. 72.

Fair value information of the Pension Trust Fund's investments which are carried at fair value is as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	December 31, 2020			
Debt securities				
Mutual funds—fixed income	$ 15,978,408	$ 15,978,408	$ -	$ -
US government obligations	12,700,842	12,700,842	-	-
Corporate bonds	6,604,632	6,604,632	-	-
Foreign bonds and notes	26,339	26,339	-	-
Equity securities:				
Mutual funds, equity	44,532,856	44,532,856	-	-
Group fixed unallocated annuity contract	7,303,231	(A)	(A)	(A)
Investment in partnership	18,992	(A)	(A)	(A)
	$ 87,165,300	$ 79,843,077	$ -	$ -

Note 4. Cash and Investments (Continued)

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	September 30, 2020			
Debt securities				
Mutual funds—fixed income	$ 16,032,768	$ 16,032,768	$ -	$ -
US government obligations	12,494,121	12,494,121	-	-
Corporate bonds	7,306,550	7,306,550	-	-
Foreign bonds and notes	551,707	551,707	-	-
Equity securities:				
Mutual funds, equity	159,482,844	159,482,844	-	-
Group fixed unallocated annuity contract	27,728,596	(A)	(A)	(A)
Investment in partnership	18,564	(A)	(A)	(A)
	$ 223,615,150	$ 195,867,990	$ -	$ -

(A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net position.

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

The unfunded commitments and redemption terms for the Pension Trust Fund's investments measured at the NAV per share (or its equivalent) as of December 31, 2020 and September 30, 2020 are presented in the following table:

	Fair Value		Unfunded Commitments		Redemption Frequency (If Currently Eligible)	Redemption Notice Period
	December 31, 2020	September 30, 2020	December 31, 2020	September 30, 2020		
Investments measured at the NAV:						
Group fixed unallocated annuity contract	$ 7,303,231	$ 27,728,596	$ -	$ -	Daily	Same day
Investment in partnership	18,992	18,564	-	-	Quarterly	90 days
	$ 7,322,223	$ 27,747,160	$ -	$ -		

Note 5. Composition of Patient Receivables

Patient receivables as of December 31, 2020 and September 30, 2020 consist of the following:

	Organization		EJASC	
	December 31, 2020	September 30, 2020	December 31, 2020	September 30, 2020
Patients	$ -	$ 126,796,925	$ -	$ 2,724,318
Less estimated third-party contractual adjustments	-	81,942,054	-	1,526,117
Less allowance for doubtful accounts	-	15,323,095	-	-
	$ -	$ 29,531,776	$ -	$ 1,198,201

Note 6. Capital Assets

Capital assets activity as of and for the three months ended December 31, 2020, and as of and for the nine months ended September 30, 2020 is as follows:

	September 30, 2020	Additions	Disposals	Transfers	December 31, 2020
Organization:					
Capital assets not being depreciated:					
Land	$ 16,750,092	$ -	$ (16,750,092)	$ -	$ -
Construction in progress	4,505,210	-	(4,505,210)	-	-
Total capital assets not being depreciated	21,255,302	-	(21,255,302)	-	-
Capital assets being depreciated:					
Land improvements	6,066,141	-	(6,066,141)	-	-
Buildings	293,458,813	-	(293,458,813)	-	-
Fixed equipment	92,731,926	-	(92,731,926)	-	-
Major movable equipment	260,858,159	-	(260,858,159)	-	-
Minor equipment	1,574,076	-	(1,574,076)	-	-
Total capital assets being depreciated	654,689,115	-	(654,689,115)	-	-
Less accumulated depreciation for:					
Land improvements	5,833,265	-	(5,833,265)	-	-
Buildings	200,728,680	-	(200,728,680)	-	-
Fixed equipment	88,498,461	-	(88,498,461)	-	-
Major movable equipment	240,548,593	-	(240,548,593)	-	-
Minor equipment	1,276,659	-	(1,276,659)	-	-
Total accumulated depreciation	536,885,658	-	(536,885,658)	-	-
Total capital assets being depreciated, net	117,803,457	-	(117,803,457)	-	-
Organization capital assets, net	$ 139,058,759	$ -	$ (139,058,759)	$ -	$ -
EJASC:					
Capital assets being depreciated:					
Land improvements	$ 2,074,118	$ -	$ (2,074,118)	$ -	$ -
Major movable equipment	1,503,950	-	(1,503,950)	-	-
Total capital assets being depreciated	3,578,068	-	(3,578,068)	-	-
Less accumulated depreciation for:					
Land improvements	979,716	-	(979,716)	-	-
Major movable equipment	1,943,074	-	(1,943,074)	-	-
Total accumulated depreciation	2,922,790	-	(2,922,790)	-	-
EJASC capital assets, net	$ 655,278	$ -	$ (655,278)	$ -	$ -

Note 6. Capital Assets (Continued)

	December 31, 2019	Additions	Disposals	Transfers	September 30, 2020
Organization:					
Capital assets not being depreciated:					
Land	$ 16,750,092	$ -	$ -	$ -	$ 16,750,092
Construction in progress	4,261,701	245,812	-	(2,303)	4,505,210
Total capital assets not being depreciated	21,011,793	245,812	-	(2,303)	21,255,302
Capital assets being depreciated:					
Land improvements	6,058,826	7,315	-	-	6,066,141
Buildings	293,066,354	58,901	-	333,558	293,458,813
Fixed equipment	92,648,039	114	-	83,773	92,731,926
Major movable equipment	259,832,715	1,440,472	-	(415,028)	260,858,159
Minor equipment	1,574,076	-	-	-	1,574,076
Total capital assets being depreciated	653,180,010	1,506,802	-	2,303	654,689,115
Less accumulated depreciation for:					
Land improvements	5,807,633	25,632	-	-	5,833,265
Buildings	194,663,610	6,065,070	-	-	200,728,680
Fixed equipment	87,678,579	819,882	-	-	88,498,461
Major movable equipment	234,309,045	6,239,548	-	-	240,548,593
Minor equipment	1,231,090	45,569	-	-	1,276,659
Total accumulated depreciation	523,689,957	13,195,701	-	-	536,885,658
Total capital assets being depreciated, net	129,490,053	(11,688,899)	-	2,303	117,803,457
Organization capital assets, net	$ 150,501,846	$ (11,443,087)	$ -	$ -	$ 139,058,759
EJASC:					
Capital assets being depreciated:					
Land improvements	$ 2,074,118	$ -	$ -	$ -	$ 2,074,118
Major movable equipment	1,467,950	36,000	-	-	1,503,950
Total capital assets being depreciated	3,542,068	36,000	-	-	3,578,068
Less accumulated depreciation for:					
Land improvements	979,716	-	-	-	979,716
Major movable equipment	1,856,622	86,452	-	-	1,943,074
Total accumulated depreciation	2,836,338	86,452	-	-	2,922,790
EJASC capital assets, net	$ 705,730	$ (50,452)	$ -	$ -	$ 655,278

Note 7. Long-Term Debt

Long-term debt as of December 31, 2020 and September 30, 2020 consists of:

	December 31, 2020	September 30, 2020
Organization:		
Hospital Revenue and Refunding Bonds, Series 2011, net of unamortized bond discount (A)	$ -	$ 130,602,096
Less current maturities	-	130,602,096
	$ -	$ -
EJASC:		
Note payable, bank (B)	$ -	$ 148,690
Note payable, bank (C)	-	254,539
	-	403,229
Less current maturities	-	171,446
	$ -	$ 231,783

(A) **Hospital Revenue and Refunding Bonds, Series 2011–$170,000,000.** On October 26, 2011, the Hospital issued $170,000,000 in Revenue and Refunding Bonds, the proceeds of which, together with other amounts made available by the Hospital, were to be used to: (i) refund and defease the outstanding Hospital Revenue Bonds, Series 1998 and Hospital and Revenue Refunding, Series 1993 Bonds, (ii) finance costs of future capital projects, (iii) fund a deposit to the debt service reserve fund securing the Series 2011 Bonds and (iv) pay the costs of issuance of the Series 2011 Bonds. The Series 2011 bonds were offered and available for public sale.

The Series 2011 Bonds were issued at a discount of approximately $1,628,000. The bond discount, reported in the accompanying financial statements as a deduction from long-term debt, is deferred and amortized over the life of the bonds in a manner which approximates the effective interest method.

The Series 2011 Bonds included interest at rates ranging from 3.95% to 6.375%, payable semi-annually. Annual principal payments were due in varying amounts ranging from $2,105,000 to $11,515,000 through July 2041.

In March 2019, the Organization entered into a forbearance agreement with UMB Bank, N.A. in its capacity as Trustee. As one condition of the agreement, the Organization retained consultants to evaluate its operations and provide improvement suggestions. To avoid the occurrence of forbearance termination events, the Organization must have met certain milestones. The forbearance agreement also granted the bondholders security interests and liens in certain real property and personal property, as described in the agreement, as additional collateral.

In October 2020, the Series 11 Bonds were defeased as a result of the sale of the Organization discussed in Note 14, which resulted in a loss of approximately $6,980,000.

(B) EJASC had a note payable that bears interest at 4.75% and was due in monthly installments of approximately $13,000 with a maturity date of July 2021. This note was secured by substantially all of EJASC's equipment. The note payable contains certain financial covenants for EJASC, including financial reporting requirements. During the period ending September 30, 2020, due to the ongoing COVID-19 pandemic, EJASC received deferrals of three months of principal payments. Interest continued to accrue during this period, and when payments resumed, they were applied first to the accrued interest. Principal amounts deferred are due at the original maturity date of the note. In October 2020, the note payable was assumed by LCMC as part of the sale discussed in Note 14.

(C) In April 2020, EJASC received a loan in the amount of $254,539 under the Paycheck Protection Program (PPP) pursuant to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) administered by the U.S. Small Business Administration (SBA). The loan accrued interest at a rate of 1% and has an original maturity date of two years which can be extended to five years by mutual agreement of EJASC and the lender. Under the requirements of the CARES Act, proceeds may only be used for EJASC's eligible payroll costs or other eligible costs. The PPP Loan may be fully forgiven if proceeds are used within the requirements. In October 2020, the note payable was assumed by LCMC as part of the sale discussed in Note 14.

Note 7. Long-Term Debt (Continued)

Long-term debt activity as of and for the three months ended December 31, 2020, and as of and for the nine months ended September 30, 2020 is as follows:

	September 30, 2020	Additions	Deductions	December 31, 2020	Due Within One Year
Organization:					
Hospital Revenue and Refunding Bonds, Series 2011	$ 131,550,000	$ -	$ (131,550,000)	$ -	$ -
Less bond discount	947,904	-	(947,904)	-	-
	$ 130,602,096	$ -	$ (130,602,096)	$ -	$ -
EJASC:					
Note payable, bank	$ 148,690	$ -	$ (148,690)	$ -	$ -
Note payable, bank	254,539	-	(254,539)	-	-
	$ 403,229	$ -	$ (403,229)	$ -	$ -

	December 31, 2019	Additions	Deductions	September 30, 2020	Due Within One Year
Organization:					
Hospital Revenue and Refunding Bonds, Series 2011	$ 134,915,000	$ -	$ (3,365,000)	$ 131,550,000	$ 130,602,096
Less bond discount	1,002,387	-	(54,483)	947,904	-
	$ 133,912,613	$ -	$ (3,310,517)	$ 130,602,096	$ 130,602,096
EJASC:					
Note payable, bank	$ 217,734	$ -	$ (69,044)	$ 148,690	$ 148,690
Note payable, bank	-	254,539	-	254,539	22,756
	$ 217,734	$ 254,539	$ (69,044)	$ 403,229	$ 171,446

Note 8. Retirement and Benefit Plans

General: The East Jefferson General Hospital Retirement Plan and Savings Plan Committee is the administrator of a Pension Plan and hospital sponsored Savings Plans. The Pension Plan and Savings Plans are collectively referred to as the Plans. The Plans were established for the purpose of providing retirement benefits for substantially all employees of EJGH.

As discussed in Note 14, effective October 1, 2020, LCMC acquired substantially all assets of the Organization. As part of the acquisition, the East Jefferson General Hospital Retirement Plan and Savings Plans Committee and East Jefferson General Hospital Board of Directors terminated the defined benefit plan, 401(a) and 457(b) defined contributions plans effective September 30, 2020. The 403(b) defined contribution plan was assumed by LCMC as of October 1, 2020. In preparation of the impending termination of the plans, the East Jefferson General Hospital Retirement Plan and Savings Plans Committee made amendments to the defined benefit plan and revisions to the defined contribution plans.

Method used to value investments: The Pension Trust Fund's policy in regard to the allocation of invested assets is established and may be amended by the Hospital. It is the policy of the Hospital to pursue an investment strategy that balances return of current income and growth of principal. Investments are reported at fair value, based on quoted market prices or at contract value and short-term investments are reported at cost.

Tax status: Both the Pension Plan and the 401(a) savings plan have obtained favorable determination letters. Although those plans have been subsequently amended, it is believed that they are operated in compliance with the applicable requirements of the Internal Revenue Code. The 403(b) and 457(b) plans are prototype plans that were designated to meet the requirements of the Internal Revenue Code.

Risks and Uncertainties: The Plan invests in various investment securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in value of investment securities will occur in the near term and that these changes could materially affect amounts reported in the Plan's financial statements.

Plan contributions are made and the total pension liability is reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Termination: On December 30, 2020, the Form 5310 application was submitted to the Internal Revenue Service (IRS) to formally request the qualified status of the Pension Plans in regard to the termination. As of June 30, 2021, the IRS had not officially ruled on the status of the termination. Management believes a favorable ruling will be obtained.

Note 8. Retirement and Benefit Plans (Continued)

The following is a summary of the financial statements of the pension plan and savings plans as of and for the three months ended December 31, 2020 and nine months ended September 30, 2020:

	Pension Plan	Savings Plans 401(a)	Savings Plans 403(b)	Savings Plans 457(b)	Total (Memorandum Only)
	December 31, 2020				
Assets					
Cash and cash equivalents	$ 507,826	$ 11,139	$ -	$ 3,357	$ 522,322
Investments at fair value:					
Debt securities	35,310,221	-	-	-	35,310,221
Equity securities	-	34,197,260	-	10,335,596	44,532,856
Investment in partnership	18,992	-	-	-	18,992
Investments at contract value, Group					
Fixed Unallocated Annuity Contract	-	6,212,687	-	1,090,544	7,303,231
Total investments	35,329,213	40,409,947	-	11,426,140	87,165,300
Receivables, accrued interest and dividends	120,294	-	-	-	120,294
Liabilities, accounts payable	33,288	-	-	-	33,288
Net position restricted for pension benefits	$ 35,924,045	$ 40,421,086	$ -	$ 11,429,497	$ 87,774,628

	Pension Plan	Savings Plans 401(a)	Savings Plans 403(b)	Savings Plans 457(b)	Total (Memorandum Only)
	September 30, 2020				
Assets					
Cash and cash equivalents	$ 697,398	$ 226,919	$ 347,856	$ 86,159	$ 1,358,332
Investments at fair value:					
Debt securities	36,385,146	-	-	-	36,385,146
Equity securities	-	51,349,055	87,932,481	20,201,308	159,482,844
Investment in partnership	18,564	-	-	-	18,564
Investments at contract value, Group					
Fixed Unallocated Annuity Contract	-	11,320,316	13,337,984	3,070,296	27,728,596
Total investments	36,403,710	62,669,371	101,270,465	23,271,604	223,615,150
Receivables:					
Accrued interest and dividends	131,398	-	-	-	131,398
Contribution receivable, employee	-	-	-	67,269	67,269
Due from broker	919,336	-	-	-	919,336
Total receivables	1,050,734	-	-	67,269	1,118,003
Liabilities:					
Accounts payable	49,924	-	-	-	49,924
Due to broker	408,130	-	-	-	408,130
Total liabilities	458,054	-	-	-	458,054
Net position restricted for pension benefits	$ 37,693,788	$ 62,896,290	$ 101,618,321	$ 23,425,032	$ 225,633,431

Note 8. Retirement and Benefit Plans (Continued)

	Pension Plan	Savings Plans 401(a)	Savings Plans 403(b)	Savings Plans 457(b)	Total (Memorandum Only)
	Year Ended December 31, 2020				
Additions:					
Contributions, employer	$ -	$ 1,965	$ -	$ -	$ 1,965
Investment income:					
Interest	129,606	51,015	-	12,753	193,374
Dividends	768,721	2,738,826	-	814,277	4,321,824
Net appreciation in fair value of investments	(653,448)	3,307,413	-	1,476,542	4,130,507
	244,879	6,097,254	-	2,303,572	8,645,705
Less:					
Investment advisory services	16,939	-	-	-	16,939
Custodial and administrative fees	-	7,240	-	2,157	9,397
Net investment income	227,940	6,090,014	-	2,301,415	8,619,369
Total additions	227,940	6,091,979	-	2,301,415	8,621,334
Deductions:					
Retirement benefits paid and savings plan withdrawals	1,969,424	28,567,183	-	14,296,950	44,833,557
Administrative expenses	28,259	-	-	-	28,259
Total deductions	1,997,683	28,567,183	-	14,296,950	44,861,816
Net decrease	(1,769,743)	(22,475,204)	-	(11,995,535)	(36,240,482)
Transfer to LCMC plan	-	-	(101,618,321)	-	(101,618,321)
Net position restricted for pension benefits:					
Beginning	37,693,788	62,896,290	101,618,321	23,425,032	225,633,431
Ending	$ 35,924,045	$ 40,421,086	$ -	$ 11,429,497	$ 87,774,628

Note 8. Retirement and Benefit Plans (Continued)

	Pension Plan	Savings Plans 401(a)	Savings Plans 403(b)	Savings Plans 457(b)	Total (Memorandum Only)
	Year Ended September 30, 2020				
Additions:					
Contributions:					
Members	$ -	$ -	$ 3,504,470	$ 1,121,314	$ 4,625,784
Rollovers	-	-	189,836	-	189,836
Employer	2,651,344	3,203,981	1,746,537	-	7,601,862
Total contributions	2,651,344	3,203,981	5,440,843	1,121,314	12,417,482
Investment income:					
Interest	21,886	165,887	190,029	41,154	418,956
Dividends	611,358	148,002	318,077	82,894	1,160,331
Net appreciation in fair value of investments	(1,779,109)	1,448,180	2,531,952	662,946	2,863,969
	(1,145,865)	1,762,069	3,040,058	786,994	4,443,256
Less:					
Investment advisory services	115,733	-	-	-	115,733
Custodial and administrative fees	-	19,791	31,841	5,709	57,341
Net investment income	(1,261,598)	1,742,278	3,008,217	781,285	4,270,182
Total additions	1,389,746	4,946,259	8,449,060	1,902,599	16,687,664
Deductions:					
Retirement benefits paid and savings plan withdrawals	15,348,542	4,739,221	8,095,492	1,663,857	29,847,112
Administrative expenses	61,670	-	-	-	61,670
Total deductions	15,410,212	4,739,221	8,095,492	1,663,857	29,908,782
Net increase	(14,020,466)	207,038	353,568	238,742	(13,221,118)
Net position restricted for pension benefits:					
Beginning	51,714,254	62,689,252	101,264,753	23,186,290	238,854,549
Ending	$ 37,693,788	$ 62,896,290	$ 101,618,321	$ 23,425,032	$ 225,633,431

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

Note 8. Retirement and Benefit Plans (Continued)

Membership in the Pension Plan as of December 31, 2020 and September 30, 2020 is as follows:

	December 31, 2020	September 30, 2020
Retirees and beneficiaries receiving benefits	1,071	1,071
Terminated employees entitled to benefits, but not yet receiving them	1,323	1,323
Active employees	-	-
Total participants	2,394	2,394

For the three months ended December 31, 2020 and the nine months ended September 30, 2020, the Hospital's total payroll for all employees was approximately $0 and $71,191,000, respectively. The Hospital's total covered payroll (for pension plan participants) was approximately $0 for both the three months ended December 31, 2020 and the nine months ended September 30, 2020. Covered payroll refers to all compensation paid by the Hospital to active employees covered by the Pension Plan on which contributions to the Pension Plan are based.

Amendments—Defined Benefit Plan: Effective April 22, 2020, the Pension Plan was amended to offer a lump-sum window program in a phased approach to certain Pension Plan participants. Phase one was offered to participants who were actively employed by the Hospital who were at least the age of 59½. 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.

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 eligibility, 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 Pension Plan regarding the timing and commencement of benefit payments and optional forms of benefit distribution.

Pension and death benefits: The annual benefit at normal retirement will be equal to the benefit accrued through December 31, 1988 under the previous pension plan formula plus, for each year after December 31, 1988, benefits accrued under a new formula. Under the formula, benefits accrued at .75% of participant's annual pay up to a designated "breakpoint" and at .5% of annual pay in excess of the breakpoint. Benefits ceased to accrue effective April 1, 2005 with the freezing of the Pension Plan as of that date.

Note 8. Retirement and Benefit Plans (Continued)

The pension benefits will be 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.

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

Contributions required and contributions made: The funding policy of the Pension Plan provides for actuarially determined periodic employer contributions at rates that, for individual employees, remain fairly constant over time so that sufficient assets will be available to pay benefits when due. The contribution rate for normal cost is determined using the Entry Age Normal actuarial cost method. The Plan is being funded based on its normal cost, as actuarially determined, reduced by amounts sufficient to amortize an overfunded amount from prior years over a 30-year period. The Hospital made contributions of approximately $0 and $2,651,000 for the three months ended December 31, 2020 and the nine months ended September 30, 2020, respectively. Significant actuarial assumptions used to compute the contribution required are the same as those used to compute the standardized measure of the pension benefit obligation.

Pension Plan members are not required to contribute a portion of their annual salary. The Hospital is required per the Pension Plan's funding policy to contribute at an actuarially determined rate. Due to the termination discussed above, this was not required for the three months ended December 30, 2002 or nine months ended September 30, 2020.

Significant actuarial assumptions include a rate of return on the investment of present and future assets of 7.0% per year compounded annually. There has been no cost of living adjustment. The actuarial value of assets was determined using market value. The unfunded actuarial accrued liability is being amortized as a closed level dollar of payroll. The remaining amortization period at the January 1, 2021 actuarial valuation date was 30 years.

Net pension liability: GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* (GASB 71), require the liability for defined benefit pensions (net pension liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. The net pension liability should be measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

The Hospital selected measurement dates of December 31, 2020 and September 30, 2020. As of December 31, 2020 and September 30, 2020, the Hospital reported a liability of approximately $36,602,544 and $35,569,000, respectively, for its net pension liability, of which approximately $0 is reported in other current accrued expenses on the accompanying statement of net position. The Hospital's net pension liability was measured as of December 31, 2020 and September 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Note 8. Retirement and Benefit Plans (Continued)

Changes in the net pension liability:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
	December 31, 2020		
Balances at September 30, 2020	$ 73,262,981	$ 37,693,788	$ 35,569,193
Changes for the year:			
Interest on the total pension liability	1,233,032	-	1,233,032
Benefit payments	(1,969,424)	(1,969,424)	-
Net investment gain	-	235,921	(235,921)
Other		(36,240)	36,240
Net changes	(736,392)	(1,769,743)	1,033,351
Balances at December 31, 2020	$ 72,526,589	$ 35,924,045	$ 36,602,544

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
	September 30, 2020		
Balances at December 31, 2019	$ 83,714,888	$ 51,714,254	$ 32,000,634
Changes for the year:			
Interest on the total pension liability	3,963,249	-	3,963,249
Differences between expected and actual experience of the total pension liability	1,697,672	-	1,697,672
Change of assumptions	(764,286)	-	(764,286)
Benefit payments	(15,348,542)	(15,348,542)	-
Contributions—employer	-	2,651,344	(2,651,344)
Net investment (loss)	-	(1,307,541)	1,307,541
Other	-	(15,727)	15,727
Net changes	(10,451,907)	(14,020,466)	3,568,559
Balances at September 30, 2020	$ 73,262,981	$ 37,693,788	$ 35,569,193

Note 8. Retirement and Benefit Plans (Continued)

Actuarial assumptions: The supplementary information presented in the Required Supplemental Information for retirement plans was determined as part of the actuarial valuations at the dates indicated. The following are the methods and assumptions used to determine total pension liability as of December 31, 2020 and September 30, 2020:

Valuation date	September 30, 2020
Measurement date	December 31, 2020 and September 30, 2020
Actuarial cost method	Entry Age Normal
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.0% per annum
Amortization method	Level dollar
Amortization period	25 years remaining (closed basis)
Salary increase rate	N/A as a frozen plan
Mortality	2020: PRI-2012 Total Employee/Retiree, with mortality improvement based on MP-2020

The long-term expected rate of return on pension 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 pension plan investment expense, 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 to the target asset allocation percentage and adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2020 and September 30, 2020 are summarized in the following table:

Asset Class	December 31, 2020 Long-Term Expected Real Rate of Return	September 30, 2020 Long-Term Expected Real Rate of Return
Cash and cash equivalents	(0.78%)	(0.34%)
Fixed income, U.S. Core Bonds	0.04	0.08
Domestic equities	4.12	4.80
International equities	5.84	6.44
Emerging markets equities	7.52	8.31
Real estate/U.S. REITS	5.09	5.30

Note 8. Retirement and Benefit Plans (Continued)

Discount rate: The discount rate used to measure the total pension liability was 7% as of December 31, 2020 and September 30, 2020. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Hospital contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension 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 plan's net pension liability, calculated using a 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% lower or 1% higher:

	1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
		December 31, 2020	
Net pension liability	$ 43,012,029	$ 36,602,544	$ 3,111,832
		September 30, 2020	
Net pension liability	$ 42,063,854	$ 35,569,193	$ 30,023,180

Pension expense, deferred outflows of resources, and deferred inflows of resources related to pension: For the three months ended December 31, 2020 and the nine months ended September 30, 2020, the Hospital recognized pension expense of $642,539 and $2,541,008, respectively, which was impacted by the recognition of deferred inflows and outflows, and the change in the net pension liability. As of December 31, 2020 and September 30, 2020, the Hospital reported deferred outflows of resources and deferred inflows of resources related to its pension from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
	December 31, 2020	
Deferred amounts to be recognized in pension expense in future periods, differences between expected and actual experience	$ 1,279,383	$ -
	September 30, 2019	
Deferred amounts to be recognized in pension expense in future periods, differences between expected and actual experience	$ 896,552	$ -

Note 8. Retirement and Benefit Plans (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to differences between expected and actual experience and changes of assumptions will be recognized in pension expense in future periods over the average remaining service life for all active and inactive plan members of one year. Amounts reported as of December 31, 2020 as deferred outflows of resources and deferred inflows of resources, respectively, related to the net difference between projected and actual earnings and will be recognized in pension expense in future periods over 4 years as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Years ending December 31:		
2021	$ 10,309	$ -
2022	762,514	-
2023	(367,865)	-
2024	874,425	-
	$ 1,279,383	$ -

Employee Savings Plans: The Savings Plans include a 401(a) plan that was frozen to new participants effective December 31, 2003 and reactivated in 2007. The Savings Plans also include a 403(b) plan and a 457(b) plan that were established effective January 1, 2004.

The 401(a) plan covers all full-time employees who have been employed for a twelve-month period during which at least 1,000 hours of service are completed and who are at least 21 years of age. With the exception of leased employees, all employees at least 21 years of age are eligible to make elective deferrals under the 403(b) plan. All full- and part-time employees are eligible for employer contributions under the 403(b) plan after attaining age 21 and completing one month of employment. All employees are eligible to participate in the 457(b) plan.

The number of participants in each of the Savings Plans (active and inactive) as of December 31, 2020 and September 30, 2020 is as follows:

	December 31, 2020	September 30, 2020
401(a)	2,245	2,333
403(b)	-	2,471
457(b)	455	644

Plan Revisions—Defined Contribution Savings Plans: During 2020, the Board of Directors of East Jefferson General Hospital authorized revisions to the Savings Plans provisions to (1) shorten the compensation determination period based on beginning January 1, 2020 and ending July 31, 2020, (2) include hospital match funding from January 1, 2020 through July 31, 2020, (3) reduce 2020 participant's certified worked hours from 1,000 to 584, and (4) immediately vest at 100% for participants with a current hospital matching account balance.

Termination—Defined Contribution Savings Plans: On August 26, 2020, a board resolution was passed to authorize the ceasing of East Jefferson General Hospital being the plan sponsor and the termination of the 401(a) and 457(b) effective on the transaction date between East Jefferson General Hospital and LCMC. Effective October 1, 2020, the 403(b) adoption agreement for LCMC Health to assume the 403(b) plan was approved.

Note 8. Retirement and Benefit Plans (Continued)

Contributions: The 403(b) plan allows for employee elective deferrals to be made up to the limits allowed by the IRS. Effective April 2005, employer basic contribution increases in 0.5% increments for every five years of credited service. The initial base contribution is 2.0% for less than five years of service. The Hospital has $0 accrued expense for contribution to the plan as of both December 31, 2020 and September 30, 2020. The matching employer contributions were made for September 30, 2020 based on the effective date of July 31, 2020. Matching employer contributions were made at a rate equal to 100% of the elective deferral of each employee up to 2.0% for the three months ended December 31, 2020 and the nine months ended September 30, 2020. Effective in 2006, the plan was amended to change the Hospital's funding to an annual basis, from pay period, and allows for confirmation of an employee's eligibility. Effective January 1, 2011, the Plan was amended to convert the matching contribution to a discretionary contribution, which would provide the employer the option of funding the matching contribution in whole or in part on an annual basis.

The 457(b) plan allows employee elective deferrals up to the annual limits allowed by the IRS. No employer contributions are made to this Plan.

The 401(a) plan was frozen effective December 31, 2003 and reactivated during 2007. During this period of time, the Hospital discontinued providing the Hospital basic contributions to the 403(b) plan and began funding these contributions to the 401(a) plan. The Hospital's basic contribution percentage amounts are provided to participants according to their benefit service date. The participants' voluntary pre-tax deductions and the Hospital's optional matching contributions continue to be funded to the 403(b) plan.

If the Hospital makes contributions, the employer contribution percentages for the 401(a) plan by benefit service date are as follows:

	Contribution Percentage
Number of years:	
0 to 5	2.0%
6 to 10	2.5
11 to 15	3.0
16 to 20	3.5
21 to 25	4.0
Over 25	5.0

Participant's accounts: Participants in the Savings Plans have separate accounts for each of the Plans. Each participant's account is credited with the Hospital's contribution, if applicable, and Plan earnings. Allocation of the Hospital's contributions is based on Plan compensation. Compensation for Plan purposes is the employee's eligible annual compensation as specified in the Plan document.

Vesting: The participant is 100% vested in Hospital contributions after the completion of five credited years of vesting service and upon death, disability or termination of the Savings Plans. Vesting status is not pro-rated for the other defined contribution plans. For this purpose, participants earn one year of vesting service for each year in which they work 1,000 hours or more. Any contributions made by participants for the Savings Plans, and earnings on those contributions, are 100% vested to the participants when made. The plan was revised to make participants fully vested in all employer contributions during 2020.

Note 8. Retirement and Benefit Plans (Continued)

Withdrawals and distributions: Participants do not make contributions to the 401(a), but can make contributions to the 403(b) and 457(b) plan. The Hospital contributions may not be withdrawn. Withdrawals of participant contributions are limited to one per calendar year. No contributions may be made to the plan for a six-month period after a withdrawal, and during those six months the participant is ineligible to receive the Hospital's matching contributions.

Only hardship withdrawals are allowed for the 403(b) and 457(b) plans. VALIC determines if a participant is eligible for a hardship withdrawal based on IRS Section 457(d)(1)(A)(iii) of the Code.

Upon termination of employment for resignation, dismissal, retirement or death, the participant's contributions plus the vested portion of the Hospital's contributions, and the related earnings may be distributed to the participant or his/her designated beneficiary. In addition, the employee may remain in the Plans, request a rollover distribution, or a distribution in the form of a lump-sum or annuity provided by the Plan administrator.

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

If a participant returns to service within five years, the dollar amount forfeited is restored to his or her account. There were no forfeiture amounts for the three months ended December 31, 2020.

During the nine months ended September 30, 2020, the Savings Plans used the following amounts in forfeitures to offset employer contributions and related custodial fees:

	September 30, 2020
401(a) savings plan	$ 397,127
403(b) savings plan	281,816
	$ 678,943

Subsequent events: On April 15, 2021 and May 20, 2021, all of the assets were distributed out of the 457(b) and 401(a) plans, respectively, in accordance with withdrawal methods offered to the plan participants in connection with the plan terminations.

Note 9. Self-Insurance, Commitments and Contingent Liabilities

Self-insurance for health insurance: The Hospital is self-insured for its employee health insurance plan. The self-insured claims are processed through a Plan Administrator. During 2020, the Hospital had stop-loss insurance coverage for claims in excess of $300,000 per individual per plan year and an unlimited lifetime maximum coverage per individual. The following is a summary of estimated claims liability for the three months ended December 31, 2020 and the nine months ended September 30, 2020. The Hospital has recorded a current liability for open claims and claims incurred but not reported as of December 31, 2020 and September 30, 2020.

	December 31, 2020	September 30, 2020
Balance, beginning	$ 1,280,477	$ 2,182,554
Claims expense and change in accrual	228,754	7,052,621
Claims payment, net	-	(7,954,698)
Balance, ending	$ 1,509,231	$ 1,280,477

Self-insurance for worker's compensation insurance: The Hospital is self-insured for worker's compensation. The self-insured claims are processed through a Plan Administrator. The Hospital has purchased stop-loss insurance coverage for claims in excess of $700,000 per occurrence with a $50,000 aggregate corridor starting in January 2017 and forward. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred as well as an estimate for claims which have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

The following is a summary of estimated claims liability for the three months ended December 31, 2020 and the nine months ended September 30, 2020. The Hospital has recorded a current liability for open claims and claims incurred but not reported which is included in other accrued expenses.

	December 31, 2020	September 30, 2020
Balance, beginning	$ 4,654,317	$ 4,984,061
Claims expense and change in accrual	-	559,330
Claims payment	(324,601)	(889,074)
Balance, ending	$ 4,329,716	$ 4,654,317

Professional liability insurance: During 1976, the State of Louisiana enacted legislation that created a statutory limit of $500,000 plus interest, costs and future medical expenses for each medical professional liability claim and established the Louisiana Patient Compensation Fund (State Insurance Fund) to provide professional liability insurance to participating health care providers. The constitutionality of the statutory limit has been tested and sustained to date although additional challenges may be made in the future. The Hospital participates in the State Insurance Fund, which provides up to $400,000 coverage for settlement amounts in excess of $100,000 per claim. The Hospital is self-insured with respect to the first $100,000 of each claim and has purchased additional coverage through a claims-made policy with a commercial insurance carrier for losses on claims in excess of $500,000 for claims made on or prior to December 31, 2003 and $1,000,000 for claims made subsequent to December 31, 2003.

Note 9. Self-Insurance, Commitments and Contingent Liabilities (Continued)

The following is a summary of estimated claims liability for the three months ended December 31, 2020 and the nine months ended September 30, 2020. The Hospital has recorded the liability in estimated self-insurance reserves, which is a noncurrent liability on the accompanying statements of net position.

	December 31, 2020	September 30, 2020
Balance, beginning	$ 4,279,965	$ 4,331,771
Claims expense and change in accrual	-	42,090
Claims payment	(51,120)	(93,896)
Balance, ending	$ 4,228,845	$ 4,279,965

Other self-insurance programs: The Hospital is self-insured for general liability and vehicle liability. The self-insured claims are processed through a Plan Administrator. The following is a summary of estimated claims liability for the three months ended December 31, 2020 and the nine months ended September 30, 2020. The Hospital has recorded the liability in estimated self-insurance reserves, which is a noncurrent liability on the accompanying statements of net position.

	December 31, 2020	September 30, 2020
Balance, beginning	$ 1,986,209	$ 2,260,949
Claims expense and change in accrual	-	(8,979)
Claims payment	-	(265,761)
Balance, ending	$ 1,986,209	$ 1,986,209

The amounts recorded by the Hospital for self-insurance for worker's compensation insurance, professional liability insurance, and other-self-insurance programs are actuarially determined and represent the discounted present value of the liabilities. The discount rate used was 1% for both the three months ended December 31, 2020 and the nine months ended September 30, 2020. The total undiscounted liability as of December 31, 2020 and September 30, 2020 was approximately $11,058,000.

Laws and regulations: The health care industry is subject to numerous laws and regulations of federal, state and local governments. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. These laws and regulations include, but are not limited to, accreditation, licensure, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in exclusion from government health care program participation, together with the imposition of significant fines and penalties, as well as significant repayment for past reimbursement for patient services received. While the Organization is subject to similar regulatory reviews, management believes the outcome of any such regulatory review will not have a material adverse effect on the Organization's financial position.

The Organization has been named as a defendant in various legal actions arising from normal business activities in which damages in various amounts are claimed. The amount of ultimate liability, if any, with respect to such matters cannot be determined, but management believes that any such liability would not have a material effect on the Organization's financial position.

Note 9. Self-Insurance, Commitments and Contingent Liabilities (Continued)

Risks and uncertainties: The spread of COVID-19, a novel strain of coronavirus, is altering the behavior of businesses and people throughout the United States. The continued spread of COVID-19 may adversely impact the local, regional, and national economies. The extent to which the coronavirus impacts the Organization's results will depend on future developments, which are highly uncertain and cannot be predicted. The impact is highly dependent on the breadth and duration of the outbreak and could be affected by other factors that cannot currently be predicted. Accordingly, management cannot presently estimate the overall operational and financial impact to the Organization, but such an impact could have material adverse effect on the financial condition of the Organization.

CMS RAC Program: Congress passed the Medicare Modernization Act in 2003, which among other things established a demonstration of the Medicare Recovery Audit Contractor (RAC) program. The RAC identified and corrected a significant amount of improper overpayments and/or underpayments to providers. In 2006, Congress passed the Tax Relief and Health Care Act of 2006 which authorized the expansion of the RAC program to all 50 states. The Organization has been subject to such audits and will continue to be subject to additional audits in the future. The Organization has accrued an estimated liability, which is included in the allowance for contractual adjustments, which is a reduction of patient receivables, as of September 30, 2020. The allowance is based on the number of RAC audit requests, the Organization's historical defense rate and the analysis and reviews of management. It is reasonably possible that the recorded estimates will change materially in the near term.

Note 10. Other Assets

Other assets as of December 31, 2020 and September 30, 2020 consist of the following:

	December 31, 2020	September 30, 2020
Investment in East Jefferson Ambulatory Surgery Center, LLC	$ -	$ 140,378
Goodwill	-	4,118,517
Other	-	741,414
	$ -	$ 5,000,309

Note 11. Governmental Accounting Standards Board (GASB) Pending Pronouncements

The GASB has issued several Statements not yet implemented by the Organization. The Statements which may impact the Organization are as follows:

GASB Statement No. 87, *Leases,* issued June 2017, will be effective for the Organization beginning with its fiscal year ending December 31, 2022 with earlier adoption encouraged. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the Organization must report the (1) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The Statement provides exceptions from the single approach for short-term leases, financial purchases, leases of assets that are investments and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements), and leases with related parties.

GASB Statement No. 92, *Omnibus 2020*, issued in January 2020, will be effective for the Organization beginning with its year ending December 31, 2022. The objective of Statement No. 92 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. This Statement addresses a variety of topics including issues related to leases, postemployment benefits (pensions and other postemployment benefits), fiduciary activities, asset retirement obligations and fair value measurement and application.

The Organization's management has not yet determined the effect these Statements will have on the Organization's financial statements.

Note 12. Upper Payment Limit Programs and Low Income and Needy Care Collaboration

The Hospital receives supplemental Medicaid payments, also known as UPL payments, for inpatient and outpatient services through intergovernmental transfers in accordance with specific state statutes subject to federal regulations and approval. Under one of the UPL agreements, the Hospital received supplemental payments for services provided by physicians in recognition for providing services to Medicaid patients. Under a separate UPL agreement, the Hospital entered into a cooperative endeavor agreement with other health care providers for the purpose of ensuring adequate health care services are available for underserved, non-rural populations. During the three months ended December 31, 2020, the Organization did not recognize any revenue or expense related to these UPL. During the nine months ended September 30, 2020, total revenues and expenses recognized by the Hospital and EJPG related to these UPL agreements was approximately $13,276,000 and $576,000, respectively. These receipts and payments are recorded as other operating revenues and expenses in the statements of revenue, expenses and changes in net position.

In April 2011, the Hospital and other health care providers formed a collaboration to help fund a program to ensure the availability of quality health care services for the low income and needy population to reduce the costs of health care. For the three months ended December 31, 2020 and the nine months ended September 30, 2020, the Hospital made payments into the program and incurred approximately $0 and $14,450,000 of other operating expenses, respectively.

As of December 31, 2020 and September 30, 2020, the Hospital has accounts receivable related the UPL programs of approximately $0 and $8,259,000, respectively. The accounts receivable as of September 30, 2020 related to the UPL program was acquired by LCMC as discussed in Note 14. As of both December 31, 2020 and September 30, 2020, the Hospital has accounts payable related the UPL programs of $6,012,000.

Note 13. COVID-19 Pandemic and Relief Funding Sources

In March 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries and their political subdivisions. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to, amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic.

It is unknown how long the adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the Organization. The extent to which COVID-19 may affect the Organization’s results will depend on future developments, which are highly uncertain and cannot be predicted.

In response to the COVID-19 pandemic, Congress passed multiple bills that included funding and operational relief for affected health care organizations, including the CARES Act. In addition, the U.S. Department of Health and Human Services, the Centers for Medicare and Medicaid Services and the Health Resources and Services Administration all issued various waivers of regulations governing coverage of specific services and conditions of program participation.

The CARES Act included provider relief funds available until expended, to prevent, prepare for and respond to the coronavirus, domestically or internationally, for necessary expense to reimburse, through grants or other mechanisms, eligible health care providers for health care related expenses or lost revenue that are attributable to the coronavirus. Payments from the provider relief fund are not loans, and therefore, they are not subject to repayment unless funds received exceed qualifying health care related expenses and lost revenue. However, as a condition to receiving distributions, the Organization had to agree to certain terms and conditions, including among other things, the funds are being used for lost revenue and COVID-related costs. Through September 30, 2020, the Organization received approximately $30,934,000 of provider relief funds, which is recognized as provider relief fund grant revenue on the accompanying statements of revenue, expenses and changes in net position. In October 2020, January 2021 and June 2021, new reporting requirements and other guidance was released. By in large, the new guidance was determined to be a nonrecognizable subsequent event. Management has not yet determined the effect of the new guidance on the Organization’s financial statements for the year ended December 31, 2020.

Another program, which was made available to health care providers as a result of the COVID-19 pandemic, was the Medicare Accelerated and Advance Payment Program (MAAP). As a result, during the nine months ended September 30, 2020, the Organization received payments from Medicare in the amount of approximately $28,019,000. Recoupment will start one year after issuance of the MAAP. The recoupment will be 25% of Medicare payments for the 11 months following commencement of recoupment, increasing to 50% for the succeeding six months. Centers for Medicare and Medicaid Services (CMS) will withhold Medicare payments for a total of 29 months from the date of the first payment under MAAP, before requiring the Organization to repay the outstanding balance in full. The Organization has recorded the Medicare advance payments as a current liability on the accompanying statement of net position as of September 30, 2020 and this liability was assumed by LCMC in the acquisition discussed in Note 14.

Note 14. Sale of the Hospital to LCMC

On February 27, 2020, the Hospital entered into an Asset Purchase Agreement (the Agreement) with LCMC to purchase substantially all assets and assume certain liabilities of the Hospital and its related organizations discussed in Note 1. The agreement excluded the pension plan assets and liabilities and certain other assets and liabilities, including but not limited to the reserve for professional liability, worker's compensation and employee health insurance claims incurred prior to October 1, 2020.

Under the terms of the agreement, the total purchase price was $105 million, which included a $90 million payment to the Hospital at the time of closing plus working capital adjustments and $15 million in additional performance payments to be paid over a three-year period ($5 million per year), contingent upon certain performance metrics. As of December 31, 2020, the Hospital has estimated that the performance metrics will not be met but this is subject to change in future periods. The transaction closed effective October 1, 2020. The working capital adjustment was finalized in April 2021 and resulted in approximately $12 million due to the Hospital, which was received in 2021.

As a result of the transaction, the Organization recorded a loss on the sale and is summarized as follows:

Assets acquired by LCMC	$	(201,877,001)
Liabilities assumed by LCMC		22,400,264
		(179,476,737)
Consideration:		
Cash received		90,000,000
Working capital adjustment		12,042,213
		102,042,213
Net loss on sale of the Organization to LCMC	$	(77,434,524)

The consideration yet to be received by LCMC of approximately $9,305,000 is recorded in other accounts receivable as of December 31, 2020. There is also approximately $5,356,000 owed from LCMC for various other reimbursements as of December 31, 2020, which is recorded in other accounts receivable.

Supplementary Information

East Jefferson General Hospital

Required Supplementary Information
Schedule of Net Pension Liability, Retirement Plans

For the Periods Ended	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
December 31, 2020	**$ 72,526,589**	**$ 35,924,045**	**$ 36,602,544**	**49.5%**	**N/A**	**N/A**
September 30, 2020	73,262,981	37,693,788	35,569,193	51.4	N/A	N/A
December 31, 2019	83,714,888	51,714,254	32,000,634	61.8	$ 20,731,885	154.4%
December 31, 2018	83,773,642	45,138,742	38,634,900	53.9	23,047,697	167.6
December 31, 2017	80,727,671	49,942,792	30,784,879	61.9	24,032,433	128.1
December 31, 2016	80,409,888	45,183,153	35,226,735	56.2	26,891,161	131.0
December 31, 2015	79,729,403	43,921,902	35,807,501	55.1	33,150,184	108.0
December 31, 2014	74,758,328	45,637,344	29,120,984	61.0	35,666,374	81.6
December 31, 2013	73,504,221	43,877,027	29,627,194	59.7	40,725,802	72.7

Note: GASB Statement No. 68 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, the Hospital will present information for those years for which information is available.

East Jefferson General Hospital

Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios, Retirement Plans

	December 31, 2020	September 30, 2020	December 31, 2019
Total pension liability:			
Service cost	**$ -**	$ -	$ -
Interest on total pension liability and other	**1,233,032**	3,963,249	5,684,898
Effect of plan changes	**-**	-	-
Effect of economic/demographic gains or (losses)	**-**	1,697,672	(612,540)
Effect of assumption changes or inputs	**-**	(764,286)	85,652
Benefit payments	**(1,969,424)**	(15,348,542)	(5,216,764)
Net change in total pension liability	**(736,392)**	(10,451,907)	(58,754)
Total pension liability:			
Beginning	**73,262,981**	83,714,888	83,773,642
Ending (a)	**$ 72,526,589**	$ 73,262,981	$ 83,714,888
Plan fiduciary net position:			
Employer contributions	**$ -**	$ 2,651,344	$ 2,937,614
Investment income (loss), net of investment expenses	**227,940**	(1,261,598)	8,921,212
Benefit payments	**(1,969,424)**	(15,348,542)	(5,216,764)
Administrative expenses	**(28,259)**	(61,670)	(66,550)
Net change in plan fiduciary net position	**(1,769,743)**	(14,020,466)	6,575,512
Plan fiduciary net position:			
Beginning	**37,693,788**	51,714,254	45,138,742
Ending (b)	**$ 35,924,045**	$ 37,693,788	$ 51,714,254
EJGH's net pension liability, ending = (a) - (b)	**$ 36,602,544**	$ 35,569,193	$ 32,000,634
Plan fiduciary net position as a % of total pension liability	**49.53%**	51.45%	61.77%
Covered payroll	**N/A**	N/A	$ 20,731,885
EJGH's net pension liability as a % of covered payroll	**N/A**	N/A	154.35%

Note: GASB Statement No. 68 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, the Hospital will present information for those years for which information is available.

December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
$ -	$ -	$ -	$ -	$ -
5,477,864	5,462,102	5,426,562	5,456,932	5,372,794
-	-	-	-	-
(186,958)	(386,811)	(395,081)	(347,572)	(384,755)
2,700,000	-	-	3,858,000	-
(4,944,935)	(4,757,508)	(4,350,996)	(3,996,285)	(3,733,932)
3,045,971	317,783	680,485	4,971,075	1,254,107
80,727,671	80,409,888	79,729,403	74,758,328	73,504,221
$ 83,773,642	$ 80,727,671	$ 80,409,888	$ 79,729,403	$ 74,758,328
$ 2,480,111	$ 2,801,979	$ 2,815,274	$ 2,499,752	$ 2,506,300
(2,280,606)	6,773,739	2,848,966	(162,396)	3,051,945
(4,944,935)	(4,757,508)	(4,350,996)	(3,998,468)	(3,733,932)
(58,620)	(58,571)	(51,993)	(54,330)	(63,996)
(4,804,050)	4,759,639	1,261,251	(1,715,442)	1,760,317
49,942,792	45,183,153	43,921,902	45,637,344	43,877,027
$ 45,138,742	$ 49,942,792	$ 45,183,153	$ 43,921,902	$ 45,637,344
$ 38,634,900	$ 30,784,879	$ 35,226,735	$ 35,807,501	$ 29,120,984
53.88%	61.87%	56.19%	55.09%	61.05%
$ 23,047,697	$ 24,032,433	$ 26,891,161	$ 33,150,184	$ 35,666,374
167.63%	128.10%	131.00%	108.02%	81.65%

East Jefferson General Hospital

Required Supplementary Information
Schedule of Employer Contributions, Retirement Plans
Last Ten Years

For the Periods Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarial Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
December 31, 2020	**$ -**	**$ -**	**$ -**	**N/A**	**N/A**
September 30, 2020	2,651,344	2,651,344	-	N/A	N/A
December 31, 2019	2,937,614	2,937,614	-	20,731,885	14.17%
December 31, 2018	2,480,111	2,480,111	-	23,047,697	10.76
December 31, 2017	2,801,979	2,801,979	-	24,032,433	11.66
December 31, 2016	2,815,274	2,815,274	-	26,891,000	10.47
December 31, 2015	2,462,649	2,499,752	(37,103)	33,150,184	7.43
December 31, 2014	2,506,300	2,506,300	-	35,666,374	7.03
December 31, 2013	2,792,819	2,792,819	-	44,841,780	6.23
December 31, 2012	3,046,895	3,046,895	-	46,621,480	6.54
December 31, 2011	2,581,804	2,581,804	-	52,622,311	4.91

East Jefferson General Hospital

Required Supplementary Information
Schedule of Investment Returns, Retirement Plans
Year Ended December 31, 2020

For the periods ended	Net Money-Weighted Rate of Return
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

Note: GASB Statement No. 68 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, the Hospital will present information for those years for which information is available.

Note 1. Factors that Significantly Affect Trends in Amounts Reported

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

In 2020, the discount rate for the defined benefit retirement plan remained at 7.0%.

Note 2. Method and Assumptions Used in Calculations of Actuarially Determined Contributions

The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule.

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuation method	Market value
Inflation	3.2%
Salary increases	N/A as a frozen plan
Investment rate of return	7.0% per annum, compounded annually, net of investment expenses
Mortality	PRI-2012 Total Employee/Retiree mortality table, with mortality improvement based on projection scale MP-2020

East Jefferson General Hospital

Combining Statement of Net Position
December 31, 2020

	EJGH	EJRO, LLC	EJPG, LLC
Assets and Deferred Outflows			
Current assets:			
Cash and cash equivalents	$ 76,790,511	$ -	$ -
Other receivables	14,661,134	-	-
Total current assets	91,451,645	-	-
Noncurrent assets, other assets limited as to use	2,000,000	-	-
Total assets	93,451,645	-	-
Deferred outflows related to pension	1,279,383	-	-
	$ 94,731,028	$ -	$ -

EJPN, LLC	Foundation	Eliminations	Combined
$ -	$ -	$ -	$ 76,790,511
-	-	-	14,661,134
-	-	-	91,451,645
-	-	-	2,000,000
-	-	-	93,451,645
-	-	-	1,279,383
$ -	$ -	$ -	$ 94,731,028

East Jefferson General Hospital

Combining Statement of Net Position
December 31, 2020

	EJGH	EJRO, LLC	EJPG, LLC
Liabilities, Deferred Inflows and Net Position			
Current liabilities:			
Accounts payable	$ 1,446,460	$ -	$ -
Accrued expenses:			
Health insurance claims	1,509,231	-	-
Other	10,342,016	-	-
Total current liabilities	13,297,707	-	-
Noncurrent liabilities:			
Estimated self-insurance reserves	6,215,054	-	-
Net pension liability, less current portion	36,602,544	-	-
Total noncurrent liabilities	42,817,598	-	-
Total liabilities	56,115,305	-	-
Net position, unrestricted	38,615,723	-	-
	$ 94,731,028	$ -	$ -

EJPN, LLC	Foundation	Eliminations	Combined
$ -	$ -	$ -	$ 1,446,460
-	-	-	1,509,231
-	-	-	10,342,016
-	-	-	13,297,707
-	-	-	6,215,054
-	-	-	36,602,544
-	-	-	42,817,598
-	-	-	56,115,305
-	-	-	38,615,723
$ -	$ -	$ -	$ 94,731,028

East Jefferson General Hospital

Combining Statement of Net Position
September 30, 2020

	EJGH	EJRO, LLC	EJPG, LLC
Assets and Deferred Outflows			
Current assets:			
Cash and cash equivalents	$ 137,598,217	$ 6,323	$ 240,964
Short-term investments	-	-	-
Receivables:			
Patients, net	29,769,273	20,042	(257,539)
Other	16,977,709	-	101,197
Assets limited as to use, current portion	27,785,851	-	-
Inventories	8,855,580	-	-
Prepaid expenses	3,316,530	21,822	(15,572)
Total current assets	224,303,160	48,187	69,050
Noncurrent assets:			
Assets limited as to use:			
Under bond indenture	27,785,851	-	-
Restricted by donor	-	-	-
Other	250,000	-	-
Board-designated for strategic initiatives and for endowment	-	-	-
	28,035,851	-	-
Less portion required for current liabilities	27,785,851	-	-
	250,000	-	-
Capital assets	138,962,144	-	96,615
Investment in equity interests and associated companies and other	(1,951,993)	-	3,988,745
Total noncurrent assets	137,260,151	-	4,085,360
Total assets	361,563,311	48,187	4,154,410
Deferred outflows related to pension	896,552	-	-
	$ 362,459,863	$ 48,187	$ 4,154,410

EJPN, LLC	Foundation	Eliminations	Combined
$ 85,201	$ 162,406	$ -	$ 138,093,111
-	1,657,196	-	1,657,196
-	-	-	29,531,776
117,349	34,729	(6,646,157)	10,584,827
-	-	-	27,785,851
-	-	-	8,855,580
-	-	-	3,322,780
202,550	1,854,331	(6,646,157)	219,831,121
-	-	-	27,785,851
-	1,105,153	-	1,105,153
-	-	-	250,000
-	1,851,355	-	1,851,355
-	2,956,508	-	30,992,359
-	-	-	27,785,851
-	2,956,508	-	3,206,508
-	-	-	139,058,759
-	174,944	2,788,613	5,000,309
-	3,131,452	2,788,613	147,265,576
202,550	4,985,783	(3,857,544)	367,096,697
-	-	-	896,552
$ 202,550	$ 4,985,783	$ (3,857,544)	$ 367,993,249

East Jefferson General Hospital

Combining Statement of Net Position
September 30, 2020

	EJGH	EJRO, LLC	EJPG, LLC
Liabilities, Deferred Inflows and Net Position			
Current liabilities:			
Current maturities of long-term debt	$ 130,602,096	$ -	$ -
Accounts payable	11,983,144	1,503,896	5,313,906
Medicare advance payments	28,019,231	-	-
Accrued expenses:			
Salaries and wages	3,846,542	-	-
Paid leave	3,402,323	-	-
Health insurance claims	1,280,477	-	-
Interest	2,048,377	-	-
Other	17,458,368	-	182,401
Estimated third-party settlements	2,814,209	-	-
Total current liabilities	201,454,767	1,503,896	5,496,307
Noncurrent liabilities:			
Estimated self-insurance reserves	6,266,174	-	-
Net pension liability, less current portion	35,569,193	-	-
Other accrued expenses	444,887	-	-
Total noncurrent liabilities	42,280,254	-	-
Total liabilities	243,735,021	1,503,896	5,496,307
Net position:			
Net investment in capital assets	8,360,048	-	96,615
Restricted:			
Expendable	28,035,851	-	-
Nonexpendable	-	-	-
Unrestricted	82,328,943	(1,455,709)	(1,438,512)
Total net position	118,724,842	(1,455,709)	(1,341,897)
	$ 362,459,863	$ 48,187	$ 4,154,410

EJPN, LLC	Foundation	Eliminations	Combined
$ -	$ -	$ -	$ 130,602,096
-	-	(6,646,157)	12,154,789
-	-	-	28,019,231
-	-	-	3,846,542
-	-	-	3,402,323
-	-	-	1,280,477
-	-	-	2,048,377
-	-	-	17,640,769
-	-	-	2,814,209
-	-	(6,646,157)	201,808,813
-	-	-	6,266,174
-	-	-	35,569,193
-	-	(264,721)	180,166
-	-	(264,721)	42,015,533
-	-	(6,910,878)	243,824,346
-	-	-	8,456,663
-	754,764	-	28,790,615
-	350,389	10,108	360,497
202,550	3,880,630	3,043,226	86,561,128
202,550	4,985,783	3,053,334	124,168,903
$ 202,550	$ 4,985,783	$ (3,857,544)	$ 367,993,249

East Jefferson General Hospital

Combining Statement of Revenue, Expenses and Changes in Net Position
Three Months Ended December 31, 2020

	EJGH	EJRO, LLC	EJPG, LLC
Operating expenses:			
Salaries, wages and benefits	$ 1,090,847	$ -	$ -
Purchased services and other	47,631	-	-
Total operating expenses	1,138,478	-	-
Loss from operations	(1,138,478)	-	-
Nonoperating revenue (expenses):			
Loss on bond defeasance	(6,980,178)	-	-
Gain (loss) on sale to LCMC	(71,990,463)	1,455,709	1,341,897
	(78,970,641)	1,455,709	1,341,897
Excess of revenue over (under) expenses and change in net position	(80,109,119)	1,455,709	1,341,897
Net position:			
Beginning	118,724,842	(1,455,709)	(1,341,897)
Ending	$ 38,615,723	$ -	$ -

	EJPN, LLC	Foundation	Eliminations	Combined
	$ -	$ -	$ -	$ 1,090,847
	-	-	-	47,631
	-	-	-	1,138,478
	-	-	-	(1,138,478)
	-	-	-	(6,980,178)
	(202,550)	(4,985,783)	(3,053,334)	(77,434,524)
	(202,550)	(4,985,783)	(3,053,334)	(84,414,702)
	(202,550)	(4,985,783)	(3,053,334)	(85,553,180)
	202,550	4,985,783	3,053,334	124,168,903
	$ -	$ -	$ -	$ 38,615,723

East Jefferson General Hospital

Combining Statement of Revenue, Expenses and Changes in Net Position
Nine Months Ended September 30, 2020

	EJGH	EJRO, LLC	EJPG, LLC
Operating revenue:			
Net patient service revenue	$ 204,049,602	$ 1,486,616	$ 1,598,905
Other operating revenue	14,670,541	1,279	52,840
Rental income from leases	3,436,996	-	-
Total operating revenue	222,157,139	1,487,895	1,651,745
Operating expenses:			
Salaries, wages and benefits	89,615,936	241,682	3,470,533
Purchased services and other	109,193,589	1,679,083	687,086
Supplies	29,798,315	29,630	46,171
Depreciation and amortization	13,328,380	338	252,808
Interest	6,215,797	-	-
Total operating expenses	248,152,017	1,950,733	4,456,598
Income (loss) from operations	(25,994,878)	(462,838)	(2,804,853)
Nonoperating revenue (expenses):			
Investment earnings	2,264,094	-	14
Community expenses	(74,757)	-	-
Provider relief fund grant revenue	30,898,102	-	35,949
Grant and other revenues	7,500	-	-
Contributions received (paid)	65,552	-	-
Equity in net loss of component units and associated companies	(3,455,084)	-	-
	29,705,407	-	35,963
Excess of revenue over (under) expenses and change in net position	3,710,529	(462,838)	(2,768,890)
Net position:			
Beginning	115,014,313	(992,871)	1,426,993
Ending	$ 118,724,842	$ (1,455,709)	$ (1,341,897)

EJPN, LLC	Foundation	Eliminations	Combined
$ -	$ -	$ -	$ 207,135,123
-	276,281	(181,798)	14,819,143
-	-	(144,404)	3,292,592
-	276,281	(326,202)	225,246,858
-	-	-	93,328,151
-	212,809	(326,202)	111,446,365
-	-	-	29,874,116
-	-	-	13,581,526
-	-	-	6,215,797
-	212,809	(326,202)	254,445,955
-	63,472	-	(29,199,097)
246	107,314	-	2,371,668
-	-	-	(74,757)
-	-	-	30,934,051
-	-	-	7,500
-	(65,552)	-	-
-	-	3,199,278	(255,806)
246	41,762	3,199,278	32,982,656
246	105,234	3,199,278	3,783,559
202,304	4,880,549	(145,944)	120,385,344
$ 202,550	$ 4,985,783	$ 3,053,334	$ 124,168,903

East Jefferson General Hospital

Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer
Chief Executive Officer Name: Gerald Parton

	Three Months Ended December 31, 2020	Nine Months Ended September 30, 2020
Purpose:		
Salary	$ -	$ 1,158,462
Benefits, retirement	-	52,000
Deferred compensation	-	67,500
Car allowance	-	10,000
Other	-	21,975
	$ -	$ 1,309,937