EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLANS

FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

CRI CARR RIGGS & INGRAM
CPAs and Advisors
CRIcpa.com

East Jefferson General Hospital Retirement and Savings Plans
Table of Contents
December 31, 2018

Report

Carr, Riggs & Ingram, LLC
111 Veterans Blvd.
Suite 350
Metairie, Louisiana 70005

(504) 837-9116
(504) 837-0123 (fax)
www.CRIcpa.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
East Jefferson General Hospital
Metairie, Louisiana

We have audited the accompanying financial statements of the East Jefferson General Hospital Retirement and Savings Plans (the Plans), which comprise the statements of fiduciary net position as of December 31, 2018 and 2017, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Plans' 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 Plans' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the East Jefferson General Hospital Retirement and Savings Plans at December 31, 2018 and 2017, and the changes in fiduciary net position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plans' basic financial statements. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Combining Financial Statements and Schedule of Compensation, Benefits, and Other Payments to Agency Head are the responsibility of management and were derived from and relate 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, the Combining Financial Statements and Schedule of Compensation, Benefits, and Other Payments to Agency Head are 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 a report dated May 29, 2019 on our consideration of the East Jefferson General Hospital Retirement and Savings Plans' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plans' 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 Plans' internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

June 19, 2019

Required Supplementary Information (Part I)

The Management's Discussion and Analysis (MD&A) on the financial performance of East Jefferson General Hospital's Retirement and Savings Plans (the Plans) provides an overview of the Defined Contribution and Defined Benefit Plans' financial activities for the fiscal years ended December 31, 2018 and 2017. Please read this section in conjunction with the financial statements, which begin on page 13, and the combining financial statements which begin on page 33.

FINANCIAL HIGHLIGHTS

The following highlights are explained in greater detail later in this discussion.

Defined Benefit Retirement Plan – Financial Highlights for the Year Ended December 31, 2018

- The net position held in trust for the Defined Benefit Retirement Plan decreased by $4,804,050 during the 2018 fiscal year and totaled $45,138,742 as of December 31, 2018.
- Retirement benefits paid during 2018 increased $187,427 to total $4,944,935.
- Employer contributions to the Plan decreased $321,868 during 2018 to total $2,480,111.
- Net (depreciation)/appreciation in the fair market value of investments was ($3,135,375) compared to $6,053,695 for the prior fiscal year.
- Investment advisory and custodial fees decreased $13,207 to total $209,422.

Defined Contribution Savings Plans – Financial Highlights for the Year Ended December 31, 2018

- The aggregate net position held in trust for the Defined Contribution Savings Plans decreased by $14,399,068 during the 2018 fiscal year and totaled $167,516,237 as of December 31, 2018.
- Net (depreciation)/appreciation in fair market value of investments was ($21,877,614) compared to $15,303,555 for the prior fiscal year.
- Total contributions to the Savings Plans increased by $1,183,289 to total $10,149,380 for the year ended December 31, 2018.
- Total withdrawals increased $1,638,305 during 2018 bringing the total to $16,230,069.

Defined Benefit Retirement Plan – Financial Highlights for the Year Ended December 31, 2017

- The net position held in trust for the Defined Benefit Retirement Plan increased by $4,759,639 during the 2017 fiscal year and totaled $49,942,792 as of December 31, 2017.
- Retirement benefits paid during 2017 increased $406,512 to total $4,757,508.

- Employer contributions to the Plan decreased $13,295 during 2017 to total $2,801,979.

- Net (depreciation)/appreciation in the fair market value of investments was $6,053,695 compared to ($1,975,259) for the prior fiscal year.

- Investment advisory and custodial fees decreased $15,312 to total $222,629.

Defined Contribution Savings Plans – Financial Highlights for the Year Ended December 31, 2017

- The aggregate net position held in trust for the Defined Contribution Savings Plans increased by $19,059,219 during the 2017 fiscal year and totaled $181,915,305 as of December 31, 2017.

- Net appreciation in fair market value of investments was $15,303,555 compared to $4,270,731 for the prior fiscal year.

- Total contributions to the Savings Plans increased by $122,160 to total $8,966,091 for the year ended December 31, 2017.

- Total withdrawals decreased $1,457,863 during 2017 bringing the total to $14,591,764.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Plans' basic financial statements include the following:

1. Statements of fiduciary net position,
2. Statements of changes in fiduciary net position, and
3. Notes to the financial statements.

The statements of fiduciary net position report the Plans' assets, liabilities, and resultant net position restricted for pension benefits. It discloses the financial position of the Plans as of December 31, 2018 and 2017.

The statements of changes in fiduciary net position available for benefits report the results of the Plans' operations during the years disclosing the additions to and deductions from the net position. It supports the change that has occurred to the prior year's net position value on the statements of fiduciary net position.

The notes to the financial statements provide additional information and insight that are essential to gaining a full understanding of the data provided in the statements of fiduciary net position and statements of changes in the fiduciary net position.

The notes to the statements are followed by required supplementary information that further explains and supports the information in the financial statements.

CHANGES TO THE DEFINED BENEFIT PENSION PLAN

The Defined Benefit Plan Statement of Overall Investment Policy and Guidelines was revised in October 2012, and the Board of Directors approved the revised Investment Policy for the Qualified Defined Benefit Plan in November 2012. The plan revision changed the maximum and minimum allocation range for the each plan asset category as stated below. No plan revisions occurred during the years ended December 31, 2018 and 2017.

Asset Category	Minimum	Policy Target	Maximum
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	0%	0%	0%

Pursuant to an IRS determination letter dated March 22, 2012, the Board of Directors approved an amendment to the Retirement (Pension) Plan. The amendment was approved in April of 2012, and clarifies certain language in the Plan to meet the requirements of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) and maintain qualified status.

For 2019, the recommended contribution was $3,087,765, $607,654 more than the 2018 recommended contribution of $2,480,111. This amount was computed assuming the payment is made on the July 1, 2019.

For 2018, the recommended contribution was $2,480,111, $321,868 less than the 2017 recommended contribution of $2,801,979. This amount was computed assuming the payment is made on July 1, 2018.

FINANCIAL ANALYSIS – RETIREMENT PLAN

Defined Benefit Retirement Plan - 2018 and 2017

The net position held in trust for the Defined Benefit Retirement Plan decreased by $4,804,050 during the 2018 fiscal year and totaled $45,138,742 as of December 31, 2018. The decrease is attributed primarily to the $3,135,375 fair market value depreciation of plan investments in 2018.

Retirement Plan
Net Position Held in Trust for Pension Benefits

	2018	2017	Difference	% Difference
Cash equivalents	**$ 1,256,219**	$ 560,656	$ 695,563	124.1%
Investments	**43,917,634**	46,568,986	(2,651,352)	-5.7%
Receivables	**77,704**	2,869,076	(2,791,372)	-97.3%
Total Assets	**45,251,557**	49,998,718	(4,747,161)	-9.5%
Total Liabilities	**112,815**	55,926	56,889	101.7%
Net Position	**$ 45,138,742**	$ 49,942,792	$ (4,759,639)	-9.6%

The primary investment advisor, UBS Financial Services Inc., monitors and reports regularly on the performance of the sub-advisors specializing in: Large Cap Equity Value, Small Cap Equity Value, International Equity/Fixed, Fixed Income/Intermediate Term Bonds, and Real Estate. During 2018, the fair market value of investments held by the Defined Benefit Pension Plan revealed a net depreciation of $3,135,375. UBS Financial, Inc. has calculated the rate of return for the plan year ended December 31, 2018 at -5.09%. This is a decrease of 20.74% compared to the 15.65% rate of return reported in 2017; it is 0.24% higher than the Plan's 2018 policy index (derived from 35% S&P Index 500, 32% Barclay's Aggregate, 17% MSCI Gross EAFE, 10% Russell 2500, and 6% NAREIT).

Employer contributions to the Plan decreased $321,868 to total $2,480,111 in 2018. This contribution was approved by the Board of Directors and corresponded to the recommended contribution amount detailed in the 2018 Plan Year Actuarial Valuation performed by Milliman. The comparative decrease in the required contribution is attributable to the decrease in plan participants to 3,098, from 3,123 in 2017, and the valuation interest rate remaining at 7.0%. The actuarial valuation for the plan year beginning January 1, 2019 recommends a $3,087,765 contribution to the Pension Trust Fund.

Retirement Plan
Changes in Net Position Held in Trust for Pension Benefits

	2018	2017	Difference	% Difference
Additions:				
Contributions	**$ 2,480,111**	$ 2,801,979	$ (321,868)	-11.5%
Investment Income	**(2,071,184)**	6,996,368	(9,067,552)	-129.6%
Less: Advisory fees	**(209,422)**	(222,629)	13,207	5.9%
Total Additions	**199,505**	9,575,718	(9,376,212)	-97.9%
Deductions:				
Benefits	**4,944,935**	4,757,508	187,427	3.9%
Administrative expenses	**58,620**	58,571	49	0.0%
Changes in Net Position	**(4,804,050)**	4,759,639	(9,563,689)	-200.9%
Net Position, Beginning of Year	**45,942,792**	45,183,153	759,639	1.7%
Net Position, End of Year	**$ 41,138,742**	$ 49,942,792	$ (8,804,050)	-17.6%

The Schedule of Employer Contributions (on page 30) presents historical trend information about the actuarially determined employer contributions and the contributions made in relation to these amounts. The Schedules of Net Pension Liability (page 28), Changes in Net Pension Liability and Related Ratios (page 29), and Schedule of Investment Returns (page 31) provide information that contributes to understanding the changes over time in the net pension liability and investment returns of the Plan.

Defined Benefit Retirement Plan - 2017 and 2016

The net position held in trust for the Defined Benefit Retirement Plan increased by $4,759,639 during the 2017 fiscal year and totaled $49,942,792 as of December 31, 2017. The increase is attributed primarily to the $6,053,695 fair market value appreciation of plan investments in 2017.

Retirement Plan
Net Position Held in Trust for Pension Benefits

	2017	2016	Difference	% Difference
Cash equivalents	$ 567,040	$ 1,175,594	$ (608,554)	-51.8%
Investments	46,568,986	44,008,967	2,560,019	5.8%
Receivables	2,869,107	60,007	2,809,100	4,681.3%
Total Assets	50,005,133	45,244,568	4,760,565	10.5%
Total Liabilities	62,341	61,415	(926)	1.5%
Net Position	$ 49,942,792	$ 45,183,153	$ 4,759,639	10.5%

The primary investment advisor, UBS Financial Services Inc., monitors and reports regularly on the performance of the sub-advisors specializing in: Large Cap Equity Value, Small Cap Equity Value, International Equity/Fixed, Fixed Income/Intermediate Term Bonds, and Real Estate. During 2017, the fair market value of investments held by the Defined Benefit Pension Plan revealed a net appreciation of $6,053,695. UBS Financial Services Inc. has calculated the rate of return for the plan year ended December 31, 2017 at 15.65%. This is an increase of 8.94% compared to the 6.71% rate of return reported in 2016; and it's 0.59% higher than the Plan's 2017 Policy index (derived from 35% S&P Index 500, 32% Barclay's Aggregate, 17% MSCI Gross EAFE, 10% Russell 2500, and 6% NAREIT).

Employer contributions to the Plan decreased $13,295 to total $2,801,979 in 2017. This contribution was approved by the Board of Directors and corresponded to the recommended contribution amount detailed in the 2017 Plan Year Actuarial Valuation performed by Milliman. The comparative decrease in the required contribution is primarily attributable to the decrease plan participants to 3,098 from 3,123 in 2016, and the valuation interest rate remaining at 7.0%. The actuarial valuation for the plan year beginning January 1, 2018 recommends a $2,480,111 contribution to the Pension Trust Fund.

Retirement Plan
Changes in Net Position Held in Trust for Pension Benefits

	2017	2016	Difference	% Difference
Additions:				
Contributions	$ 2,801,979	$ 2,815,274	$ (13,295)	-.5%
Investment Income	6,996,368	3,089,355	3,907,013	126.5%
Less: Advisory fees	(222,629)	(292,382)	15,312	6.4%
Total Additions	9,575,718	5,666,688	3,909,030	69.0%
Deductions:				
Benefits	4,757,508	4,350,996	406,512	9.3%
Administrative expenses	58,571	54,441	4,130	7.6%
Changes in Net Position	4,759,639	1,261,251	3,498,388	277.4%
Net Position, Beginning of Year	45,183,153	43,921,902	1,261,251	2.9%
Net Position, End of Year	$ 49,942,792	$ 45,183,153	$ 4,759,639	10.5%

The Schedule of Employer Contributions (on page 30) presents historical trend information about the actuarially determined employer contributions and the contributions made in relation to these amounts. The Schedules of Net Pension Liability (page 28), Changes in Net Pension Liability and Related Ratios (page 29), and Schedule of Investment Returns (page 31) provide information that contributes to understanding the changes over time in the net pension liability and investment returns of the Plan.

FINANCIAL ANALYSIS – SAVINGS PLANS

Defined Contribution Savings Plans - 2018 and 2017

The net position held in trust for the combined Savings Plan administered by East Jefferson General Hospital decreased by $14,399,068 during the 2018 fiscal year. Net depreciation in fair value of investments of $(21,887,614) was the main factor behind the decrease in net position. Combined investment loss, net of investment advisory fees, totaled $8,318,379 in 2018. Total withdrawals and benefits paid were $16,230,069 for the year.

	2018	2017	Difference	% Difference
Cash equivalents	**$ 1,137,218**	$ 1,453,438	$ (316,220)	(21.8%)
Investments	**162,883,755**	177,612,920	(14,729,165)	(8.3%)
Receivables	**3,495,264**	2,848,947	646,317	22.7%
Total Assets	**167,516,237**	181,915,305	(14,399,068)	(7.9%)
Plan Net Assets	**$ 167,516,237**	$ 181,915,305	$ (14,399,068)	(7.9%)

Total contributions to the Savings Plans increased by $1,183,289 to total $10,149,380. Employer contributions increased $363,150 and team member contributions increased $368,116, investment income decreased $33,010,745, when compared to 2017. Rollover contributions increased $452,023 when compared to 2017.

Savings Plans
Changes in Plan Net Assets Available for Benefits

Additions:	2018	2017	Difference	Difference
Contributions	**$ 10,149,380**	$ 8,966,091	$ 1,183,289	13.2%
Investment Income	**(8,243,781)**	24,766,964	(33,010,745)	(133.3%)
Less: Fees	**(74,598)**	(82,072)	7,474	9.1%
Total Additions	**1,831,001**	33,650,983	(31,819,982)	95.6%
Deductions:				
Benefits	**16,230,069**	14,591,764	1,638,305	11.2%
Total Deductions	**16,230,069**	14,591,764	1,638,305	11.2%
Change in Plan Net Assets	**(14,399,068)**	19,059,219	(33,458,287)	(175.5%)
Plan Net Assets, Beg. of Year	**181,915,305**	162,856,086	19,059,219	11.7%
Plan Net Assets, End of Year	**$ 167,516,237**	$ 181,915,305	$ (14,399,068)	(7.9%)

Defined Contribution Savings Plans - 2017 and 2016

The net position held in trust for the combined Savings Plan administered by East Jefferson General Hospital increased by $19,059,219 during the 2017 fiscal year. Net appreciation in fair value of investments $15,303,555 was the main force behind the increase in net position. Combined investment income, net of investment advisory fees, totaled $24,684,920 in 2017. Total withdrawals and benefits paid were $14,591,764 for the year.

	2017	2016	Difference	% Difference
Cash equivalents	$ 1,453,438	$ 713,174	$ 740,264	103.8%
Investments	177,612,920	159,759,393	17,853,527	11.2%
Receivables	2,848,947	2,383,519	465,428	19.5%
Total Assets	181,915,305	162,856,086	19,059,219	11.7%
Plan Net Assets	$ 181,915,305	$ 162,856,086	$ 19,059,219	11.7%

Total contributions to the Savings Plans increased by $122,160 to total $8,966,091. Employer contributions increased $465,428 and team member contributions decreased $233,210, when compared to 2016. Rollover contributions decreased $110,058 when compared to 2016.

Savings Plans
Changes in Plan Net Assets Available for Benefits

Additions:	2017	2016	Difference	% Difference
Contributions	$ 8,966,091	$ 8,843,931	$ (1,422,095)	1.4%
Investment Income	24,766,964	11,445,963	11,473,992	116.4%
Less: Fees	(82,072)	(115,103)	(33,314)	28.7%
Total Additions	33,650,983	20,174,791	10,018,583	66.8%
Deductions:				
Benefits	14,591,764	16,049,627	(247,554)	-9.1%
Total Deductions	14,591,764	16,049,627	(247,554)	-9.1%
Change in Plan Net Assets	19,059,219	4,125,164	10,266,137	362.0%
Plan Net Assets, Beg. of Year	162,856,086	158,730,922	(6,140,973)	2.6%
Plan Net Assets, End of Year	$ 181,915,305	$ 162,856,086	$ 4,125,164	11.7%

EAST JEFFERSON GENERAL HOSPITAL RETIREMENT AND SAVINGS PLANS AS A WHOLE

During the year ended December 31, 2018, East Jefferson General Hospital's combined plan net position decreased $19,203,118 to total $212,654,979. The observed decrease in the Plan Assets is mainly attributable to negative returns on investments and the excess of distributions over contributions. Total for the defined benefit and defined contribution investment income loss was $10,598,985 and the plans increased in distributions by $1,825,735.

During the year ended December 31, 2017, East Jefferson General Hospital's combined plan net position increased $23,818,858 to total $231,858,097. The observed increase in the plan assets is mainly attributable to positive returns on investments and the excess of contributions over distributions. Total contributions for the defined benefit and defined contribution plans increased $108,865 to total $11,768,070.

REQUESTS FOR INFORMATION

Questions concerning any of the information provided or requests for additional financial information should be addressed to the Department of Accounting, (504) 454-4862 East Jefferson General Hospital, 4200 Houma Boulevard, Metairie, Louisiana 70006.

Financial Statements

East Jefferson General Hospital Retirement and Savings Plans
Statements of Fiduciary Net Position

As of December 31,	**2018**	2017
ASSETS		
Cash equivalents	**$ 2,307,240**	$ 2,020,478
Receivables:		
Accrued interest and dividends	**77,704**	67,097
Employer contributions receivable	**3,495,264**	5,650,926
Due from broker	**86,197**	31
Total Receivables	**3,659,165**	5,718,054
Investments at fair value:		
Debt securities	**16,285,782**	14,648,261
Mutual funds	**160,144,707**	178,313,069
Investment in partnerships	**40,058**	47,804
Group fixed unallocated annuity contract	**30,330,842**	31,172,772
Total Investments at Fair Value	**206,801,389**	224,181,906
Total Assets	**212,767,794**	231,920,438
LIABILITIES		
Accounts payable	**50,736**	55,957
Due to broker	**62,079**	6,384
Total Liabilities	**112,815**	62,341
NET POSITION - RESTRICTED FOR PENSION BENEFITS	**$ 212,654,979**	$ 231,858,097

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

East Jefferson General Hospital Retirement and Savings Plans
Statements of Changes in Fiduciary Net Position

For the Year Ended December 31,	**2018**	2017
ADDITIONS:		
Contributions:		
Members	**$ 6,053,341**	$ 5,685,225
Rollovers	**883,942**	431,919
Employer	**5,692,208**	5,650,926
Total Contributions	**12,629,491**	11,768,070
Investment income:		
Interest	**633,542**	637,816
Dividends	**14,074,482**	9,768,266
Net (depreciation) appreciation in fair value of investments	**(25,022,989)**	21,357,250
	(10,314,965)	31,763,332
Less:		
Investment advisory services	**209,422**	222,629
Custodial fees	**74,598**	82,072
Net Investment (loss) Income	**(10,598,985)**	31,458,631
Total Additions	**2,030,506**	43,226,701
DEDUCTIONS:		
Retirement benefits paid and savings plan withdrawals	**21,175,004**	19,349,272
Administrative expenses	**58,620**	58,571
Total Deductions	**21,233,624**	19,407,843
NET (DECREASE) INCREASE	**(19,203,118)**	23,818,858
NET POSITION - RESTRICTED FOR PENSION BENEFITS		
Beginning of year	**231,858,097**	208,039,239
End of year	**$ 212,654,979**	$ 231,858,097

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

NOTE 1: DESCRIPTION OF THE PLANS

General

The East Jefferson General Hospital Retirement Plan and Savings Plans (the Plans) Committee is the administrator of a single-employer defined benefit retirement plan and hospital sponsored defined contribution savings plans. The Plans were established for the purpose of providing retirement benefits for substantially all employees of East Jefferson General Hospital (the Hospital).

Defined Benefit Retirement Plan

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

Membership in the Plan as of the last actuarial valuation consists of:

	2018	2017
Retirees and Beneficiaries receiving Benefits	**1,033**	985
Terminated employees entitled to benefits but not yet receiving them	**1,686**	1,734
Active Employees	**344**	379
Total Participants	**3,063**	3,098

Pension Benefits

The annual benefit at normal retirement will be equal to the benefit accrued through December 31, 1988 under the previous Plan formula plus, for each year after 1988, benefits accrued under a new formula. Under the formula, benefits accrued at 0.75% of participant’s annual pay up to a designated “breakpoint” and at 0.5% of annual pay in excess of the breakpoint. Benefits ceased to accrue effective April 1, 2005 with the freezing of the Plan as of that date.

The 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.

NOTE 1: DESCRIPTION OF THE PLANS (continued)

Pension Benefits (continued)

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.

Death Benefits

If a participant dies after becoming vested, the surviving spouse will receive a monthly benefit from the Plan. This benefit is only available to the surviving spouse and 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

The Plan's funding policy provides for actuarially determined periodic contributions.

The actuarially recommended contribution for the Plan years ended December 31, 2018 and 2017 is shown below.

Valuation Date Plan Year	**December 31, 2018**	December 31, 2017
Annual Contribution:		
As a dollar amount	**$ 2,480,111**	$ 2,801,979
As a percent of payroll	**10.3%**	10.4%
Participant Payroll	**$ 24,032,433**	$ 26,891,161

Defined Contribution 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 one thousand hours of service are completed and who is at least twenty-one 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.

NOTE 1: DESCRIPTION OF THE PLANS (continued)

Defined Contribution Savings Plans (continued)

The number of participants in each of the savings plans (active and inactive) as of December 31 is as follows:

	2018	2017
401(a)	**2,229**	2,283
403(b)	**2,528**	2,578
457(b)	**614**	610

Contributions

The 403(b) plan allows for employee elective deferrals to be made up to the limits allowed by the Internal Revenue Service (IRS). Effective April 2005, the employer basic contribution increases in 0.5% increments for every five years of credited service. The initial base contribution is 2% for less than five years of service. Matching employer contributions were made at a rate equal to 100% of the elective deferral of each employee up to 2% for the year ended December 31, 2018. Matching employer contributions were made at a rate equal to 100% of the elective deferral of each employee up to 2% for the year ended December 31, 2017. Effective in 2006, the plan was amended to change the Hospital’s funding to an annual basis, from pay period basis, 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 Basic Contribution percentage amounts are provided to participants according to their Benefit Service Date. The participants’ voluntary pre-tax deductions and the Hospital Matching Contributions continue to be funded to the 403(b) plan.

The employer contribution percentages for the 401(a) plan by Benefit Service Date are as follows:

Number of Years	Contribution %
0 to 5	2.0%
5+ to 10	2.5%
10+ to 15	3.0%
15+ to 20	3.5%
20+ to 25	4.0%
25+	5.0%

NOTE 1: DESCRIPTION OF THE PLANS (continued)

Participants' 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 one hundred percent 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 one thousand hours or more. Any contributions made by participants for the Savings Plans, and earnings on those contributions, are one hundred percent vested to the participants when made.

Withdrawals and Distributions

Participants do not make contributions to the 401(a), but can make contributions to the 403(b) and 457(b) plan. 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, the third party administrator, 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.

NOTE 1: DESCRIPTION OF THE PLANS (continued)

Forfeitures (continued)

During the years ended December 31, 2018 and 2017, the Plans used the following amounts in forfeitures to offset employer contributions and related custodial fees:

	2018	2017
401(a)	**$ 639,953**	$ 177,208
403(b)	**516**	3,648
	$ 640,469	$ 180,856

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

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

Basis of Accounting

The Plans' financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred. Employee and employer contributions are recorded in the period the related salaries are earned. Administrative expenses are funded from investment earnings. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans.

Method Used to Value Investments

The Plans' 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.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tax Status

Both the Defined Benefit retirement plan and 401(a) 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 designed to meet the requirements of the Internal Revenue Code.

NOTE 3: CASH EQUIVALENTS AND INVESTMENTS

Following are the components of the Plans' cash equivalents and investments at December 31, 2018 and 2017:

2018	Defined Benefit Retirement Plan	Savings Plans	Total
Cash equivalents	$ **1,170,022**	$ **1,137,218**	$ **2,307,240**
Investments	**43,917,634**	**162,883,755**	**206,801,389**
	$ **45,087,656**	$ **164,020,973**	$ **209,108,629**

2017	Defined Benefit Retirement Plan	Savings Plans	Total
Cash equivalents	$ 567,040	$ 1,453,438	$ 2,020,478
Investments	46,568,986	177,612,920	224,181,906
	$ 47,136,026	$ 179,066,358	$ 226,202,384

Cash Equivalents

The cash equivalents totaling $2,307,240 and $2,020,478 at December 31, 2018 and 2017, 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 custodian's trust department.

NOTE 3: CASH EQUIVALENTS 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. At December 31, 2018 and 2017, the Retirement Plan's investments were held by Comerica. The Savings Plans' investments were held by VALIC.

The following were the Retirement Plan's adopted allocation ranges as of December 31, 2018:

Asset Category	Minimum	Policy Target	Maximum
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	0%	0%	1%

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The Defined Benefit 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. At December 31, 2018 and 2017, there were no investments that exceeded the Plan's concentration of credit risk policy. The Defined Contribution 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 Plans have no formal investment policy regarding credit risk. The Plans did not have investments in long-term debt securities as of December 31, 2018 and 2017.

Custodial Credit Risk

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

NOTE 3: CASH EQUIVALENTS AND INVESTMENTS (continued)

Interest Rate Risk

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

Rate of Return

For the years ended December 31, 2018 and 2017, the annual money-weighted rate of return on defined benefit plan investments, net of pension plan investment expense, was -8.71% and 15.78%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 4: FAIR VALUE MEASUREMENTS

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of December 31:

	2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments Measured at Fair Value				
Debt securities				
Mutual funds – fixed income	**$ 16,285,782**	$ 16,285,782	$ -	$ -
Equity securities				
Common stock	**15,387,958**	15,387,958	-	-
Foreign stock	**541,543**	541,543	-	-
American depository receipts	**6,648,925**	6,648,925	-	-
Mutual funds - equity	**134,452,314**	134,452,314	-	-
Real estate investment trusts	**3,135,568**	3,135,565	-	-
Total Investments Measured at Fair Value	**176,452,090**	$176,452,090	$ -	$ -
Investments Measured at Net Asset Value (NAV)				
Group fixed unallocated annuity contracts	**30,330,842**			
Investment in partnership	**18,457**			
Total Investments Measured at NAV	**30,349,299**			
Total Investments	**$ 206,801,389**			

NOTE 4: FAIR VALUE MEASUREMENTS (continued)

	December 31, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments Measured at Fair Value				
Debt securities				
Mutual funds – fixed income	$ 14,648,261	$ 14,648,261	$ -	$ -
Equity securities				
Common stock	19,501,880	19,501,880	-	-
Foreign stock	545,659	545,659	-	-
American depository receipts	6,460,865	6,460,865	-	-
Mutual funds - equity	148,644,078	148,644,078	-	-
Real estate investment trusts	3,186,048	3,186,048	-	-
Total Investments Measured at Fair Value Level	$192,986,791	$192,986,791	$ -	$ -
Investments Measured at Net Asset Value (NAV)				
Group fixed unallocated annuity contracts	31,172,772			
Investment in partnership	22,343			
Total Investments Measured at NAV	31,195,115			
Total Investments	$ 224,181,906			

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 investments measured at the net asset value (NAV) per share (or its equivalent) as of December 31, 2018 are presented in the following table:

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Investments measured at NAV:				
Group fixed unallocated annuity contracts	**$ 30,330,842**	$ -	Daily	Same day
Investment in partnership	**18,457**	-	Quarterly	90 days
Total Investments Measured at NAV	**$ 30,349,299**	$ -		

NOTE 4: FAIR VALUE MEASUREMENTS (continued)

The unfunded commitments and redemption terms for investments measured at the net asset value (NAV) per share (or its equivalent) as of December 31, 2017 are presented in the following table:

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Investments measured at the NAV:				
Group fixed unallocated annuity contracts	$ 31,172,772	$ -	Daily	Same day
Investment in partnership	22,343	-	Quarterly	90 days
Total Investments Measured at the NAV	$ 31,195,115	$ -		

Group Fixed Unallocated Annuity Contracts

At December 31, 2018 and 2017, the Retirement 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 Partnerships

As of December 31, 2018 and 2017, the Retirement Plan was invested in Equitas Evergreen Fund, L.P., which had a cost basis of $18,457 and $22,343, 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 generally, by diversifying investments across Managers. The fair value of the investment has been determined using the NAV per share (or equivalent) of the Retirement Plan's ownership interest in partners' capital.

NOTE 5: 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 December 31, 2018 and 2017 at fair market value.

NOTE 6: NET PENSION LIABILITY OF EAST JEFFERSON GENERAL HOSPITAL

The components of the net pension liability of the Hospital at December 31 were as follows:

	2018	2017
Total Pension Liability	$ **81,073,642**	$ 80,727,672
Plan Fiduciary Net Position	**45,138,742**	49,942,792
The Hospital's Net Pension Liability	$ **35,934,900**	$ 30,784,880
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**55.7%**	61.9%

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Actuarially determined amounts regarding net pension liability are subject to continual revision as actual results are compared to past expectations, an new estimates are made about the future. The required Schedule of Net Pension Liability on page 28 presents multi-year trend information regarding whether the plan fiduciary net positions are increasing or decreasing over time relative to the total pension liability. The total pension liability as of December 31, 2018 and 2017 is based on actuarial valuations for the same periods, updated using generally accepted actuarial procedures. The pension liability was determined by an actuarial valuation using the following actuarial assumptions:

Plan Year	2018	2017
Valuation Date	December 31, 2018	December 31, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Investment Rate Returns	7.00%	7.00%
Inflation	2.30% increasing to 2.80% in 2027	2.30% increasing to 2.80% in 2027
Salary Increases including Inflation	N/A	N/A
Mortality	RP 2000 system for males and females, with floating Scale AA projections to valuation year plus 15 years for employee mortality and to valuation year plus 7 years for annuitant mortality	RP 2000 system for males and females, with floating Scale AA projections to valuation year plus 15 years for employee mortality and to valuation year plus 7 years for annuitant mortality

NOTE 6: NET PENSION LIABILITY OF EAST JEFFERSON GENERAL HOSPITAL (continued)

Actuarial Methods and Assumptions (continued)

The long-term expected rate of return on defined benefit 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 by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2018 and 2017 are summarized in the following table:

Asset Class	2018 Long-Term Expected Real Rate of Return	2017 Long-Term Expected Real Rate of Return
U.S. Cash	0.29%	0.11%
U.S. Core Bonds	1.68%	1.63%
U.S. Equity Market	4.96%	4.57%
Non-U.S. Equities	6.36%	5.76%
Emerging Markets Equities	8.10%	7.77%
U.S REITs	5.37%	5.01%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% at December 31, 2018 and 2017. 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.

NOTE 6: NET PENSION LIABILITY OF EAST JEFFERSON GENERAL HOSPITAL (continued)

Actuarial Methods and Assumptions (continued)

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

The following presents the net pension liability of the Hospital at December 31, 2018 and 2016, calculated using the discount rate of 7.00%, as well as what the Hospital's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

2018	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Total Pension Liability	$ 89,176,804	$ 81,073,642	$ 74,173,171
Fiduciary Net Position	45,138,742	45,138,742	45,138,742
Net Pension Liability	$ 44,038,062	$ 35,934,900	$ 29,034,429

2017	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Total Pension Liability	$ 89,068,503	$ 80,727,672	$ 73,648,897
Fiduciary Net Position	49,942,792	49,942,792	49,942,792
Net Pension Liability	$ 39,125,711	$ 30,784,880	$ 23,706,105

NOTE 7: PLAN TERMINATION

Although it has not expressed any intent to do so, the Hospital has the right under the Plans to discontinue its contributions at any time and to terminate the Plans.

NOTE 8: SUBSEQUENT EVENTS

We have evaluated subsequent events through the date that the financial statements were available to be issued, June 19, 2019, and determined that no events occurred that require disclosure or a change to the financial statement amounts, except as disclosed below. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Required Supplementary Information (Part II)

East Jefferson General Hospital Retirement and Savings Plans
Schedule of Net Pension Liability
Last 5 Years

For the Year Ended December 31,	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
2018	**$ 81,073,642**	**$ 45,138,742**	**$ 35,934,900**	**55.7%**	**$ 24,032,433**	**149.5%**
2017	80,727,672	49,942,792	30,784,880	61.9%	26,891,161	114.5%
2016	80,409,889	45,183,153	35,226,736	56.2%	33,150,184	106.3%
2015	75,869,220	43,921,902	31,947,318	57.9%	35,666,374	89.6%
2014	74,758,328	45,637,344	29,120,984	61.0%	40,725,802	71.5%
2013	73,504,221	43,877,027	29,627,194	59.7%	44,841,780	66.1%

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

See independent auditors' report.

East Jefferson General Hospital Retirement and Savings Plans
Schedule of Changes in Net Pension Liability and Related Ratios

For the year ended December 31,	**2018**	2017	2016	2015	2014
Total Pension Liability					
Service cost	**$ -**	$ -	$ -	$ -	$ -
Interest on total pension liability	**5,477,864**	5,462,102	5,428,629	5,456,932	5,372,794
Effect of plan changes	**-**	-	-	-	-
Effect of economic/demographic gains or (losses)	**(186,959)**	(386,811)	(395,081)	(347,572)	(384,755)
Effect of assumption changes or inputs	**-**	-	3,858,117	-	-
Benefit payments	**(4,944,935)**	(4,757,508)	(4,350,996)	(3,998,468)	(3,733,932)
Net change in total pension liability	**345,970**	317,783	4,540,669	1,110,892	1,254,107
Total pension liability, beginning	**80,727,672**	80,409,889	75,869,220	74,758,328	73,504,221
Total pension liability, ending (a)	**$ 81,073,642**	$ 80,727,672	$ 80,409,889	$ 75,869,220	$ 74,758,328
Plan Fiduciary Net Position					
Employer contributions	**$ 2,480,111**	$ 2,801,979	$ 2,815,274	$ 2,499,752	$ 2,506,300
Investment income net of investment expenses	**(2,280,606)**	6,773,739	2,851,414	(162,396)	3,051,945
Benefit payments	**(4,944,935)**	(4,757,508)	(4,350,996)	(3,998,468)	(3,733,932)
Administrative expenses	**(58,620)**	(58,571)	(54,441)	(54,330)	(63,996)
Net change in plan fiduciary net position	**(4,804,050)**	4,759,639	1,261,251	(1,715,442)	1,760,317
Plan fiduciary net position, beginning	**49,942,792**	45,183,153	43,921,902	45,637,344	43,877,027
Plan fiduciary net position, ending (b)	**$ 45,138,742**	$ 49,942,792	$ 45,183,153	$ 43,921,902	$ 45,637,344
The Hospital's net pension liability, ending = (a) - (b)	**$ 35,934,900**	$ 30,784,880	$ 35,226,736	$ 31,947,318	$ 29,120,984
Plan fiduciary net position as a % of total pension liability	**55.68%**	61.87%	56.19%	57.89%	61.05%
Covered payroll	**$ 24,032,433**	$ 26,891,161	$ 33,150,184	$ 35,666,374	$ 40,725,802
The Hospital's net pension liability as a % of covered payroll	**149.53%**	114.48%	106.26%	89.57%	71.50%

Notes to Schedule:

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

East Jefferson General Hospital Retirement and Savings Plans
Schedule of Employer Contributions
Last 10 Years

Year Ended December 31	Actuarially Determined Contribution	Contributions in Relation to the Actuarial Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2018	**$ 2,480,111**	**$ 2,480,111**	**$ -**	**$ 24,032,433**	**10.32%**
2017	2,801,979	2,801,979	-	26,891,161	10.42%
2016	2,815,274	2,815,274	-	33,150,184	8.49%
2015	2,462,649	2,499,752	(37,103)	35,666,374	6.90%
2014	2,506,300	2,506,300	-	40,725,802	6.15%
2013	2,792,819	2,792,819	-	44,841,780	6.23%
2012	3,046,895	3,046,895	-	46,621,480	6.54%
2011	2,581,804	2,581,804	-	52,622,311	4.91%
2010	2,554,536	2,554,536	-	57,757,738	4.42%
2009	1,851,102	1,851,102	-	61,093,503	3.03%

See independent auditors' report.

East Jefferson General Hospital Retirement and Savings Plans
Schedule of Investment Returns
Last 5 Years

Year Ended December 31	Net Money-Weighted Rate of Return
2018	**-8.71%**
2017	15.78%
2016	6.78%
2015	-0.33%
2014	6.94%

Note to Schedule:

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

Factors that significantly affect trends in amounts reported

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

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

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	2.3%
Salary increases	N/A as a frozen plan
Investment rate of return	7.0% per annum, compounded annually, net of investment expenses
Mortality	RP 2000 system table for males and females, with floating Scale AA projections to valuation year plus 15 years for employee mortality and to valuation year plus 7 years for annuitant mortality

hűKŜǊ Supplementary Information

East Jefferson General Hospital Retirement and Savings Plans
Combining Statements of Fiduciary Net Position
As of December 31, 2018 and 2017

	2018						2017					
	Defined Benefit Retirement Plan	Defined Contribution Savings Plans			Total Defined Contribution Savings Plans		Defined Benefit Retirement Plan	Defined Contribution Savings Plans			Total Defined Contribution Savings Plans	
		401(a)	403(b)	457(b)		Total		401(a)	403(b)	457(b)		Total
ASSETS												
Cash equivalents	$ 1,170,022	$ 390,852	$ 560,903	$ 185,463	$ 1,137,218	$ 2,307,240	$ 567,040	$ 342,587	$ 687,878	$ 422,973	$ 1,453,438	$ 2,020,478
Receivables:												
Accrued interest and dividends	77,704	-	-	-	-	77,704	67,097	-	-	-	-	67,097
Contributions receivable:												
Employer	-	2,225,776	1,269,488	-	3,495,264	3,495,264	2,801,979	1,756,660	1,092,287	-	2,848,947	5,650,926
Due from broker	86,197	-	-	-	-	86,197	31	-	-	-	-	31
Total Receivables	163,901	2,225,776	1,269,488	-	3,495,264	3,659,165	2,869,107	1,756,660	1,092,287	-	2,848,947	5,718,054
Investments:												
Investments at fair value:												
Debt securities	16,285,782	-	-	-	-	16,285,782	14,648,261	-	-	-	-	14,648,261
Equity securities	27,591,794	42,880,731	73,184,008	16,488,174	132,552,913	160,144,707	31,872,921	48,408,938	79,979,719	18,051,491	146,440,148	178,313,069
Investment in partnership	40,058	-	-	-	-	40,058	47,804	-	-	-	-	47,804
Group fixed unallocated annuity contract	-	12,128,940	14,516,886	3,685,016	30,330,842	30,330,842	-	12,649,391	14,773,108	3,750,273	31,172,772	31,172,772
Total Investments at Fair Value	43,917,634	55,009,671	87,700,894	20,173,190	162,883,755	206,801,389	46,568,986	61,058,329	94,752,827	21,801,764	177,612,920	224,181,906
Total Assets	45,251,557	57,626,299	89,531,285	20,358,653	167,516,237	212,767,794	50,005,133	63,157,576	96,532,992	22,224,737	181,915,305	231,920,438
LIABILITIES												
Accounts payable	50,736	-	-	-	-	50,736	55,957	-	-	-	-	55,957
Due to broker	62,079	-	-	-	-	62,079	6,384	-	-	-	-	6,384
Total Liabilities	112,815	-	-	-	-	112,815	62,341	-	-	-	-	62,341
NET POSITION - RESTRICTED FOR PENSION BENEFITS	$ 45,138,742	$ 57,626,299	$ 89,531,285	$ 20,358,653	$ 167,516,237	$ 212,654,979	$ 49,942,792	$ 63,157,576	$ 96,532,992	$ 22,224,737	$ 181,915,305	$ 231,858,097

See independent auditors' report.

East Jefferson General Hospital Retirement and Savings Plans
Combining Statements of Changes in Fiduciary Net Position
For the Years Ended December 31, 2018 and 2017

	2018						2017					
	Defined Benefit Retirement	Defined Contribution Savings Plans			Total Defined Contribution		Defined Benefit Retirement	Defined Contribution Savings Plans			Total Defined Contribution	
	Plan	401(a)	403(b)	457(b)	Savings Plans	Total	Plan	401(a)	403(b)	457(b)	Savings Plans	Total
ADDITIONS:												
Contributions:												
Members	$ -	$ -	$ 4,786,941	$ 1,266,400	$ 6,053,341	$ 6,053,341	$ -	$ -	$ 4,454,564	$ 1,230,661	$ 5,685,225	$ 5,685,225
Rollovers	-	0	883,942	-	883,942	883,942	-	86,196	345,723	-	431,919	431,919
Employer	2,480,111	2,217,706	994,391	-	3,212,097	5,692,208	2,801,979	1,756,660	1,092,287	-	2,848,947	5,650,926
Total Contributions	2,480,111	2,217,706	6,665,274	1,266,400	10,149,380	12,629,491	2,801,979	1,842,856	5,892,574	1,230,661	8,966,091	11,768,070
Investment income:												
Interest	9,451	248,999	296,455	78,637	624,091	633,542	1,074	264,590	301,442	70,710	636,742	637,816
Dividends	1,054,740	4,337,638	7,034,858	1,647,246	13,019,742	14,074,482	941,599	2,963,834	4,700,775	1,162,058	8,826,667	9,768,266
Net (depreciation)/appreciation in fair value of investments	(3,135,375)	(7,081,895)	(12,116,806)	(2,688,913)	(21,887,614)	(25,022,989)	6,053,695	5,034,717	8,460,739	1,808,099	15,303,555	21,357,250
	(2,071,184)	(2,495,258)	(4,785,493)	(963,030)	(8,243,781)	(10,314,965)	6,996,368	8,263,141	13,462,956	3,040,867	24,766,964	31,763,332
Less:												
Investment advisory services	209,422	-	-	-	-	209,422	222,629	-	-	-	-	222,629
Custodial fees	-	21,104	45,844	7,650	74,598	74,598	-	24,468	50,332	7,272	82,072	82,072
Net Investment (loss) Income	(2,280,606)	(2,516,362)	(4,831,337)	(970,680)	(8,318,379)	(10,598,985)	6,773,739	8,238,673	13,412,624	3,033,595	24,684,892	31,458,631
Total Additions	199,505	(298,656)	1,833,937	295,720	1,831,001	2,030,506	9,575,718	10,081,529	19,305,198	4,264,256	33,650,983	43,226,701
DEDUCTIONS:												
Retirement benefits paid and savings plan withdrawals	4,944,935	5,232,621	8,835,644	2,161,804	16,230,069	21,175,004	4,757,508	4,939,588	7,778,176	1,874,000	14,591,764	19,349,272
Administrative expenses	58,620	-	-	-	-	58,620	58,571	-	-	-	-	58,571
Total Deductions	5,003,555	5,232,621	8,835,644	2,161,804	16,230,069	21,233,624	4,816,079	4,939,588	7,778,176	1,874,000	14,591,764	19,407,843
NET (DECREASE) INCREASE	(4,804,050)	(5,531,277)	(7,001,707)	(1,866,084)	(14,399,068)	(19,203,118)	4,759,639	5,141,941	11,527,022	2,390,256	19,059,219	23,818,858
NET POSITION - RESTRICTED FOR PENSION BENEFITS												
Beginning of year	49,942,792	63,157,576	96,532,992	22,224,737	181,915,305	231,858,097	45,183,153	58,015,635	85,005,970	19,834,481	162,856,086	208,039,239
End of year	$ 45,138,742	$ 57,626,299	$ 89,531,285	$ 20,358,653	$ 167,516,237	$ 212,654,979	$ 49,942,792	$ 63,157,576	$ 96,532,992	$ 22,224,737	$ 181,915,305	$ 231,858,097

See independent auditors' report.

East Jefferson General Hospital Retirement and Savings Plans
Schedule of Compensation, Benefits, and
Other Payments to Agency Head
For the Year Ended December 31, 2018

Note: No payments were made by the Plan to any agency head.

Purpose	Amount
Salary	$ -
Benefits	-
Deferred compensation	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Other	-

See independent auditor's report.

Other Reporting

Carr, Riggs & Ingram, LLC
111 Veterans Blvd.
Suite 350
Metairie, Louisiana 70005

(504) 837-9116
(504) 837-0123 (fax)
www.CRIcpa.com

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

To the Board of Directors
East Jefferson General Hospital
Metairie, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the East Jefferson General Hospital Retirement and Savings Plans (the Plans), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Plans' basic financial statements, and have issued our report thereon dated June 19, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plans' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plans' internal control. Accordingly, we do not express an opinion on the effectiveness of the Plans' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Plans' financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weakness or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses.

We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001, that we consider to be a significant deficiency.

Compliance and Other Matters

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

Schedule of Findings and Responses

The Plans' response to the finding identified in our audit is described in the accompanying schedule of findings. The Plans' response was not subjected to the auditing procedures applied in the audit of the financial statements and, we express no opinion on it.

Purpose of this Report

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

Carr, Riggs & Ingram, L.L.C.

June 19, 2019

FINDINGS RELATED TO THE FINANCIAL STATEMENTS

2018-001 Significant Deficiency – Review of Defined Benefit Plan Consolidated Statements

Criteria:	The Plans' internal control policies should include a periodic review of the defined benefit plan consolidated statements to ensure that the financial statements are accurate and complete.
Condition:	The annual defined benefit plan consolidated statements provided to the actuary and auditors did not include a new investment sub-account.
Cause:	The Plans' Third Party Administrator, Comerica, did not ensure that the new investment sub-account was added to the consolidated statements and a review of the statements for accuracy and completeness was not performed.
Effect:	An adjusting audit entry was necessary to correct the Plans' financial statements and properly account for the new investment sub-account.
Recommendation*:*	The defined benefit plan consolidated statements should be reviewed by the Hospital's accounting department at least quarterly for accuracy and completeness and compared to information obtained from UBS for reasonableness.
Management's Corrective Action:	Effective May 2019, the defined benefit plan statements will be reviewed for accuracy and completeness and compared to UBS reports for reasonableness on a quarterly basis by the Interim Director of Accounting.