RETIREMENT PLAN FOR EMPLOYEES OF WEST JEFFERSON MEDICAL CENTER

FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

Postlethwaite & Netterville

RETIREMENT PLAN FOR EMPLOYEES OF
WEST JEFFERSON MEDICAL CENTER

FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

TABLE OF CONTENTS

30th Floor, Energy Centre, 1100 Poydras Street – New Orleans, LA 70163
One Galleria Blvd., Suite 2100 – Metairie, LA 70001
504-837-5990 Phone – 504-834-3609 Fax – pncpa.com

A Professional Accounting Corporation

INDEPENDENT AUDITORS' REPORT

Members of the Parish Council
Jefferson Parish, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Retirement Plan for Employees of West Jefferson Medical Center (the Plan), a component unit of Jefferson Parish Government, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Plan as of December 31, 2022 and 2021, and the changes in financial position for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matters

As disclosed in Note 3 to the financial statements, the financial statements include investments that are not listed on national exchanges. Such investments totaled $59.4 million (94.1% of total assets) and $77.8 million (98.4% of total assets) at December 31, 2022 and 2021, respectively. Where a publicly listed price is not available, management of the Plan uses alternative sources of information including audited financial statements, unaudited interim reports, and similar evidence to determine the fair value of the investments. Our opinion is not modified with respect to this matter.

As disclosed in Note 4 to the financial statements, the total pension liability for the Plan was $96.5 million and $98.1 million at December 31, 2022 and 2021, respectively. The actuarial valuations were based on various assumptions made by Plan's actuary. Because actual experience may differ from the assumptions used in the actuarial valuation, there is a risk that the total pension liability at December 31, 2022 and 2021, could be materially different from the estimate. Our opinion is not modified with respect to this matter.

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2023, on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Metairie, Louisiana
May 31, 2023

RETIREMENT PLAN FOR EMPLOYEES OF WEST JEFFERSON MEDICAL CENTER

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) offers the readers of the Retirement Plan for Employees of West Jefferson Medical Center's (the Plan) financial statements this narrative overview and analysis of the financial activities of the Plan as of December 31, 2022 and 2021. The information presented herein should be considered in conjunction with the accompanying financial statements and notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The Statements of Fiduciary Net Position report the Plan's assets, liabilities, and resulting net position held in trust for pension benefits. These statements disclose the financial position of the Plan as of December 31, 2022 and 2021.
- The Statements of Changes in Fiduciary Net Position report the results of the Plan's operations for the years ended December 31, 2022 and 2021, disclosing the additions to and deductions from the fiduciary net position. It supports the change that has occurred to the prior period's net position on the Statements of Fiduciary Net Position.
- The Notes to the Financial Statements provide additional information and insight that are essential to gaining a full understanding of the data provided in the financial statements.

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

FINANCIAL ANALYSIS OF THE PLAN

Condensed Statements of Fiduciary Net Position

	2022	2021	2020	2022 Increase/ (Decrease)	2022 Percentage Change
Cash and cash equivalents	$ 3,726,666	$ 1,297,461	$ 2,807,538	$ 2,429,205	187.2%
Accrued interest and dividends	4,430	11	19	4,419	401.7%
Investments	59,376,610	77,814,083	73,164,021	(18,437,473)	-23.7%
Total assets	63,107,706	79,111,555	75,971,578	(16,003,849)	-20.2%
Total liabilities	76,904	83,556	80,081	(6,652)	-8.0%
Net position	$ 63,030,802	$ 79,027,999	$ 75,891,497	$ (15,997,197)	-20.2%

The Plan's investments consist primarily of fixed income funds, equity funds and real estate investments which decreased by ($18,437,473) due to investment losses as well as benefit payments and Plan investment and administrative expenses. Liabilities decreased by ($6,652) due to timing of investment and administrative expenses.

FINANCIAL ANALYSIS OF THE PLAN (continued)

Condensed Statements of Changes in Fiduciary Net Position

	2022	2021	2020	2022 Increase/ (Decrease)	2022 Percentage Change
Additions:					
Employer contributions	$ 2,135,475	$ 2,234,426	$ 2,007,703	$ (98,951)	-4.4%
Net investment income (loss)	(9,378,568)	9,734,826	7,020,130	(19,113,394)	-196.3%
Total additions	(7,243,093)	11,969,252	9,027,833	(19,212,345)	-160.5%
Deductions:					
Administrative expenses	167,919	169,894	189,596	(1,975)	-1.2%
Benefits	8,586,185	8,662,856	8,670,342	(76,671)	-0.9%
Total deductions	8,754,104	8,832,750	8,859,938	(78,646)	-0.9%
Increase (decrease) in net position	(15,997,197)	3,136,502	167,895	(19,133,699)	-610.0%
Net position, beginning of period	79,027,999	75,891,497	75,723,602	3,136,502	4.1%
Net position, end of period	$ 63,030,802	$ 79,027,999	$ 75,891,497	$ (15,997,197)	-20.2%

The Plan's net position decreased by ($15,997,197) during the year ended December 31, 2022, due to benefit payments and net investment losses and administrative expenses exceeding employer contributions. The net investment losses is due mainly to depreciation in fair value caused by economic distress, inflation reaching highest levels in several decades and federal reserve interest rates also being the highest seen in decades. During the year ended December 31, 2022, investment income decreased by ($19,113,394) due to net depreciation of investments in the current year. The Plan's employer contributions decreased by ($98,951). The annual contribution is determined by an actuarial valuation and varies based on the estimates prepared by the actuary. Total benefits decreased ($76,671), which varies based on total individuals receiving benefits throughout the year.

INVESTMENTS

The Plan is responsible for the prudent management of funds held in trust for the exclusive benefits of its participants. Funds are invested to achieve maximum returns without exposing retirement assets to unacceptable risks. Total investments at December 31, 2022 amounted to $59,376,610 as compared to $77,814,083 at December 31, 2021, which is an decrease of ($18,437,473). The major contributing factor to this decrease was net investment losses due to market value depreciation along with benefit payments and administrative expenses.

REQUEST FOR INFORMATION

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

RETIREMENT PLAN FOR EMPLOYEES OF
WEST JEFFERSON MEDICAL CENTER
STATEMENTS OF FIDUCIARY NET POSITION
DECEMBER 31, 2022 AND DECEMBER 31, 2021

	2022	2021
ASSETS:		
Cash and cash equivalents	$ 3,726,666	$ 1,297,461
Accrued interest and dividends	4,430	11
Investments (at fair value):		
Fixed income funds	16,016,050	19,265,520
Equity funds	35,321,791	48,206,992
Real estate funds	8,038,769	10,341,571
Total investments	59,376,610	77,814,083
Total assets	63,107,706	79,111,555
LIABILITIES:		
Accrued expenses	76,904	83,556
Total liabilities	76,904	83,556
NET POSITION - RESTRICTED FOR PENSION BENEFITS	$ 63,030,802	$ 79,027,999

See accompanying notes to financial statements.

RETIREMENT PLAN FOR EMPLOYEES OF
WEST JEFFERSON MEDICAL CENTER
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND DECEMBER 31, 2021

	2022	2021
ADDITIONS (REDUCTIONS):		
Employer contribution	$ 2,135,475	$ 2,234,426
Investment income:		
Net appreciation (depreciation) of investments	(9,442,072)	9,570,525
Dividends and interest income	19,807	1,239
Realized gains from sale of investments	229,599	379,307
Total investment income (loss)	(9,192,666)	9,951,071
Less:		
Investment advisory and custodial services	185,902	216,245
Net investment income (loss)	(9,378,568)	9,734,826
Total additions (reductions)	(7,243,093)	11,969,252
DEDUCTIONS:		
Benefits	8,586,185	8,662,856
Administrative expenses	167,919	169,894
Total deductions	8,754,104	8,832,750
NET INCREASE (DECREASE) IN NET POSITION	(15,997,197)	3,136,502
NET POSITION - RESTRICTED FOR PENSION BENEFITS BEGINNING OF PERIOD	79,027,999	75,891,497
END OF PERIOD	$ 63,030,802	$ 79,027,999

See accompanying notes to financial statements.

1. Plan Description

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

Reporting Entity

The Plan operates under the jurisdiction of the Parish Council of Jefferson Parish, Louisiana (the Parish) as Jefferson Parish Hospital Service District No. 1 (the Service District). A Louisiana Attorney General opinion empowers hospital service districts to create pension plans for officers and employees and to fund the plan with district funds, see R.S. 46:1068. The Parish acts as the board for the Plan since there are no current board members of the Service District. As such, the Plan is considered a component unit of the Jefferson Parish Government and is reported as a fiduciary fund.

General

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

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

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

Plan Administrator

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

1. Plan Description (continued)

Plan Membership

At December 31, 2022 and December 31, 2022, the Plan's membership consisted of:

	2022	2021
Active employees	-	-
Retirees and beneficiaries currently receiving benefits	909	911
Terminated employees entitled to but not yet receiving benefits	440	447
Total plan membership	1,349	1,358

Eligibility Requirements

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

Retirement Benefits

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

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

1. Plan Description (continued)

Deferred and Disability Benefits

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

Survivor Benefits

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

Contributions

The funding policy of the Plan provides for periodic employer contributions at actuarially determined rates that are sufficient to pay benefits when due. The actuarially determined contribution is based on a closed 30-year amortization period for the December 31, 2022 and 2021, valuations, calculated using the entry age normal cost method.

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

Plan Termination

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

Tax Qualification

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

2. Summary of Significant Accounting and Financial Reporting Policies

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

Basis of Accounting

The Plan's financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred. Employer contributions are recorded in the period in which the contributions are appropriated by the Parish. Investment and administrative expenses are funded from investment earnings. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Investments

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Parish. It is the policy of the Parish to pursue an investment strategy that balances return of current income and growth of principal. The assets of the Plan are invested in various funds managed by an investment manager and held by a custodian in a trust account. Investments are reported at fair value. Investments that do not have an established market value are reported at estimated fair value as determined by the Plan based on net asset value.

The following is the Plan's adopted asset allocation policy as of December 31, 2022 and 2021:

	Preferred Allocation	
Asset Class	**2022**	**2021**
Global Equity	61.0%	11.0%
Real Estate	11.0%	11.0%
Fixed Income	28.0%	28.0%
Private Equity	-	5.0%
US Equity	-	22.5%
Non-US Equity	-	22.5%

Dividend income and interest are recognized when earned.

Investment and Administrative Expenses

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

Use of Estimates

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

3. 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 enter into 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, 2022 and 2021, the Plan's investments were held by Regions Wealth Management as the custodian trustee, and Aon as the investment manager.

Investments at December 31, 2022 and 2021 consist of the following funds:

	2022	2021
Fixed income funds:		
State Street Intermediate US Credit Index	$ 11,690,772	$ 14,037,215
State Street US Short Term Govt. Credit	4,325,278	5,228,305
Total fixed income funds	16,016,050	19,265,520
Equity funds:		
Global Equity:		
AON Global Equity	5,460,700	7,304,863
State Street Global Equity Index	3,621,167	5,389,802
US Equity:		
State Street Russell All Cap Index	16,067,183	18,053,359
Non-US Equity:		
State Street Global All Cap Equity	10,172,741	17,458,968
Total equity funds	35,321,791	48,206,992
Real estate funds:		
AON Core Real Estate	7,832,856	9,943,795
AON Global Real Estate- Class I	205,913	397,776
Total real estate funds	8,038,769	10,341,571
Total investments	$ 59,376,610	$ 77,814,083

3. Investments (continued)

Fair Value Measurements

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

Investments measured at Net Asset Value (NAV)

	2022	2021
Fixed income funds	$ 16,016,050	$ 19,265,520
Equity funds	35,321,791	48,206,992
Real estate funds	8,038,769	10,341,571
Total investments at NAV	$ 59,376,610	$ 77,814,083

The unfunded commitments and redemption terms for investments measured at the net asset value (NAV) per share (or its equivalent) as of December 31, 2022, are presented in the following table:

	Fair Value 2022	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fixed income funds	$ 16,016,050	$ -	Daily	Trade Date 1 Business Day by Noon ET
Equity funds	35,321,791	-	Daily	Same Day - 1 Business Day by Noon ET
Real estate funds	8,038,769	-	Daily to Quarterly	Same Day - 105 Days Prior to Quarter End
Total investments at NAV	$ 59,376,610			

The unfunded commitments and redemption terms for investments measured at the net asset value (NAV) per share (or its equivalent) as of December 31, 2021, are presented in the following table:

	Fair Value 2021	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fixed income funds	$ 19,265,520	$ -	Daily	2 Days Before Trade Date
Equity funds	48,206,992	-	Daily	Same Day - 2 Days Before Trade Date
Real estate funds	10,341,571	-	Daily to Quarterly	Same Day - 105 Days Prior to Quarter End
Total investments at NAV	$ 77,814,083			

3. Investments (continued)

1. Fixed income funds - Consists of two funds: State Street Intermediate US Credit Index and State Street US Short Term Govt. Credit. Both funds seek an investment return that approximates as closely as practicable, before expenses, the performance of the Bloomberg Barclays U.S. 1-3 Year Government/Credit Bond Index (the Index) over the long term, while providing participants the ability to purchase and redeem units on an "as of" basis. State Street Intermediate US Credit Index works to achieve this objective by investing in other collective investment fund(s), each an underlying fund, managed by the Trustee, which have characteristics consistent with the fund's overall investment objective. The fair value of the investments of these funds have been determined using the NAV per share (or equivalent) of the instruments. Units are valued daily and redemption of units is one business day by Noon ET before the trade date.

2. Equity funds - Includes State Street Global Equity Index, State Street Russell All Cap Index, State Street Global All Cap Equity, and Aon Global Equity. The State Street funds seek an investment return that approximates as closely as practicable, before expenses, the performance of the MSCI ACWI ex USA IMI Index (the Index) over the long term, while providing participants the ability to purchase and redeem units on an "as of" basis. State Street Global Equity Index and State Street Global All Cap Equity attempt to achieve this investment objective by investing in other collective investment fund(s), each an underlying fund, managed by the Trustee, which have characteristics consistent with the funds' overall investment objective. The Aon Global Equity fund's objective is to achieve long-term growth of capital by investing in a diversified portfolio of primarily U.S. and non-U.S. equity securities. This fund seeks to achieve, over extended periods of time, total returns comparable to or superior to broad measures of the global (U.S. and non-U.S.) stock markets. Aon Global Equity may also invest in other investment funds with comparative objectives. The fair value of the investments of these funds have been determined using the NAV per share (or equivalent) of the investments. Units are valued daily and redemption of units varies from same day to one business day by Noon ET before the trade date.

3. Real estate funds - Includes 2 real estate funds that invest primarily in U.S. commercial real estate. Aon Global Real Estate works to achieve high total return, consisting of capital appreciation and current income. The fund seeks to outperform, over extended periods of time, broad measures of the global real estate securities market. Aon Core Real Estate works to achieve a high level of current income, moderate growth of capital, and attractive risk adjusted returns by primarily investing in other investment funds that employ a diversified core investment strategy primarily investing in private equity real estate. This fund seeks to achieve total returns before fees consistent with returns of broad measures of the U.S. core real estate market. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments. Units are valued daily to quarterly and redemption of units varies from same day to 105 days prior to quarter end.

3. Investments (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Plan's investment policy limits the maximum maturity for any single fixed income security to 10 years. None of the investments of the Plan have fixed maturity dates.

Credit Risk

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan's investment policy has established targets for investments in equities and fixed income. In order to manage its credit risk, the Plan invests in funds mostly in fixed income funds that are comprised of U.S. Treasuries, U.S. Agency Securities, and corporate bonds.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All the investments of the Plan were held in the name of the Plan at December 31, 2022 and 2021, and are held by its custodian separately from the other custodian's assets and would not be adversely affected if the custodian were placed in receivership.

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. In order to achieve a prudent level of portfolio diversification, the Plan's investment policy seeks to maintain diversification within the portfolio. To achieve an appropriate level of expected return, value-added potential, and risk, the Plan followed the asset allocation ranges below as of December 31, 2022 and 2021.

	Percent of Total Fund Allocation	
2022	**Minimum**	**Maximum**
Global Equity	56.0%	66.0%
Real Estate	6.0%	16.0%
Fixed Income	23.0%	33.0%

	Percent of Total Fund Allocation	
2021	**Minimum**	**Maximum**
Global Equity	6.0%	16.0%
Global Real Estate	6.0%	16.0%
Fixed Income	23.0%	33.0%
U.S. Equity	17.5%	27.5%
Non-U.S. Equity	17.5%	27.5%
Private Equity	0.0%	10.0%

3. Investments (continued)

Rate of Return

For the years ended December 31, 2022 and 2021, the annual money-weighted rate of return on Plan investments, net of Plan investment expense, was -12.7% and 14.6%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

4. Net Pension Liability of Jefferson Parish Hospital Service District No. 1

The components of the net pension liability of Jefferson Parish Hospital Service District No. 1 as of December 31, 2022 and 2021 are as follows:

	2022	2021
Total pension liability	$ 96,455,211	$ 98,081,553
Plan fiduciary net position	63,030,802	79,027,999
West Jefferson Medical Center's net pension liability	$ 33,424,409	$ 19,053,554
Plan fiduciary net position as a percentage of the total pension liability	65.35%	80.57%

Actuarial assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far in the future. Examples include assumptions about future employment mortality and future salary increases. Actuarially determined amounts regarding the net pension liability are subject to continual revision as actual results are compared to past expectations, and new estimates are made about the future.

The total pension liability as of December 31, 2022 and 2021, is based on actuarial valuation using a measurement date of the same date; updated using generally accepted actuarial procedures. Information on the actuarial methods and assumptions used at December 31, 2022 and 2021, is as follows:

	2022	2021
Investment rate of return	7.0%	7.0%
Inflation	2.3%	2.3%
Salary increases	N/A *	N/A *
Mortality rates	Pri-2012 with generational projection using Scale MP-2021	Pri-2012 with generational projection using Scale MP-2021

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

4. Net Pension Liability of Jefferson Parish Hospital Service District No. 1 (continued)

Actuarial Assumptions (continued)

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

Best estimates of arithmetic real rates of return for each major asset class included in the Plan's current and expected asset allocation as of December 31, 2022 and 2021 are summarized in the following table:

	2022	
Asset Class	**Long-Term Expected Rate of Return**	**Target Allocations**
Global Equity	5.5%	61.0%
Real Estate	3.0%	11.0%
Fixed Income	1.9%	28.0%

	2021	
Asset Class	**Long-Term Expected Rate of Return**	**Target Allocations**
Global Equity	4.6%	11.0%
U.S. Equity	4.0%	22.5%
Non-U.S. Equity	5.1%	22.5%
Global Real Estate	3.1%	11.0%
Private Equity	6.4%	5.0%
Fixed Income	0.1%	28.0%

Discount Rate

The discount rate used to measure the total pension liability was 7.0% for the years ended December 31, 2022 and 2021. The projection of cash flows used to determine the discount rate assumed that the Plan's contributions would be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

4. Net Pension Liability of Jefferson Parish Hospital Service District No. 1 (continued)

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

The following presents the net pension liability of the Plan as of December 31, 2022 and 2021, calculated using the discount rate of 7.0%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

December 31, 2022	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Total pension liability	$ 105,174,631	$ 96,455,211	$ 88,966,212
Fiduciary net posiiton	63,030,802	63,030,802	63,030,802
Net pension liability	$ 42,143,829	$ 33,424,409	$ 25,935,410

December 31, 2021	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Total pension liability	$ 107,167,268	$ 98,081,553	$ 90,301,434
Fiduciary net posiiton	79,027,999	79,027,999	79,027,999
Net pension liability	$ 28,139,269	$ 19,053,554	$ 11,273,435

REQUIRED SUPPLEMENTARY INFORMATION

RETIREMENT PLAN FOR EMPLOYEES OF
WEST JEFFERSON MEDICAL CENTER
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF NET PENSION LIABILITY
LAST 10 YEARS

Fiscal year ended December 31	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a % of Total Pension Liability	Covered Payroll		Net Pension Liability (Asset) as a % of Covered Payroll
2022	$ 96,455,211	$ 63,030,802	$ 33,424,409	65.3%	N/A	*	N/A
2021	98,081,553	79,027,999	19,053,554	80.6%	N/A	*	N/A
2020	100,549,959	75,891,497	24,658,462	75.5%	N/A	*	N/A
2019	103,270,782	75,723,602	27,547,180	73.3%	N/A	*	N/A
2018	103,314,294	69,653,867	33,660,427	67.4%	N/A	*	N/A
2017	119,873,027	59,429,255	60,443,772	49.6%	N/A	*	N/A
2016	121,881,490	51,474,344	70,407,146	42.2%	N/A	*	N/A
2015	117,680,324	57,091,925	60,588,399	48.5%	28,963,544	**	209.2%
2014	112,206,090	60,837,664	51,368,426	54.2%	26,812,234		191.6%
2013	97,327,968	58,900,046	38,427,922	60.5%	28,416,747		135.2%

Note to Schedule:

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

** For comparability, covered payroll for the nine months ended September 30, 2015 of $21,722,658 has been annualized. The Service District has no employees effective October 1, 2015.

RETIREMENT PLAN FOR EMPLOYEES OF
WEST JEFFERSON MEDICAL CENTER
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
LAST 9 YEARS

	Year ended December 31, 2022	**Year ended December 31, 2021**	**Year ended December 31, 2020**	**Year ended December 31, 2019**	**Year ended December 31, 2018**	**Year ended December 31, 2017**	**Year ended December 31, 2016**	**Year ended December 31, 2015**	**Year ended December 31, 2014**
Total Pension Liability									
Service cost	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 391,500	$ 323,166
Interest on total pension liability	6,545,832	6,700,402	6,921,357	6,925,626	7,700,649	8,206,170	7,885,910	7,782,801	7,580,434
Effect of plan changes	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	414,011	(750,573)	(549,585)	145,320	(4,549,453)	(1,375,829)	(707,968)	4,051,107	1,737,592
Effect of assumption changes or inputs	-	244,621	(422,253)	1,772,278	-	-	5,766,246	-	11,028,337
Benefit payments	(8,586,185)	(8,662,856)	(8,670,342)	(8,886,736)	(19,709,929)	(8,838,804)	(8,743,022)	(6,751,174)	(5,791,407)
Net change in total pension liability	(1,626,342)	(2,468,406)	(2,720,823)	(43,512)	(16,558,733)	(2,008,463)	4,201,166	5,474,234	14,878,122
Total pension liability, beginning	98,081,553	100,549,959	103,270,782	103,314,294	119,873,027	121,881,490	117,680,324	112,206,090	97,327,968
Total pension liability, ending (a)	$ 96,455,211	$ 98,081,553	$ 100,549,959	$ 103,270,782	$ 103,314,294	$ 119,873,027	$ 121,881,490	$ 117,680,324	$ 112,206,090
Plan Fiduciary Net Position									
Employer contributions	$ 2,135,475	$ 2,234,426	$ 2,007,703	$ 1,705,153	35,694,829	9,919,427	-	$ 3,601,769	$ 3,457,582
Investment income net of investment expenses	(9,378,568)	9,734,826	7,020,130	13,449,857	(4,996,725)	7,206,264	4,009,145	(54,972)	4,471,241
Benefit payments	(8,586,185)	(8,662,856)	(8,670,342)	(8,886,736)	(19,709,929)	(8,838,804)	(8,743,022)	(6,751,174)	(5,791,407)
Administrative expenses	(167,919)	(169,894)	(189,596)	(198,539)	(763,563)	(331,976)	(883,704)	(541,362)	(199,798)
Net change in plan fiduciary net position	$ (15,997,197)	$ 3,136,502	$ 167,895	$ 6,069,735	$ 10,224,612	$ 7,954,911	$ (5,617,581)	$ (3,745,739)	$ 1,937,618
Plan fiduciary net position, beginning	79,027,999	75,891,497	75,723,602	69,653,867	59,429,255	51,474,344	57,091,925	60,837,664	58,900,046
Plan fiduciary net position, ending (b)	$ 63,030,802	$ 79,027,999	$ 75,891,497	$ 75,723,602	$ 69,653,867	$ 59,429,255	$ 51,474,344	$ 57,091,925	$ 60,837,664
WJMC's net pension liability, ending = (a) - (b)	$ 33,424,409	$ 19,053,554	$ 24,658,462	$ 27,547,180	$ 33,660,427	$ 60,443,772	$ 70,407,146	$ 60,588,399	$ 51,368,426
Plan fiduciary net position as a % of total pension liability	65.35%	80.57%	75.48%	73.33%	67.42%	49.58%	42.23%	48.51%	54.22%
Covered payroll	N/A	N/A	N/A	N/A *	N/A	N/A *	N/A **	$ 28,963,544 **	$ 26,963,544
WJMC's net pension liability as a % of covered payroll	N/A	N/A	N/A	N/A *	N/A	N/A	N/A	209.19%	190.51%

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

* The Service District has no employees effective October 1, 2015.
**For comparability, covered payroll for the nine months ended September 30, 2015, of $21,722,658 has been annualized. The Service District has no employees effective October 1, 2015.

RETIREMENT PLAN FOR EMPLOYEES OF
WEST JEFFERSON MEDICAL CENTER
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST 10 YEARS

Fiscal Year Ending December 31	Actuarially Determined Contribution	Contributions in Relation to the Actuarial Determined Contribution		Contribution Deficiency (Excess)	Covered Payroll		Contributions as a % of Covered Payroll
2022	$ 1,984,021	$ 2,135,475		$ 151,454	N/A		N/A
2021	2,135,475	2,234,426		98,951	N/A		N/A
2020	2,234,426	2,007,703		(226,723)	N/A		N/A
2019	1,705,153	1,705,153		-	N/A		N/A
2018	5,913,512	5,913,512	**	-	N/A		N/A
2017	6,220,746	-		(6,220,746)	N/A		N/A
2016	5,653,720	-		(5,653,720)	N/A		N/A
2015	4,265,707	-		(4,265,707)	28,963,544	*	14.73%
2014	3,601,769	3,601,769		-	26,812,234		13.43%
2013	3,457,582	3,457,582		-	28,416,747		12.17%

Notes to Schedule:

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

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

RETIREMENT PLAN FOR EMPLOYEES OF
WEST JEFFERSON MEDICAL CENTER
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
FOR THE YEAR ENDED DECEMBER 31, 2022

Year Ended December 31	Net Money-Weighted Rate of Return
2022	-12.70%
2021	14.60%
2020	10.50%
2019	20.60%
2018	-8.30%
2017	14.20%
2016	7.68%
2015	3.08%
2014	7.42%

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

RETIREMENT PLAN FOR EMPLOYEES OF
WEST JEFFERSON MEDICAL CENTER
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022

1. Factors that significantly affect trends in amounts reported

For the periods presented, there were no changes of benefit terms, 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.

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

The information presented in the required supplementary schedules was used in the actuarial valuation for purposes of determining the actuarially determined contribution and the total pension liability. The following actuarially determined methods and assumptions were used to determine contribution rates reported for the year ended December 31, 2022.

Actuarial cost method	Entry age normal
Amortization method	Closed level dollar
Remaining amortization period	30 years
Asset valuation method	Market value
Inflation	2.30%
Salary increases	Not applicable. Jefferson Parish Hospital Service District No. 1 has no employees effective October 1, 2015. As a result, no salary increases are projected.
Discount rate	7.0%
Investment rate of return	7.0%, net of pension plan investment expense, including inflation
Mortality	Pri-2012 with generational projection using Scale MP-2021

SUPPLEMENTARY INFORMATION

**RETIREMENT PLAN FOR EMPLOYEES OF
WEST JEFFERSON MEDICAL CENTER
SCHEDULE OF COMPENSATION PAID TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Agency Head Name: Cynthia Lee Sheng, Parish President, Jefferson Parish</u>

Note: Effective October 1, 2015, Jefferson Parish Hospital Service District No. 1 (the Service District) has no employees. The governing body of the Service District is the Jefferson Parish Council. The Retirement Plan for the Employees of West Jefferson Medical Center did not make any payments to or on behalf of the Parish President or any other employees of Jefferson Parish or members of Jefferson Parish Council for the year end December 31, 2022.

See independent auditors' report.

P&N
Postlethwaite & Netterville

30th Floor, Energy Centre, 1100 Poydras Street – New Orleans, LA 70163
One Galleria Blvd., Suite 2100 – Metairie, LA 70001
504-837-5990 Phone – 504-834-3609 Fax – pncpa.com

A Professional Accounting Corporation

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

Members of the Parish Council
Jefferson Parish, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the Retirement Plan for Employees of West Jefferson Medical Center (the Plan), a component unit of Jefferson Parish Government, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Retirement Plan for Employees of West Jefferson Medical Center's basic financial statements, and have issued our report thereon dated May 31, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plan's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal controls, described in the accompanying schedule of findings and responses as item 2022-001, that we consider to be a significant deficiency.

Postlethwaite & Netterville

Report on Compliance and Other Matters

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

The Plan's Response to Finding

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

Purpose of this Report

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

Postlethwaite & Netterville

Metairie, Louisiana
May 31, 2023

RETIREMENT PLAN FOR EMPLOYEES OF
WEST JEFFERSON MEDICAL CENTER
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2022

A. Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

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

B. Findings – Financial Statement Audit

2022 – 001 **Benefit Payments**

Criteria: A participant is required to submit a signed retirement application upon eligibility to begin receiving monthly benefit payments. The actuary for the Plan prepares documentation to estimate the monthly benefit payments for the individual when the request is submitted. The monthly benefit currently being paid to retirees should agree to the retirement application and supporting documentation provided by the actuary to the Plan that contains the benefit calculation, along with any other supporting documentation for subsequent adjustments to benefit payments. The retiree's file should contain all documentation that demonstrate the monthly benefit payments are being paid accurately for all retirees.

Condition(s): Our audit test over the accuracy of benefit payments indicated that documentation supporting the benefit payments and the approved amount in the retiree's file did not agree. Out of a sample of 25 retiree files selected in 2022, four of the benefit payments did not agree. Two of the four items were selected in 2021 and are reported again with continuing exceptions. In addition, we reviewed the files of the other 7 exceptions reported in 2021 noting 5 of the benefit payments made during 2022 still did not agree with the retiree's file. In every instance of differences noted, the support received indicated the potential of underpayments of benefits paid to retirees. Additionally, the required documentation specified on the retirement application upon submission of the application was not complete in the files on one of the retirees selected in our sample in 2022 and on one item in our 2021 sample. Such documentation should include birth certificates for the participant and the spouse, if applicable, or other forms evidencing the date of birth or marital status.

B. Findings – Financial Statement Audit (continued)

2022-001 **Benefit Payments** (continued)

Cause: The retiree file lacked the proper maintenance of documentation as it did not always contain the documentation demonstrating an agreement with the actual monthly amounts being paid or other required documentation that is required to be submitted with the retirement applications by the participants. The Plan's controls regarding benefit payments are not operating effectively due to the lack of updated documentation in the files.

Effect: Individuals receiving benefit payments from the Plan may not be receiving the correct amount, based on their signed and approved application for retirement. The total benefit underpayment to the nine retiree's totaled $346 per month. This total was used to calculate a projected estimated total of $24,915 underpayment for the year which was not considered a material balance to the financial statements.

Recommendation: We recommend for those administrating the Plan to review documentation for all individuals receiving monthly benefits to ensure the benefits being paid aligns with the supporting documentation on file. If documentation does not support the benefit payments being distributed, these monthly payments should be corrected as soon as possible. The Plan should also document that this review was approved by appropriate personnel.

Repeat Finding: Yes.

View of Responsible Official:

Pursuant to the Cooperative Endeavor Agreement By And Among Louisiana Children's Medical Center; West Jefferson Holdings, LLC; Children's Hospital of New Orleans; and Jefferson Hospital District No. 1, Parish of Jefferson, State of Louisiana, d/b/a West Jefferson Medical Center, Article 3, Master Hospital Lease; Hospital Operations, Section 3.6, Assignment of Rights, and Schedule 3.2 (b) Excluded Assets, the Retirement Plan for Employees of West Jefferson Medical Center, was an Excluded Asset and thereby assumed by the District. The above Cause creating the Condition(s) and related Effect predate the Assumption of the Plan by the District. We note that in each of the nine instances the supporting documentation review indicates a potential of under payment of benefits to retirees. Notwithstanding, the District will review documentation of individuals receiving monthly benefits to ensure the benefits being paid align with required supporting documentation and should the supporting documentation not support the benefit payments being distributed, the monthly payments will be corrected as soon as possible. The review will be approved and documented.

RETIREMENT PLAN FOR EMPLOYEES OF
WEST JEFFERSON MEDICAL CENTER
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
DECEMBER 31, 2021

A. Findings – Financial Statement Audit

2021 – 001 Benefit Payments

Criteria: A participant is required to submit a signed retirement application upon eligibility to begin receiving monthly benefit payments. The actuary for the Plan prepares documentation to estimate the monthly benefit payments for the individual when the request is submitted. The monthly benefit currently being paid to retirees should agree to the retirement application and supporting documentation provided by the actuary to the Plan that contains the benefit calculation, along with any other supporting documentation for subsequent adjustments to benefit payments. The retiree's file should contain all documentation that demonstrate the monthly benefit payments are being paid accurately for all retirees.

Condition(s): Our audit test over the accuracy of benefit payments indicated that documentation supporting the benefit payments and the approved amount in the retiree's file did not agree. Out of a sample of 25 retiree files, nine of the benefit payments did not agree. In every instance of differences noted, the support received indicated the potential of underpayments of benefits paid to retirees. Additionally, the required documentation specified on the retirement application upon submission of the application was not complete in the files on one of the retirees selected in our sample. Such documentation should include birth certificates for the participant and the spouse, if applicable, or other forms evidencing the date of birth or marital status.

Cause: The retiree file lacked the proper maintenance of documentation as it did not always contain the documentation demonstrating an agreement with the actual monthly amounts being paid or other required documentation that is required to be submitted with the retirement applications by the participants. The Plan's controls regarding benefit payments are not operating effectively due to the lack of updated documentation in the files.

Effect: Individuals receiving benefit payments from the Plan may not be receiving the correct amount, based on their signed and approved application for retirement.

A. WJMC sFindings – Financial Statement Audit (continued)

2021-001 **Benefit Payments** (continued)

Recommendation: We recommend for those administrating the Plan to review documentation for all individuals receiving monthly benefits to ensure the benefits being paid aligns with the supporting documentation on file. If documentation does not support the benefit payments being distributed, these monthly payments should be corrected as soon as possible. The Plan should also document that this review was approved by appropriate personnel.

Repeat Finding: Yes.

View of Responsible Official:

Pursuant to the Cooperative Endeavor Agreement By And Among Louisiana Children's Medical Center; West Jefferson Holdings, LLC; Children's Hospital of New Orleans; and Jefferson Hospital District No. 1, Parish of Jefferson, State of Louisiana, d/b/a West Jefferson Medical Center, Article 3, Master Hospital Lease; Hospital Operations, Section 3.6, Assignment of Rights, and Schedule 3.2 (b) Excluded Assets, the Retirement Plan for Employees of West Jefferson Medical Center, was an Excluded Asset and thereby assumed by the District. The above Cause creating the Condition(s) and related Effect predate the Assumption of the Plan by the District. We note that in each of the nine instances the supporting documentation review indicates a potential of under payment of benefits to retirees. Notwithstanding, the District will review documentation of individuals receiving monthly benefits to ensure the benefits being paid align with required supporting documentation and should the supporting documentation not support the benefit payments being distributed, the monthly payments will be corrected as soon as possible. The review will be approved and documented.

Current Year Update: Finding repeated and reported as finding 2022-001.