RETIREMENT PLAN FOR THE EMPLOYEES OF WEST JEFFERSON MEDICAL CENTER

FINANCIAL STATEMENTS

December 31, 2016 and 2015

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INDEPENDENT AUDITORS' REPORT

Members of the Parish Council
Jefferson Parish, Louisiana

We have audited the accompanying financial statements of the Retirement Plan for Employees of West Jefferson Medical Center (the Plan), which comprise the statement of fiduciary net position as of December 31, 2016, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Plan as December 31, 2016, and the changes in its net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of the Plan as of December 31, 2015, were audited by other auditors whose report dated June 28, 2016, expressed an unmodified opinion on those statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 8 and the required supplementary plan information on pages 21 through 25 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 inquires, 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 audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plan's financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 26 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued a report dated June 28, 2017 on our consideration of the Plan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

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

June 28, 2017

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, 2016 and 2015. The information presented herein should be considered in conjunction with the accompanying financial statements and notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The Statements of Fiduciary Net Position report the Plan's assets, liabilities, and resultant net position held in trust for pension benefits. These statements disclose the financial position of the Plan as of December 31, 2016 and 2015.

- The Statements of Changes in Fiduciary Net Position report the results of the Plan's operations for the years ended December 31, 2016 and 2015, 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 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 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. The Notes to the Financial Statements are followed by required schedules of historical trend information.

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

FINANCIAL ANALYSIS OF THE PLAN – 2016

CONDENSED STATEMENTS OF FIDUCIARY NET POSITION

	2016	2015	Increase (Decrease)	Increase (Decrease)
Cash	**$ 1,451,244**	$ 1,238,876	$ 212,368	17.1%
Receivables	**69,597**	110,771	(41,174)	(37.2)%
Investments	**50,334,886**	56,545,860	(6,210,974)	(11.0)%
Total assets	**51,855,727**	57,895,507	(6,039,780)	(10.4)%
Total liabilities	**381,383**	803,582	(422,199)	(52.5)%
Total Net Position – Restricted for Pension Benefits	**$ 51,474,344**	$ 57,091,925	$ (5,617,581)	(9.8)%

The Plan's investments consist primarily of fixed income and equity mutual funds, which decreased by $6,210,974 due to benefit payments and Plan administrative expenses exceeding investment income. Liabilities decreased due to benefits payable from 2015 resulting from a delay in processing retirement applications offset slightly by an increase in unpaid consulting fees.

CONSDENSED STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

	2016	2015	Increase (Decrease)	Increase (Decrease)
Additions:				
Employer contributions	**$ -**	$ 3,601,769	$ (3,601,769)	(100.0)%
Investment income (loss)	**4,009,145**	(54,971)	4,064,116	7,393.2%
Total additions	**4,009,145**	3,546,798	462,347	13.0%
Deductions:				
Benefits	**8,743,022**	6,751,175	1,991,847	29.5%
Administrative expenses	**883,704**	541,362	342,342	63.2%
Total deductions	**9,626,726**	7,292,537	2,334,189	32.0%
Change in net position	**(5,617,581)**	(3,745,739)	(1,871,842)	(50.0)%
Net position, beginning of year	**57,091,925**	60,837,664	(3,745,739)	(6.2)%
Total Net Position – Restricted for Pension Benefits	**$ 51,474,344**	$ 57,091,925	$ (5,617,581)	(9.8)%

The Plan's net position – restricted for pension benefits decreased by $5,617,581 during the year ended December 31, 2016 due to benefits and administrative expenses exceeding contributions and investment income. During the year ended December 31, 2016, the Plan's employer contributions decreased by $3,601,769 compared to the year ended December 31, 2015 due to the annual employer contribution not being paid in 2016. Contribution amounts required to fund the Plan are determined by an independent actuary.

FINANCIAL ANALYSIS OF THE PLAN - 2015

CONDENSED STATEMENTS OF FIDUCIARY NET POSITION

	2015	2014	Increase (Decrease)	Increase (Decrease)
Cash	$ 1,238,876	$ 4,164,631	$ (2,925,755)	(70.3)%
Receivables	110,771	36,704	74,067	201.8%
Investments	56,545,860	56,667,864	(122,004)	(0.2)%
Total assets	57,895,507	60,869,199	(2,973,692)	(4.9)%
Total liabilities	803,582	31,535	772,047	2,448.22%
Total Net Position – Restricted for Pension Benefits	$ 57,091,925	$ 60,837,664	$ (3,745,739)	(6.2)%

The Plan's investments consist primarily of fixed income and equity mutual funds, which decreased by $122,004 due to benefit payments and Plan administrative expenses exceeding investment income. Liabilities increased due to an increase in benefits payable due to a delay in processing retirement applications and an increase in unpaid consulting fees.

CONSDENSED STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

	2015	2014	Increase (Decrease)	Increase (Decrease)
Additions:				
Employer contributions	$ 3,601,769	$ 3,457,582	$ 144,187	4.2%
Investment income (loss)	(54,971)	4,471,241	(4,526,212)	(101.2)%
Total additions	3,546,798	7,928,823	(4,382,025)	(55.3)%
Deductions:				
Benefits	6,751,175	5,769,313	981,862	17.0%
Administrative expenses	541,362	221,892	319,470	144.0%
Total deductions	7,292,537	5,991,205	1,301,332	21.7%
Change in net position	(3,745,739)	1,937,618	(5,683,357)	(293.3)%
Net position, beginning of year	60,837,664	58,900,046	1,937,618	3.3%
Total Net Position – Restricted for Pension Benefits	$ 57,091,925	$ 60,837,664	$ (3,745,739)	(6.2)%

The Plan's net position – restricted for pension benefits decreased by $3,745,739 during the year ended December 31, 2015 due to depreciation of the market value of Plan assets. During the year ended December 31, 2015, the Plan's employer contributions increased by $144,187 compared to the year ended December 31, 2015 due to an increase in the minimum required contribution. Contribution amounts required to fund the Plan are determined by an independent actuary.

INVESTMENTS

The Plan is responsible for the prudent management of funds held in trust for the exclusive benefit of our members. Funds are invested to achieve maximum returns without exposing retirement assets to unacceptable risks. Total investments, at December 31, 2016 were $50,334,886 as compared to $56,545,860 at December 31, 2015, which is a decrease of $6,210,974. The major contributing factor to this decrease was benefit payments and Plan administrative expenses exceeding investment income.

The Plan's investments in various asset classes at the end of 2016 and 2015 years are as follows:

	2016	2015	Increase (Decrease)	Increase (Decrease)
Fixed income mutual funds	**$ 14,960,969**	$ 17,475,398	$ (2,514,429)	(14.4)%
Equity mutual funds	**35,373,917**	39,070,462	(3,696,545)	(9.5)%
Total investments	**$ 50,334,886**	$ 56,545,860	$ (6,210,974)	(11.0)%

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

As of December 31,	**2016**	2015
ASSETS		
Cash equivalents	**$ 1,451,244**	$ 1,238,876
Receivables:		
Accrued interest and dividends	**69,597**	110,771
Total receivables	**69,597**	110,771
Investments (at fair value):		
Fixed income mutual funds	**14,960,969**	17,475,398
Equity Mutual funds	**35,373,917**	39,070,462
Total investments	**50,334,886**	56,545,860
Total assets	**51,855,727**	57,895,507
LIABILITIES		
Accrued expenses	**381,383**	305,715
Accrued benefits	**-**	497,867
Total liabilities	**381,383**	803,582
NET POSITION - RESTRICTED FOR PENSION BENEFITS	**$ 51,474,344**	$ 57,091,925

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

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

For the Years Ended December 31,	**2016**	2015
ADDITIONS:		
Employer contributions	**$ -**	$ 3,601,769
Investment income:		
Net appreciation (depreciation) of investments	**2,612,531**	(1,209,588)
Dividends and interest income	**1,196,657**	1,154,617
Realized Gains and Losses	**199,957**	-
Total investment income	**4,009,145**	(54,971)
Total additions	**4,009,145**	3,546,798
DEDUCTIONS:		
Benefits	**8,743,022**	6,751,175
Administrative expenses	**883,704**	541,362
Total deductions	**9,626,726**	7,292,537
NET DECREASE	**(5,617,581)**	(3,745,739)
NET POSITION - RESTRICTED FOR PENSION BENEFITS		
Beginning of year	**57,091,925**	60,837,664
End of year	**$ 51,474,344**	$ 57,091,925

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

NOTE 1 – DESCRIPTION OF THE PLAN

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

Reporting Entity

West Jefferson Medical Center 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 to fund the plan with district funds.

General

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

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

Effective October 1, 2015, Jefferson Parish Hospital Service District No. 1 and Jefferson Parish entered into a long-term agreement to lease West Jefferson Medical Center to Louisiana Children's Medical Center (LCMC). Effective October 1, 2015, the employees of West Jefferson Medical Center are employees of LCMC, and are no longer employees of Jefferson Parish Hospital Service District No. 1.

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.

NOTE 1 – DESCRIPTION OF PLAN (CONTINUED)

Membership

At December 31, the membership of the Plan consisted of:

	2016	2015
Active Members	**0**	0
Retirees and beneficiaries currently receiving benefits	**912**	707
Terminated employees entitled to but not yet receiving benefits	**1,070**	1,282
Total plan membership	**1,982**	1,989

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 are allowed to participate in the Plan after December 31, 2005.

Retirement Benefits

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

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.

NOTE 1 – DESCRIPTION OF PLAN (CONTINUED)

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 a retirement income at the earliest date allowed under the Plan.

Contributions

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

Plan Termination

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

Tax Qualification

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are presented in accordance with standards established by the Governmental Accounting Standards Board (GASB). The Plan has adopted GASB Statement No. 34, which requires the inclusion of Management's Discussion and Analysis as a part of its financial report.

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 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 Plan.

Method Used to Value Investments

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The following was the Parish's adopted asset allocation policy as of December 31, 2016:

Asset Class	Preferred Allocation
Equities	65%
Fixed Income	30%
Cash and Equivalents	5%

Dividend income and interest are recognized when earned.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated Plan Benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated Plan Benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits payable under all circumstances - retirement, death, disability, and termination of employment are included, to the extent they are deemed attributable to employee service rendered to the valuation date. Benefits to be provided from annuity contracts excluded from Plan assets are excluded from Accumulated Plan Benefits.

The actuarial present value of Accumulated Plan Benefits is determined by an independent actuary and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of December 31, 2016 and 2015 were (a) life expectancy of participants (RP-2000 with generational projection using Scale AA and 1994 Unisex Pension Mortality Table, set forward three years, with Scale AA projection to the valuation date, for fiscal year 2016 and 2015, respectively, was used), (b) retirement age assumptions, and (c) investment return (utilized an average of seven). The December 31, 2016 and 2015 valuations included assumed average rates of return of 7.0%. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of Accumulated Plan Benefits.

Administrative Expenses

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

NOTE 3 – CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE

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 20-year and 30-year amortization period for the December 31, 2016 and 2015 valuations, respectively, calculated using the entry age normal cost method.

NOTE 4 – INVESTMENTS

Investments

Hospital service districts are authorized under Louisiana R.S. 46:1068 to establish and maintain actuarially sound pension and retirement systems, making contributions from hospital service district funds. In order to create and maintain an actuarially sound pension and retirement system, Article 5 of the plan trust document indicates that the plan investments are governed by ERISA. At December 31, 2016 and 2015, the Plan's investments were held by Regions Wealth Management. At December 31, 2016 and 2015, Aon Hewitt and Raymond James & Associates, Inc., respectively, were the investment managers.

Investments at December 31, 2016 and 2015 consist of the following mutual funds which are stated at fair value.

	2016	2015
Fixed Income:		
Federated U.S. Government Trust Institutional Fund	**$ 3,354,610**	$ 3,327,703
Vanguard Short-term Treasury Fund	**11,606,359**	14,147,695
Total Fixed Income	**14,960,969**	17,475,398
Equity:		
Amer Cap World Growth & Inc. FD CL R5	**6,194,830**	5,800,458
Homestead Small Co Stock FD	**2,354,690**	1,931,652
Gabelli/Westwood Mighty Mites Fund	**-**	952,109
Vanguard Institutional Index Fund	**21,766,660**	21,795,398
Vanguard Mid Cap Index Fund	**5,057,737**	8,590,845
Total Equity	**35,373,917**	39,070,462
Total Investments	**$ 50,334,886**	$ 56,545,860

NOTE 4 – 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 asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs

The Plan has the following recurring fair value measurements as of December 31, 2016 and 2015:

	2016	Level 1	Level 2	Level 3
Fixed income mutual funds	**$ 14,960,969**	**$ 14,960,969**	$ -	$ -
Equity mutual funds	**35,373,917**	**35,373,917**	-	-
Total	**$ 50,334,886**	**$ 50,334,886**	$ -	$ -

	2015	Level 1	Level 2	Level 3
Fixed income mutual funds	$ 17,475,398	$ 17,475,398	$ -	$ -
Equity mutual funds	39,070,462	39,070,462	-	-
Total	$ 56,545,860	$ 56,545,860	$ -	$ -

Fixed income and equity mutual funds are valued using prices quoted in active markets for those securities.

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 the credit risk, the Plan invests in mutual funds mostly comprised of U.S. Treasuries, U.S. Agency Securities, and corporate bonds.

NOTE 4 – INVESTMENTS (CONTINUED)

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, 2016 and 2015.

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 states the securities of any one company or government agency would not exceed 10% of the total fund, and no more than 20% of the total fund should be invested in any one industry. With the exception of U.S. Government securities, no fixed income issue may exceed 15% of the market value of fixed income portfolio.

The following were the Plan's adopted asset allocation ranges as of December 31, 2016:

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

Rate of Return

For the years ended December 31, 2016 and 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.68% and 3.08%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 5 – 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, 2016 and 2015 were as follows:

		2016		2015
Total Pension Liability	**$**	**121,881,490**	$	117,680,324
Plan Fiduciary Net Position		**51,474,344**		57,091,925
The Service District's Net Pension Liability	**$**	**70,407,146**	$	60,588,399
Plan Fiduciary Net Position as a percentage of the Total Pension Liability		**42.2%**		48.5%

The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2016 and 2015, respectively, using the following actuarial assumptions, applied to all periods included in the measurement:

	2016	2015
Investment rate of return	**7.0%**	7.0%
Inflation	**2.2%**	2.63%
Salary increases	**N/A***	N/A*
Mortality rates	**RP-2000 with generational projection using Scale AA**	1994 Unisex Pension Mortality Table, set forward three years, with Scale AA projection

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment 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.

NOTE 5 – NET PENSION LIABILITY OF THE JEFFERSON PARISH HOSPITAL SERVICE DISTRICT NO. 1 (CONTINUED)

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, 2016 and 2015 are summarized in the following table:

Asset Class	Long-Term Expected Rate of Return
2016	
U.S. Large Cap Equity	4.1%
U.S. Small Cap Equity	4.6%
Global Equity (Developed & Emerging)	5.1%
International (non-US) Equity (Developed)	4.7%
Emerging Markets Equity	5.4%
Real Estate	3.1%
Core Bonds	1.6%
Return-Seeking Credit	3.3%
2015	
U.S. Cash	0.88%
U.S. Core Bonds	2.23%
U.S. Equity Market	5.74%

Discount Rate

The discount rate used to measure the total pension liability was 7.0% for the years ended December 31, 2016 and 2015. The projection of cash flows used to determine the discount rate assumed that the Plan's contributions will 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability of the Plan as of December 31, 2016, calculated using the discount rate of 7.0%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Sponsor's Net Pension Liability	$ 135,605,037	$ 121,881,490	$ 110,418,059
Fiduciary net position	51,474,344	51,474,344	51,474,344
Net pension liability	84,130,693	70,407,146	58,943,715

NOTE 6 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 28, 2017, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY PLAN INFORMATION

Retirement Plan for Employees of West Jefferson Medical Center
Schedule of Net Pension Liability
Last 4 Years

For the Years 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
2016	**$ 121,881,490**	**$ 51,474,344**	**$ 70,407,146**	**42.2%**	**N/A**	*	**N/A**
2015	117,680,324	57,091,925	60,588,399	48.5%	28,963,544	**	209.2%
2014	112,206,090	60,837,664	51,368,426	54.2%	26,812,234		191.6%
2013	97,327,968	58,900,046	38,427,922	60.5%	28,416,747		135.2%

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

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

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

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

For the years ended December 31,	**2016**	2015	2014
Total Pension Liability			
Service cost	**$ -**	$ 391,500	$ 323,166
Interest on total pension liability	**7,885,910**	7,782,801	7,580,434
Effect of plan changes	**-**	-	-
Difference between expected and actual experience	**597,931**	3,601,431	1,737,592
Effect of assumption changes or inputs	**5,766,246**	-	11,028,337
Benefit payments	**(10,048,921)**	(6,301,498)	(5,791,407)
Net change in total pension liability	**4,201,166**	5,474,234	14,878,122
Total pension liability, beginning	**117,680,324**	112,206,090	97,327,968
Total pension liability, ending (a)	**$ 121,881,490**	$ 117,680,324	$ 112,206,090
Plan Fiduciary Net Position			
Employer contributions	**$ -**	$ 3,601,769	$ 3,457,582
Investment income net of investment expenses	**4,009,145**	(54,972)	4,471,241
Benefit payments	**(8,743,022)**	(6,751,174)	(5,791,407)
Administrative expenses	**(883,704)**	(541,362)	(199,798)
Net change in plan fiduciary net position	**(5,617,581)**	(3,745,739)	1,937,618
Plan fiduciary net position, beginning	**57,091,925**	60,837,664	58,900,046
Plan fiduciary net position, ending (b)	**$ 51,474,344**	$ 57,091,925	$ 60,837,664
WJMC's net pension liability, ending = (a) - (b)	**$ 70,407,146**	$ 60,588,399	$ 51,368,426
Plan fiduciary net position as a % of total pension liability	**42.23%**	48.51%	54.22%
Covered payroll	**N/A** *	$ 28,963,544 **	$ 26,812,234
WJMC's net pension liability as a % of covered payroll	**N/A**	209.19%	191.59%

Notes to Schedule:

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

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

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

Retirement Plan for Employees of West Jefferson Medical Center
Schedule of 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
2016	**$ 5,653,720**	**$ -**	**(5,653,720)**	**N/A**		**N/A**
2015	4,265,707	-	(4,265,707)	28,963,544	**	14.73%
2014	3,601,769	3,601,769	-	26,812,234		13.43%
2013	3,457,582	3,457,582	-	28,416,747		12.17%
2012	3,444,682	3,444,682	-	31,237,839		11.03%
2011	3,219,414	3,219,414	-	33,928,713		9.49%
2010	3,050,861	3,050,861	-	37,334,047		8.17%
2009	2,741,401	2,741,401	-	40,586,511		6.75%
2008	2,333,775	2,333,775	-	44,147,514		5.29%
2007	1,864,390	1,864,390	-	49,734,574		3.75%

Notes to Schedule:
* To be deposited in trust after year-end.

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

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

Year Ended December 31	Net Money-Weighted Rate of Return
2016	**7.68%**
2015	3.08%
2014	7.42%

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

Factors that significantly affect trends in amounts reported

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

For the 2016 valuation, the mortality tables used were updated to the RP-2000 mortality table.

Method and assumptions used in calculations of actuarially determined contributions

The following actuarially determined methods and assumptions were used to determine contribution rates reported for the year ended December 31, 2016.

Actuarial cost method	Entry age normal
Amortization method	Closed level dollar
Remaining amortization period	20 years
Asset valuation method	Market value
Inflation	2.20%
Salary increases	Not applicable. Jefferson Parish Hospital Service District No. 1 has no employees effective October 1, 2015. As a result, no salary increases are projected.
Investment rate of return	7.0%, net of pension plan investment expense, including inflation
Mortality	RP-2000 with generational projection using Scale AA

SUPPLEMENTARY PLAN INFORMATION

Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2016

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

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

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

Members of the Parish Council
Jefferson Parish, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Retirement Plan for Employees of West Jefferson Medical Center (the Plan), as of and for the year ended December 31, 2016, 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 June 28, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

June 28, 2017