4225

RETIREMENT PLAN FOR EMPLOYEES OF WEST JEFFERSON MEDICAL CENTER

FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

P&N Postlethwaite & Netterville

A Professional Accounting Corporation

www.pncpa.com

RETIREMENT PLAN FOR EMPLOYEES OF WEST JEFFERSON MEDICAL CENTER

FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

TABLE OF CONTENTS

P&N Postlethwaite & Netterville

A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

Report of Independent Auditors

Board of Trustees
Retirement Plan for Employees
of West Jefferson Medical Center

We have audited the accompanying statement of plan net assets of the Retirement Plan for Employees of West Jefferson Medical Center (the "Plan"), as of December 31, 2010, and the related statement of changes in plan net assets for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Plan as of and for the year ended December 31, 2009, were audited by other auditors whose report dated March 11, 2010, expressed an unqualified opinion on those statements.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audit included consideration of the internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets held in trust for pension benefits of the Plan as of December 31, 2010, and the changes in plan net assets held in trust for pension benefits for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2011 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 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. That 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 audit.

30th Floor - Energy Centre • 1100 Poydras Street • New Orleans, LA 70163-3000 • Tel: 504.569.2978
One Galleria Blvd., Suite 2100 • Metairie, LA 70001 • Tel: 504.837.5990 • Fax: 504.834.3609

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5, the schedule of funding progress on page 15, and the schedule of employer contributions on page 16 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.

Postlethwaite & Netterville

Metairie, Louisiana
April 27, 2011

RETIREMENT PLAN FOR EMPLOYEES OF
WEST JEFFERSON MEDICAL CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2010 AND 2009

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 for the years ended December 31, 2010 and 2009. The information presented herein should be considered in conjunction with the accompanying financial statements and the 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:

- Statements of Plan Net Assets,
- Statements of Changes in Plan Net Assets; and
- Notes to the Financial Statements.

The statements of plan net assets report the Plan's assets, liabilities, and resultant net assets held in trust for pension benefits. It discloses the financial position of the Plan as of December 31, 2010 and 2009.

The statements of changes in plan net assets report the results of the Plan's operations during the years ended December 31, 2010 and 2009, disclosing the additions to and deductions from the plan net assets. It supports the change that has occurred to the prior year's net asset value on the statement of plan net assets.

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

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 two required schedules of historical trend information.

The Schedule of Funding Progress includes historical trend information about the actuarially funded status of the Plan from a long-term, ongoing plan perspective and the progress made in accumulating sufficient assets to pay benefits when due. The Schedule of Employer Contributions presents historical trend information about the annual required contribution of the employer and the contributions made by the employer in relation to the required contributions. These schedules provide information that contributes to understanding the changes over time in the funded status of the Plan.

RETIREMENT PLAN FOR EMPLOYEES OF
WEST JEFFERSON MEDICAL CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2010 AND 2009

FINANCIAL ANALYSIS OF THE PLAN – 2010

The Plan's net assets increased by $3,725,049 in 2010 due primarily to net appreciation of the market value of Plan assets as well as dividends received. In 2010, the Plan's employer contribution increased by $309,460 as compared to 2009. Contribution amounts needed to fund the Plan are determined by an independent actuary.

Condensed Statements of Plan Net Assets

	2010	2009	Increase (Decrease)	Increase (Decrease)
Cash and investments	$ 50,784,218	$ 47,353,596	$ 3,430,622	7.2%
Receivables	3,094,665	2,797,848	296,817	10.6%
Total assets	53,878,883	50,151,444	3,727,439	7.4%
Total liabilities	9,732	7,342	2,390	32.6%
Plan net assets	$ 53,869,151	$ 50,144,102	$ 3,725,049	7.4%

The Plan's investments consist primarily of fixed income mutual funds, equity mutual funds and money market funds, which increased by $3,430,622 due to investment income and employer contributions which were partially offset by benefit payments and Plan administrative expenses.

Condensed Statements of Changes in Plan Net Assets

	2010	2009	Increase (Decrease)	Increase (Decrease)
Additions:				
Contributions	$ 3,050,861	$ 2,741,401	$ 309,460	11.29%
Net income on investments	5,119,516	6,737,413	(1,617,897)	-24.01%
Total additions	8,170,377	9,478,814	(1,308,437)	-13.80%
Deductions:				
Administrative expenses	(88,623)	(103,241)	14,618	-14.16%
Benefits	(4,356,705)	(4,165,396)	(191,309)	4.59%
Total deductions	(4,445,328)	(4,268,637)	(176,691)	4.14%
Change in net assets	3,725,049	5,210,177	(1,485,128)	-28.50%
Plan net assets, beginning of year	50,144,102	44,933,925	5,210,177	11.60%
Plan net assets, end of year	$ 53,869,151	$ 50,144,102	$ 3,725,049	7.43%

RETIREMENT PLAN FOR EMPLOYEES OF WEST JEFFERSON MEDICAL CENTER MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2010 AND 2009

FINANCIAL ANALYSIS OF THE PLAN – 2009

The Plan's net assets increased by $5,210,177 in 2009 due primarily to net appreciation of the market value of Plan assets as well as dividends received. In 2009, the Plan's employer contribution increased by $407,626 as compared to 2008. Contribution amounts needed to fund the Plan are determined by an independent actuary.

Condensed Statements of Plan Net Assets

	2009	2008	Increase (Decrease)	Increase (Decrease)
Cash and investments	$ 47,353,596	$ 42,449,333	$ 4,904,263	11.6%
Receivables	2,797,848	2,491,313	306,535	12.3%
Total assets	50,151,444	44,940,646	5,210,798	11.6%
Total liabilities	7,342	6,721	621	9.2%
Plan net assets	$ 50,144,102	$ 44,933,925	$ 5,210,177	11.6%

The Plan's investments consist primarily of fixed income mutual funds, equity mutual funds and money market funds, which increased by $4,904,263 due to investment income and employer contributions which were partially offset by benefit payments and Plan administrative expenses.

Condensed Statements of Changes in Plan Net Assets

	2009	2008	Increase (Decrease)	Increase (Decrease)
Additions:				
Contributions	$ 2,741,401	$ 2,333,775	$ 407,626	17.47%
Net income on investments	6,737,413	(10,623,265)	17,360,678	-163.42%
Total additions	9,478,814	(8,289,490)	17,768,304	-214.35%
Deductions:				
Administrative expenses	(103,241)	(139,198)	35,957	-25.83%
Benefits	(4,165,396)	(3,860,438)	(304,958)	7.90%
Total deductions	(4,268,637)	(3,999,636)	(269,001)	6.73%
Change in net assets	5,210,177	(12,289,126)	17,499,303	-142.40%
Plan net assets, beginning of year	44,933,925	57,223,051	(12,289,126)	-21.48%
Plan net assets, end of year	$50,144,102	$44,933,925	$ 5,210,177	11.60%

REQUEST FOR INFORMATION

Questions concerning any of the information provided herein, or requests for additional financial information, should be addressed to Retirement Plan for Employees of West Jefferson Medical Center, 1101 Medical Center Boulevard, Marrero, LA 70072, (504) 347-5511.

RETIREMENT PLAN FOR EMPLOYEES OF
WEST JEFFERSON MEDICAL CENTER
STATEMENTS OF PLAN NET ASSETS
DECEMBER 31, 2010 AND 2009

	2010	2009
ASSETS:		
Receivables:		
Employer contributions	$ 3,050,861	$ 2,741,401
Accrued interest and dividends	43,804	56,447
Total receivables	3,094,665	2,797,848
Investments (at fair value):		
Fixed income mutual funds	19,083,317	18,895,960
Equity mutual funds	31,107,648	27,670,159
Cash equivalents	593,253	787,477
Total investments	50,784,218	47,353,596
Total Assets	53,878,883	50,151,444
LIABILITIES:		
Accounts payable	9,732	7,342
	9,732	7,342
PLAN NET ASSETS	$ 53,869,151	$ 50,144,102

See accompanying notes to the financial statements.

RETIREMENT PLAN FOR EMPLOYEES OF
WEST JEFFERSON MEDICAL CENTER
STATEMENTS OF CHANGES IN PLAN NET ASSETS
DECEMBER 31, 2010 AND 2009

	2010	2009
ADDITIONS:		
Employer contribution	$ 3,050,861	$ 2,741,401
Investment income:		
Net appreciation of investments	3,833,031	5,707,760
Realized gain from sale of investments	94,547	-
Dividends	1,191,938	1,029,653
Total investment income	5,119,516	6,737,413
Total additions	8,170,377	9,478,814
DEDUCTIONS:		
Benefits	4,356,705	4,165,396
Administrative expenses	88,623	103,241
Total deductions	4,445,328	4,268,637
NET INCREASE	3,725,049	5,210,177
PLAN NET ASSETS		
BEGINNING OF YEAR	50,144,102	44,933,925
END OF YEAR	$ 53,869,151	$ 50,144,102

See accompanying notes to the financial statements.

RETIREMENT PLAN FOR EMPLOYEES OF
WEST JEFFERSON MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

1. Plan Description

General

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. 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. The Retirement Plan for Employees of West Jefferson Medical Center (the "Plan") is a single-employer, non-contributory, defined public employee retirement system (PERS). The Plan covers certain 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).

Plan Membership

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

	2010	2009
Active Employees	670	739
Retirees and beneficiaries currently receiving benefits	823	798
Terminated employees entitled to but not yet receiving benefits	529	490
Total plan membership	2,022	2,027

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.

1. Plan Description (continued)

Benefits

Retirement

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 an amount equal to the number of years of credited service up to 30 years, multiplied by the sum of (1) 1.2 percent of final average monthly compensation and (2) .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.

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

Contributions

The employer 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 Medical Center 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). 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.

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 net assets. Actual results could differ from those estimates.

Employer Contributions

Employer contributions are recognized as revenues in the period in which employee services are performed.

Investments

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. Fair values are determined using quoted market prices, as available.

Dividend income is recognized when earned.

Administrative Expenses

All administrative expenses of the Plan are paid by the Plan.

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.

2. Summary of Significant Accounting and Financial Reporting Policies (continued)

Actuarial Present Value of Accumulated Plan Benefits (continued)

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, 2010 and 2009 were (a) life expectancy of participants (1994 Unisex Pension Mortality Table), (b) retirement age assumptions, and (c) investment return (utilized an average of five years). The 2010 and 2009 valuations included assumed average rates of return of 8.0%. 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.

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 actuarial funding method used to determine the normal cost and the unfunded actuarial accrued liability, amortized over 30 years, for purposes of determining contribution requirements, is the entry age normal cost method. The significant actuarial assumptions underlying the actuarial method used to compute the contribution requirement are the same as those used to compute the pension benefit obligation.

The actuarially determined contribution requirement for 2010, accrued by the Plan, is $3,050,861. The actual contribution paid by the employer during 2010 relating to the 2009 contribution requirement was $2,741,401. The 2010 contribution requirement consists of (a) $719,184 normal cost, (b) $2,105,687 amortization of the unfunded actuarial accrued liability and (c) $225,990 net interest cost.

The actuarially determined contribution requirement for 2009, accrued by the Plan, was $2,741,401. The actual contribution paid by the employer during 2009 relating to the 2008 contribution requirement was $2,333,775. The 2009 contribution requirement consists of (a) $790,555 normal cost, (b) $1,747,779 amortization of the unfunded actuarial accrued liability and (c) $203,067 net interest cost.

4. Investments

Hospital service districts are authorized under Louisiana R.S. 46:1068 to establish and maintain actuarially sound pension and retirement systems, making contributions from hospital service district funds. They may make contracts of insurance with any insurance company legally authorized to do business in Louisiana and may enter into other contracts and trust agreements with banks, which are incidental to creating and maintaining an actuarially sound pension and retirement system. At December 31, 2010 and 2009, the Plan's investments were held by Regions Morgan Keegan Trust.

RETIREMENT PLAN FOR EMPLOYEES OF WEST JEFFERSON MEDICAL CENTER NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2010 AND 2009

4. Investments (continued)

Investments at December 31, 2010 and 2009 consist of the following mutual funds which are stated at fair value.

	2010		2009	
Fixed Income:				
Federated U.S. Government				
Trust Institutional Fund	$ 11,263,621	*	$ 11,038,014	*
Vanguard Short-term Treasury Fund	7,819,695	*	7,857,946	*
	19,083,316		18,895,960	
Equity:				
Artisan Sm Cap Value Fund 963 Inv	3,081,625	*	2,618,323	*
Amer Cap World Growth & Inc. FD CL R5	4,901,899	*	4,543,852	*
Vanguard Institutional Index Fund	16,078,146	*	13,975,406	*
Vanguard Mid Cap Index Fund	7,045,975	*	6,532,578	*
	31,107,645		27,670,159	
Cash equivalents:				
Fidelity Institutional Treasury Portfolio	593,255		787,477	
Total investments	$ 50,784,216		$ 47,353,596	

* 5% or more of Plan's net assets.

Interest Rate Risk

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

State statues authorize the Plan to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; commercial paper rated AAA 1, 2, or 3; repurchase agreements; and the Louisiana Asset Management Pool (LAMP). The Plan's investment policy limits the Plan's investments to treasury bills, money market funds, commercial paper, U.S. government and agency securities, corporate notes and bonds, common stocks, American Depository Receipts of Non-U.S. companies listed on American exchanges, and stocks of Non-U.S. companies. As of December 31, 2010 and 2009, no investments in the Plan were in violation of these policies.

4. Investments (continued)

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the 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 of the investments of the Plan were held in the name of the Plan at December 31, 2010 and 2009.

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of the Plan's investment in a single issuer.

The Plan's investment policy states that the securities of any one company or government agency cannot exceed ten (10) percent of the total fund, and no more than twenty (20) percent of the total fund can be invested in any one industry. With the exception of U.S. Government securities, no fixed income issue may exceed fifteen (15) percent of the market value of the fixed income portfolio.

5. Required Supplementary Schedules

Information in the required supplemental schedules is designed to provide information about the Plan's progress made in accumulating sufficient assets to pay benefits and is presented on pages 15-16.

6. Changes in Accumulated Plan Benefits

The following is a summary of the changes in the actuarial present value of accumulated plan benefits for the years ended December 31, 2010 and 2009:

	2010	2009
Actuarial present value of accumulated plan benefits at beginning of year	$75,141,398	$68,309,300
Increase (decrease) attributable to:		
Benefits accumulated, including actuary loss	2,448,468	2,629,620
Assumed interest from beginning of year	5,838,336	5,302,287
Benefits paid	(4,409,213)	(4,141,088)
Change in assumptions	-	3,041,279
Net Increase	3,877,591	6,832,098
Actuarial present value of accumulated plan benefits at end of year	$79,018,989	$75,141,398

7. Change in Actuarial Assumptions

The actuarial present value of accumulated plan benefits is determined by an independent actuary and represents the 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 as described in Note 2.

The Plan actuary utilized the 1994 Unisex Pension Mortality Table for the year 2009, compared to the 1984 Unisex Pension Mortality Table for the year 2008. The change in the life expectancy of participants increased the actuarial accrued liability by $3,183,717. Additionally, the Plan actuary recognized the difference between the expected and actual total investment return over five years in 2009, a change from three years in 2008, and this reduced the actuarial accrued liability.

8. Funded Status and Funding Progress

The funded status of the Plan as of December 31, 2010 and 2009 is based on the most recent actuarial valuation as follows:

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Actuarial Accrued (Prefunded) Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percent of Payroll
1/1/10	$ 56,706,209	$ 82,308,007	$ 25,601,798	68.9%	$ 40,586,511	63.1%
1/1/11	$ 56,995,804	$ 85,326,656	$ 28,330,852	66.8%	$ 37,334,047	75.9%

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

The required schedule of funding progress following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Additional information for the actuarial valuation is as follows:

Actuarial cost method	Traditional unit credit
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	8.50% per annum
Amortization method	Level dollar
Amortization period	30 years remaining (open basis)
Salary increase rate	0%

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

Actuarial Valuation Date (1)	Actuarial Value of Assets (AVA) (2)	Actuarial Accrued Liability (AAL) (3)	Actuarial Accrued (Prefunded) Liability (UAAL) (3)-(2) (4)	Funded Ratio (2)/(3) (5)	Annual Covered Payroll (6)	UAAL as a Percent of Payroll (4)/(6) (7)
1/1/02	$ 39,700,000	$ 45,712,387	$ 6,012,387	86.8%	$ 44,903,940	13.4%
1/1/03	39,695,075	49,564,631	9,869,556	80.1%	48,455,441	20.4%
1/1/04	40,899,923	52,037,852	11,137,929	78.6%	60,701,967	18.3%
1/1/05	43,037,992	56,595,243	13,557,251	76.0%	62,387,862	21.7%
1/1/06	45,636,913	57,977,462	12,340,549	78.7%	61,075,105	20.2%
1/1/07	54,538,247 a	62,644,610	8,106,363	87.1%	58,108,577	14.0%
1/1/08	57,248,337	73,017,274 b	15,768,937	78.4%	49,734,574	31.7%
1/1/09	55,077,129 c	76,327,335	21,250,206	72.2%	44,147,514	48.1%
1/1/10	56,706,209 d	82,308,007 e	25,601,798	68.9%	40,586,511	63.1%
1/1/11	56,995,804	85,326,656	28,330,852	66.8%	37,334,047	75.9%

a Effective with the 1/1/07 actuarial valuation, the actuarial value of assets is set equal to the market value of assets. The previous actuarial asset method recognized realized and unrealized growth in capital appreciation over 5 years. (This method, if left unchanged, would have produced an actuarial value of assets at 1/1/07 of $48,417,361.) The asset method was changed to market value in light of the cost stabilization resulting from recent Plan changes combined with the inherent smoothing resulting from 30-year amortization on an open basis of the year to year UAAL.

b Reflects increase in Actuarial Accrued Liability of $5,903,534 due to the retirement of 67 participants with enhanced benefits under the Voluntary Retirement Incentive Program (VRIP).

c Effective with the 1/1/09 actuarial valuation, the actuarial value of assets recognizes the difference between expected and actual total investment return over 3 years.

d Effective with the 1/1/10 actuarial valuation, the actuarial value of assets recognizes the difference between expected and actual total investment return over 5 years.

e Reflects increase in Actuarial Accrued Liability of $3,183,717 due to the change in mortality assumption (from UP84 to UP94).

See independent auditors' report.

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

Year	Annual Required Contribution	Percentage Contributed
2001	$ 1,016,964	100%
2002	1,577,881	100%
2003	1,980,141	100%
2004	2,483,379	100%
2005	2,739,608	100%
2006	2,123,511	100%
2007	1,864,390	100%
2008	2,333,775	100%
2009	2,741,401	100%
2010	3,050,861	100%

See independent auditors' report.

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*

The Board of Directors
West Jefferson Medical Center

We have audited 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, 2010, and have issued our report thereon dated April 27, 2011. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Plan's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Plan's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

30th Floor Energy Centre • 1100 Poydras Street • New Orleans, LA 70163-3000 • Tel: 504.569.2978
One Galleria Blvd., Suite 2100 • Metairie, LA 70001 • Tel: 504.837.5990 • Fax: 504.834.3609

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Postlethwaite + Netterville

Metairie, Louisiana
April 27, 2011