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WEST JEFFERSON MEDICAL CENTER SAVINGS AND RETIREMENT PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

P&N Postlethwaite & Netterville

A Professional Accounting Corporation

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WEST JEFFERSON MEDICAL CENTER
SAVINGS AND RETIREMENT PLAN

FINANCIAL STATEMENTS

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A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
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Report of Independent Auditors

Board of Directors
West Jefferson Medical Center
Savings and Retirement Plan

We have audited the accompanying statement of net assets available for benefits of the West Jefferson Medical Center Savings and Retirement Plan (the "Plan"), as of December 31, 2010, and the related statement of changes in net assets available for benefits 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 April 21, 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 net assets available for benefits as of December 31, 2010, and the changes in net assets available for 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 June 7, 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.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 4 to 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 report 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 no 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
June 7, 2011

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

The Management's Discussion and Analysis (MD&A) offers the readers of the West Jefferson Medical Center Savings and Retirement Plan ("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 Net Assets Available for Benefits
- Statements of Changes in Net Assets Available for Benefits
- Notes to the Financial Statements

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

The statements of changes in net assets available for benefits 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 net assets available for benefits. 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.

FINANCIAL ANALYSIS OF THE PLAN – 2010

The Plan's net assets increased by $5,212,006 and decreased by $6,842,271 in 2010 and 2009, respectively. The increase in the Plan's net assets was primarily due to the market conditions in 2010. In 2010 and 2009, contributions from participants, rollovers, and the Medical Center's discretionary and non-discretionary contributions totaled $4,201,171 and $4,330,224, respectively. Benefits paid to participants and Plan expenses totaled $1,215,794 and $1,033,700 in 2010 and 2009.

The Plan's investments consist primarily of fixed income mutual funds, equity mutual funds, and money market funds, which increased by $5,127,742 and decreased $6,652,910 in 2010 and 2009, respectively, primarily due to market fluctuations.

FINANCIAL ANALYSIS OF THE PLAN – 2009

The Plan's net assets increased by $6,842,271 and decreased by $2,140,505 in 2009 and 2008, respectively. The increase in the Plan's net assets was primarily due to the market conditions in 2009 compared to the less favorable market conditions in 2008. In 2009 and 2008, contributions from participants, rollovers, and the Medical Center's discretionary and non-discretionary contributions totaled $4,330,224 and $4,067,137, respectively. Benefits paid to participants and Plan expenses totaled $1,033,700 and $1,613,433 in 2009 and 2008.

The Plan's investments consist primarily of fixed income mutual funds, equity mutual funds, and money market funds, which increased by $6,652,910 and decreased $2,270,087 in 2010 and 2009, respectively, primarily due to market fluctuations.

REQUESTS FOR INFORMATION

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

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

	2010	2009
ASSETS:		
Investments, at fair value:		
Money market funds	$ 2,370,684	$ 1,775,956
Mutual funds	19,001,492	14,468,478
Total investments	21,372,176	16,244,434
Participants' loans	225,325	195,221
Receivables:		
Employer's contributions	1,200,464	1,145,867
Participants' contributions	57,497	83,228
Total receivables	1,257,961	1,229,095
Total assets	22,855,462	17,668,750
LIABILITIES:		
Participants' distributions payable	-	25,294
Total liabilities	-	25,294
NET ASSETS AVAILABLE FOR BENEFITS	$ 22,855,462	$ 17,643,456

See accompanying notes to the financial statements.

WEST JEFFERSON MEDICAL CENTER
SAVINGS AND RETIREMENT PLAN
STATEMENTS OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income:		
Net appreciation (depreciation) in fair value of investments	$ 1,925,650	$ 3,330,507
Dividends	289,175	207,748
Participant loan interest	11,804	7,492
	2,226,629	3,545,747
Contributions:		
Participants	2,382,246	2,483,662
Employer	1,801,458	1,736,868
Rollover	17,467	109,694
	4,201,171	4,330,224
TOTAL ADDITIONS	6,427,800	7,875,971
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants	1,153,286	974,663
Administrative expenses	62,508	59,037
TOTAL DEDUCTIONS	1,215,794	1,033,700
NET INCREASE	5,212,006	6,842,271
NET ASSETS AVAILABLE FOR BENEFITS, Beginning of year	17,643,456	10,801,185
NET ASSETS AVAILABLE FOR BENEFITS, End of year	$ 22,855,462	$ 17,643,456

See accompanying notes to the financial statements.

WEST JEFFERSON MEDICAL CENTER
SAVINGS AND RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 and 2009

1. Plan Description

The following description of the West Jefferson Medical Center ("WJMC") Savings and Retirement Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a complete description of the Plan's provisions.

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. The Plan is a single-employer, 403(b) (tax shelter annuity) plan. It is intended to comply with Code Section 403(b) as maintained by a governmental entity and is not obligated to comply with the provisions of the Employee Retirement Income Security Act of 1974. The Plan covers all eligible employees of WJMC. On the date of hire, eligible employees can participate in making salary reduction contributions and receiving employer matching contributions. However, with respect to WJMC retirement contributions, employees are eligible to participate after having completed one (1) year of service (1,000 hours of service by the end of the first twelve consecutive months of employment or at the end of any following Plan year).

WJMC is the administrator of the Plan. AllianceBernstein is the custodian and Great West Retirement Services is the record keeper. The custodian has been directed and authorized to hold, invest, and reinvest the fund assets (as directed by the Plan participants) and to pay the participants' benefits due them at the direction of the Plan Administrator.

The number of participants in the Plan as of December 31, 2010 and 2009 is 959 and 931, respectively.

Contributions - Each year, participants may elect to defer up to 75% of their compensation, up to the maximum allowable by law. In 2010, the maximum deferral contribution was $16,500. Participants may also contribute amounts representing distributions from other qualified plans or IRAs. Participants direct the investment of their account balance into various investment options offered by the Plan. The Plan currently offers 25 mutual funds as investment options. WJMC may make matching contributions equal to 100% of the amount of the salary reduction elected for deferral by the participants up to 2% of their compensation. In addition to the matching contributions, WJMC will make an annual retirement (non-discretionary) contribution to all Plan participants with at least one year of service in the amount of either 2%, 3%, 4%, or 5% of total salary based upon the following schedule:

Years of Service	Percentage of Compensation
1 – 9 years	2%
10 14 years	3%
15 – 19 years	4%
20 or more years	5%

Plan participants made contributions to the Plan of $2,382,246 and $2,483,662 for the years ended December 31, 2010 and 2009, respectively. WJMC made contributions to the Plan of $1,801,458 and $1,736,868 for the years ended December 31, 2010 and 2009, respectively.

1. Plan Description (continued)

Participant Accounts - Each participant's account is credited with the participant's contribution and Plan earnings, and charged with an allocation of operating expenses. The allocation of expenses will be either proportionately based on the value of the account balance or as an equal dollar amount based on the number of participants in the Plan. The method of allocating the expenses depends on the nature of the expense itself.

Vesting - Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in WJMC's matching portion and retirement contribution of their accounts plus actual earnings thereon is based upon years of continuous service. A participant is 100% vested in WJMC's matching portion plus actual earnings thereon after five (5) years of credited service beginning with the effective date of the Plan, and in WJMC's retirement contributions plus actual earnings thereon after three (3) years of credited service.

Investment Options - Upon enrollment in the Plan, participants may direct all contributions to any of the investment options managed by AllianceBernstein.

All contributions will be invested in AllianceBernstein Exchange Reserves Fund as a default in the event that a participant has not previously selected an allocation method.

Forfeited Accounts - At December 31, 2010 and 2009, forfeited nonvested accounts totaled $31,004 and $97,857, respectively. These accounts will be used to reduce future employer contributions.

Payment of Benefits - Participants will be entitled to receive payment on account of termination of service as soon as practicable following the date of termination of employment. Without regard to termination, participants will be entitled to receive payment as soon as practicable following the attainment of age 59 ½ or the normal retirement age. The form of distribution will be made in one lump-sum payment in cash subject to applicable tax withholding. Additionally, participants may elect to roll over the entire vested account balance or a portion of the vested balance into an IRA or qualified plan. Benefits rolled over into an IRA or qualified plan will not be subject to tax withholdings.

Participant Loans - Subject to the requirements of the Internal Revenue Service, a participant may obtain a loan from the Plan in an amount not to exceed the lesser of one-half of their vested account balance or $50,000 and a minimum amount of $1,000. Loan transactions are treated as transfers between the applicable investment option and the participants' loan account. Loan terms generally may not exceed five years. The loans are secured by the balance in the participant's account and bear interest at a reasonable rate as determined by the Plan Administrator. Principal and interest are paid ratably through payroll deductions.

Risks and Uncertainties - The Plan provides for various investments in mutual funds. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of the investment securities will occur in the near term.

2. Summary of Significant Accounting 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 using the accrual basis of accounting. Employee and employer contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Interest and dividend income is recognized when earned.

Investments

The assets of the Plan are invested in various fixed income, equity and short-term money market funds managed by a custodian. Investments are carried at fair value as reported by the custodian. 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.

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 net assets. 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 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 Great West Retirement Services.

WEST JEFFERSON MEDICAL CENTER
SAVINGS AND RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 and 2009

3. Investments (continued)

The following table presents the fair values of participant-directed investments measured by quoted prices obtained in the active market at December 31, 2010 and 2009.

AllianceBernstein Investments, Inc.

		2010			2009	
Mutual Funds						
AB Balanced Wealth Strategy	$	1,037,988		$	847,019	*
AB Global Thematic Growth A		1,329,910	*		1,024,329	*
AB Global Value		176,536			127,155	
AB Growth		467,233			348,309	
AB Growth & Income		1,941,490	*		1,568,433	*
AB Intermediate Bond Fund		445,891			350,991	
AB International Growth A		215,504			142,768	
AB International Value		247,561			222,318	
AB Large Cap Growth		1,234,392	*		1,101,652	*
AB Retirement Strategy - 2000		6,122			42	
AB Retirement Strategy - 2005		76,797			50,118	
AB Retirement Strategy - 2010		266,235			520,975	
AB Retirement Strategy - 2015		1,025,894			651,113	
AB Retirement Strategy - 2020		1,190,616	*		894,315	*
AB Retirement Strategy - 2025		1,964,959	*		1,432,914	*
AB Retirement Strategy - 2030		1,472,216	*		1,062,673	*
AB Retirement Strategy - 2035		1,573,430	*		1,142,192	*
AB Retirement Strategy - 2040		1,574,731	*		1,057,298	*
AB Retirement Strategy - 2045		1,253,542	*		846,060	
AB Retirement Strategy - 2050		1,281			-	
AB Retirement Strategy - 2055		876			-	
AB Small Cap Growth		329,130			202,276	
AB Small-Mid Cap Value		518,876			337,487	
AB Utility Income		304,663			245,919	
AB Value		158,754			138,795	
AB Wealth Appreciation Strategy		41,385			26,877	
AB Wealth Preservation Strategy		145,480			126,450	
		19,001,492			14,468,478	
Money Market Funds						
AB Exchange Reserves and Forfeiture/Asset Holding Acct.		2,370,684	*		1,775,956	*
	$	21,372,176		$	16,244,434	

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

3. Investments (continued)

During 2010 and 2009, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in fair market value by $1,925,650 and depreciated in fair market value by $3,330,507, respectively.

Credit Risk

Credit risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligation to the Plan. The Plan does not have an investment policy concerning credit risk. The Plan did not have investments in debt securities at December 31, 2010 and 2009.

Custodial Credit Risk

Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the Plan's name, and are held by either the counterparty to the investment purchase or the counterparty's trust department or agent but not held in the Plan's name. The investments of the Plan at December 31, 2010 and 2009 were not subject to custodial credit risk.

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. The Plan has no formal investment policy regarding interest rate risk. The Plan did not have long-term debt securities at December 31, 2010 and 2009.

4. Plan Termination

Although it has not expressed any intention to do so, WJMC has the right under the Plan to discontinue its contributions at any time and to terminate the Plan. In the event of Plan termination, participants will become 100% vested in their accounts and any unallocated amount, including forfeitures, will be allocated to all participant accounts.

5. Tax Status

The Plan Administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

6. Related Party Transactions

Plan investments include funds managed by AllianceBernstein. AllianceBernstein is the custodian as defined by the Plan and therefore, these transactions qualify as party-in-interest transactions.

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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 statement of the West Jefferson Medical Center Savings and Retirement Plan (the Plan) as of and for the year ended December 31, 2010, and have issued our report thereon dated June 7, 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.

<u>Internal Control over Financial Reporting</u>

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.

<u>Compliance and Other Matters</u>

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
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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
June 7, 2011