

**SINGING RIVER HEALTH SYSTEM  
EMPLOYEES' RETIREMENT PLAN AND TRUST**

**ANNUAL FINANCIAL REPORT**

**SEPTEMBER 30, 2020**

## INDEPENDENT AUDITORS' REPORT

To the Special Fiduciary  
of the Singing River Health System  
Employees' Retirement Plan and Trust

We have audited the accompanying financial statements of the Singing River Health System Employees' Retirement Plan and Trust (the Plan), which comprise the statement of fiduciary net position as of September 30, 2020, 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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; 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 U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers 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 fiduciary net position of the Plan as of September 30, 2020, and the changes in its fiduciary net position for the year then ended in accordance with U.S. generally accepted accounting principles.

## Other Matters

### *Required Supplementary Information*

Management has omitted the management's discussion and analysis that U.S. generally accepted accounting principles requires to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

U.S. generally accepted accounting principles require that the schedules of changes in the net pension liability and related ratios, employer contributions, and investment returns 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 U.S. generally accepted auditing standards, which consisted of inquires 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.

*William F. Keefe, UC*

February 9, 2022

**SINGING RIVER HEALTH SYSTEM  
EMPLOYEES' RETIREMENT PLAN AND TRUST  
STATEMENT OF FIDUCIARY NET POSITION  
September 30, 2020**

| <b>ASSETS</b>                      |                              |
|------------------------------------|------------------------------|
| Investments                        | \$ 103,007,501               |
| Accrued interest and dividends     | 115,339                      |
| Settlement contribution receivable | <u>66,308,465</u>            |
| Total assets                       | <u><u>\$ 169,431,305</u></u> |
| <b>NET POSITION</b>                |                              |
| Restricted for pension benefits    | <u><u>\$ 169,431,305</u></u> |

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

**SINGING RIVER HEALTH SYSTEM  
EMPLOYEES' RETIREMENT PLAN AND TRUST  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
For the Year Ended September 30, 2020**

ADDITIONS:

|   |                  |
|---|------------------|
| Investment income                                     | \$ 5,062,729     |
| Investment expenses                                   | <u>(469,713)</u> |
| Total net investment income                           | 4,593,016        |
| Interest income on settlement contribution receivable | <u>4,821,379</u> |
| Total additions                                       | <u>9,414,395</u> |

DEDUCTIONS:

|                         |                   |
|-------------------------|-------------------|
| Benefits                | 12,576,547        |
| Administrative expenses | <u>342,620</u>    |
| Total deductions        | <u>12,919,167</u> |

Net change (3,504,772)

Net position - restricted for pension benefits

Beginning of year 172,936,077

End of year \$ 169,431,305

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

# SINGING RIVER HEALTH SYSTEM EMPLOYEES' RETIREMENT PLAN AND TRUST

## NOTES TO FINANCIAL STATEMENTS

### 1. PLAN DESCRIPTION

The following description of the Singing River Health System Employees' Retirement Plan and Trust (the Plan) provides only general information. Plan members should refer to the Plan Document for a complete description of the Plan's provisions.

The Plan is a single-employer defined benefit pension plan sponsored by the Singing River Health System (the Health System). The Plan was established on February 17, 1983 and covers eligible plan members who were employed by the Health System on a full-time basis prior to October 1, 2011. The Plan was frozen to new entrants on October 1, 2011.

The Health System is a governmental entity and as such, the Plan is exempt from the reporting requirements of the Employee Retirement Income Security Act of 1974 (ERISA).

A court-appointed "Special Fiduciary" was named trustee of the Plan on October 19, 2015, and was given responsibility for plan administration, asset management, and benefit determination.

*Contributions:* Active members were required to contribute 3% of annual compensation to the Plan through November 29, 2014, at which point employee contributions were frozen. On September 26, 2018, the Fifth Circuit Court of Appeals upheld a class-action lawsuit that provides the Health System will fund the Plan with approximately \$150 million over 35-years. Funding of the settlement contribution receivable is the Health System's only obligation to the Plan. The payment of the settlement contribution receivable may require modification to the Plan to equitably distribute the benefits paid. Any adjustment to the Plan can only be done with Special Fiduciary recommendation and Chancery Court approval after 60-days' notice to the class members and opportunity for hearing.

*Benefits:* The Plan provides retirement, disability, and death benefits to eligible plan members and their beneficiaries. Employees with 10-years of credited service are eligible for normal retirement at age 65, or early retirement at age 60. Terminated employees and active plan members are entitled to their accumulated plan contributions, plus interest.

Benefit accruals were frozen effective November 29, 2014. Earnings and employment after this date are excluded from eligibility and benefit determinations.

Except as described below, normal retirement benefits are calculated based on average monthly compensation during measurement periods in the 10-years of employment immediately preceding the earlier of November 29, 2014, or the date of termination from full-time employment.

Normal retirement benefits are calculated in monthly installments as the sum of the following:

- 1.625% of average monthly earnings multiplied by years of service, for up to 20-years
- 1.75% of average monthly earnings multiplied by years of service in excess of 20-years, up to 30-years
- 2% of average monthly earnings multiplied by years of service in excess of 30-years

For members with less than 20-years of credited service at September 30, 2011, the normal retirement benefit may not exceed 50% of the final earnings at retirement, and in no case will the normal retirement benefit exceed \$90,000 per year. The minimum annual normal retirement benefit for eligible members is equal to years of credited service multiplied by \$60.

The early retirement benefit is equal to the normal retirement benefit, reduced by 3% for each year preceding normal retirement date. A member with 30-years or more of credited service is eligible for early retirement without any reductions.

After 10-years of service, employees are eligible for disability benefits if they are eligible for Social Security disability benefits. Disability benefits under the Plan are determined using final average earnings at the date of disability, with adjustment factors based on age and years of service.

Death benefits are equal to the normal retirement benefit with a reduction factor for years left to retirement.

The Plan provides for annual cost-of-living adjustments to retirement benefit payments equal to half of the change in the Consumer Price Index, up to 2.5%. Cost-of-living increases have been suspended.

Retirement benefits are paid out as an annuity when the actuarial value of the benefit is greater than \$5,000 and as a lump sum payment when the actuarial value of the benefit is equal to or less than \$5,000.

As amended on April 12, 2018, the benefits paid out, as described above, are reduced by 25% effective May 1, 2018. Also included in this amendment, all plan members may elect to take an in-service lump sum distribution, which will total all employee contributions, adjusted with interest. Upon election of the lump sum distribution, the members' accrued retirement benefit derived from employer contributions will be cancelled, and the member will cease to be a member of the Plan, with the member or beneficiary receiving no more further plan benefits.

*Members:* The number of members and benefit recipients served by the plan at September 30, 2020 were:

|   |              |
|---|--------------|
| Retirees and beneficiaries receiving benefits                   | 798          |
| Terminated employees entitled to but not yet receiving benefits | 665          |
| Current active plan members                                     | 419          |
|   | <hr/>        |
| Total   | <u>1,882</u> |

*Tax status:* The Internal Revenue Service has determined and informed the Plan by letter dated August 5, 2014, that the Plan as amended through May 29, 2013, is in a form acceptable under the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Special Fiduciary believes that the Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Basis of accounting:* The financial statements of the Plan are prepared using the accrual basis of accounting. Benefit payments to participants are recorded upon distribution. Administrative expenses are paid out of plan assets. Certain administrative functions are performed by employees of the Health System.

*Method used to value investments:* Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of securities traded in active markets are based on quoted market prices. Non-marketable securities are valued based on the Plan's proportionate interest in the net asset value of the funds as reported by the fund administrators.

Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Investment income includes interest and dividends, as well as realized gains and losses on investments sold or redeemed and the change in unrealized gains and losses on securities held during the year.

*Estimates:* The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## 3. INVESTMENTS

### Investment Disclosures

The following summarizes the Plan's investments by type as of September 30, 2020:

|   |                       |
|---|-----------------------|
| Mutual funds  | \$ 34,789,938         |
| Private equity and other alternative investments    | 31,337,449            |
| Common stock and other marketable equity securities | 22,084,013            |
| Corporate and government bonds                      | 9,183,524             |
| Money market funds                                  | <u>5,612,577</u>      |
| Total   | <u>\$ 103,007,501</u> |

Funds are invested by outside managers under policies established by the Plan's Special Fiduciary and approved by the Chancery Court. The policy requires that its investment managers invest the Plan's assets with the care, skill, and diligence a prudent person familiar with such matters acting in a like capacity would use in a similar enterprise with like objectives.

The following table illustrates the Plans' approved asset allocation as of September 30, 2020:

| Investment type              | Policy target | Policy ranges |
|------------------------------|---------------|---------------|
| Debt securities              |               |               |
| Cash equivalent              | 2%            | 0% - 10%      |
| US intermediate fixed income | 17%           | 5% - 35%      |
| Bank loans/direct lending    | 1%            | 0% - 5%       |
| High yield                   | 6%            | 0% - 15%      |
| Total debt securities        | 26%           |               |
| Equity securities            |               |               |
| US large cap equities        | 12%           | 5% - 20%      |
| US mid cap equities          | 12%           | 5% - 20%      |
| US small cap equities        | 12%           | 5% - 20%      |
| Real estate securities       | 4%            | 0% - 10%      |
| International developed      | 9%            | 0% - 15%      |
| Emerging markets equities    | 3%            | 0% - 10%      |
| Total equity securities      | 52%           |               |
| Alternative securities       |               |               |
| Hedge funds                  | 5%            | 0% - 10%      |
| Distressed securities        | 2%            | 0% - 6%       |
| Global macro                 | 6%            | 0% - 10%      |
| Timberland                   | 5%            | 0% - 10%      |
| Direct real estate           | 4%            | 0% - 10%      |
| Total alternative securities | 22%           |               |
| Total                        | 100%          |               |

*Interest rate risk:* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan does not have a formal investment policy addressing interest rate risk.

The following summarizes the debt securities' maturities by investment type as of September 30, 2020:

| Investment type                       | Fair value   | Investment maturities (in years) |              |              |              |
|---------------------------------------|--------------|----------------------------------|--------------|--------------|--------------|
|                                       |              | Less than 1                      | 1 - 5        | 6 - 10       | More than 10 |
| U.S. government and agency securities | \$ 3,401,187 | \$ -                             | \$ 1,839,733 | \$ 268,695   | \$ 1,292,759 |
| Corporate bonds and notes             | 5,782,337    | 126,891                          | 1,344,937    | 3,627,252    | 683,257      |
| Total                                 | \$ 9,183,524 | \$ 126,891                       | \$ 3,184,670 | \$ 3,895,947 | \$ 1,976,016 |

*Credit risk:* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the Plan. The Plan's policy limits investments to investment grade fixed income with ratings dependent on type of investment.

The following summarizes the debt securities' investments by credit rating category as of September 30, 2020:

| Credit rating level | Total               | U.S. government and agency securities | Corporate bonds and notes |
|---------------------|---------------------|---------------------------------------|---------------------------|
| Guaranteed          | \$ 3,401,187        | \$ 3,401,187                          | \$ -                      |
| A                   | 321,991             | -                                     | 321,991                   |
| A-                  | 999,455             | -                                     | 999,455                   |
| A+                  | 340,469             | -                                     | 340,469                   |
| AA                  | 370,949             | -                                     | 370,949                   |
| AA-                 | 353,674             | -                                     | 353,674                   |
| AA+                 | 209,966             | -                                     | 209,966                   |
| AAA                 | 273,543             | -                                     | 273,543                   |
| BBB                 | 305,888             | -                                     | 305,888                   |
| BBB-                | 306,728             | -                                     | 306,728                   |
| BBB+                | 2,299,674           | -                                     | 2,299,674                 |
| <b>Total</b>        | <b>\$ 9,183,524</b> | <b>\$ 3,401,187</b>                   | <b>\$ 5,782,337</b>       |

*Concentration of credit risk:* Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The following investments by issuer represent 5% or more of the Plan's total investments as of September 30, 2020:

|   |              |
|---|--------------|
| Fidelity Total International Index Fund       | \$ 8,489,563 |
| DGI Growth Fund R1                            | 6,554,435    |
| III Credit Opportunities Fund Ltd.            | 6,336,505    |
| Invesco Balanced Risk Allocation Class C      | 6,246,943    |
| Elliot International Ltd. Class B             | 6,220,408    |
| Eastern Timberland Opportunities II Fund      | 5,592,499    |
| Schwab S&P 500 Fund                           | 5,382,926    |
| Wells Fargo Special U.S. Small Cap Value Fund | 5,349,937    |

*Money-weighted rate of return:* The annual money-weighted rate of return on the Plan's investments, net of the Plan's investment expenses, was 4.1% for the year ended September 30, 2020. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts invested.

## Fair Value Disclosures

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 and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 – unadjusted quoted prices for identical instruments in active markets.
- Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations for which all significant inputs are observable.
- Level 3 – valuations derived from valuation techniques in which significant inputs are unobservable.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Plan's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of valuation methodologies used for assets recorded at fair value.

*U.S. government and agency securities:* Valued at the closing price reported in the market in which the individual security is traded.

*Corporate bonds and notes:* Certain corporate bonds are valued at the closing price reported in the inactive market in which the bond is traded. Other corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs such as current yields of similar instruments but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

*Mutual funds:* Certain mutual funds are valued at quoted market prices available on an active market which is based on the underlying net asset value of shares held by the Plan at year-end. Other mutual funds are valued based on comparable mutual funds.

*Common and preferred stocks:* Valued at quoted market prices available on an active market.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following summarizes the Plan's assets measured at fair value as of September 30, 2020, aggregated by the level in the fair value hierarchy within which those measurements fall:

| Investments by type                           | Total          | Level 1       | Level 2       | Level 3    |
|---|----------------|---------------|---------------|------------|
| Money market funds                            | \$ 5,612,577   | \$ 5,612,577  | \$ -          | \$ -       |
| U.S. government and agency securities         | 3,401,187      | -             | 3,401,187     | -          |
| Corporate bonds and notes                     | 5,782,337      | -             | 5,632,563     | 149,774    |
| Mutual funds                                  | 34,789,938     | 11,904,372    | 22,885,566    | -          |
| Common and preferred stocks:                  |                |               |               |            |
| Healthcare                                    | 4,944,686      | 4,944,686     | -             | -          |
| Consumer goods                                | 4,066,755      | 4,066,755     | -             | -          |
| Computer and technology                       | 3,358,988      | 3,358,988     | -             | -          |
| Insurance                                     | 1,305,500      | 1,305,500     | -             | -          |
| Business services                             | 1,144,918      | 1,144,918     | -             | -          |
| Electrical equipment                          | 774,083        | 774,083       | -             | -          |
| Utilities                                     | 704,217        | 704,217       | -             | -          |
| Other   | 5,784,866      | 5,784,866     | -             | -          |
| Total investments measured at fair value      | 71,670,052     | \$ 39,600,962 | \$ 31,919,316 | \$ 149,774 |
| Investments measured at net asset value (NAV) |                |               |               |            |
| Credit opportunities funds                    | 8,016,849      |               |               |            |
| Real estate funds                             | 10,853,249     |               |               |            |
| Global opportunities hedge funds              | 6,220,408      |               |               |            |
| Private equity limited partnership funds      | 6,246,943      |               |               |            |
| Total investments measured at NAV             | 31,337,449     |               |               |            |
| Total   | \$ 103,007,501 |               |               |            |

| Investments measured at NAV              | Total         | Unfunded commitments | Redemption frequency | Redemption notice period |
|--|---------------|----------------------|----------------------|--------------------------|
| Credit opportunities funds               | \$ 8,016,849  | \$ 2,248,268         | Illiquid, monthly    | N/A, 45 days             |
| Real estate funds                        | 10,853,249    | 2,105,944            | Illiquid, quarterly  | N/A, 45 days             |
| Global opportunities hedge funds         | 6,220,408     | -                    | Quarterly            | 45 days                  |
| Private equity limited partnership funds | 6,246,943     | -                    | Not eligible         | N/A                      |
| Total                                    | \$ 31,337,449 | \$ 4,354,212         |                      |                          |

*Credit opportunities funds:* Consists of funds that invest in a broad range of financial instruments within the credit markets, seeking to maximize return through current income and capital appreciated by investing within various sectors of the credit markets.

*Real estate funds:* Consists of funds that invest primarily in domestic timberland, commercial and multifamily real estate.

*Global opportunities hedge funds:* Consists of funds that generally hold debt instruments of issuers located in emerging markets including distressed, high yield and defaulted debt. These funds use a variety of hedging strategies.

*Private equity limited partnership funds:* Consists of funds that are not eligible for redemption. Distributions are received as underlying investments within the funds when liquidated.

#### **4. RISKS AND UNCERTAINTIES**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the amounts reported in the statement of fiduciary net position

Plan contributions are made, and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near-term would be material to the financial statements.

#### **5. RELATED PARTY TRANSACTIONS**

The court-appointed Special Fiduciary charged with administration of the Plan, asset management, and benefit determination is a principal owner of the actuarial firm used by the Plan. Amounts paid to the Special Fiduciary and the actuarial firm totaled approximately \$93,000 and \$148,000, respectively, during the year ended September 30, 2020.

**SINGING RIVER HEALTH SYSTEM  
EMPLOYEES' RETIREMENT PLAN AND TRUST  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
For the Years Ended September 30**

|  | 2020        | 2019        | 2018                  | 2017                  | 2016                  | 2015                  | 2014                  |
|--|-------------|-------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total pension liability  |             |             |                       |                       |                       |                       |                       |
| Service cost   | \$ -        | \$ -        | \$ -                  | \$ -                  | \$ -                  | \$ 1,636,685          | \$ 9,301,301          |
| Interest cost  | -           | -           | 15,454,271            | 14,893,889            | 17,011,106            | 17,939,427            | 19,601,873            |
| Difference between actual and expected experience                          | -           | -           | (4,513,723)           | 4,496,222             | (10,199,979)          | -                     | (10,575,128)          |
| Benefit payments, including refunds of member contributions                | -           | -           | (18,224,000)          | (16,304,500)          | (15,023,228)          | (14,368,870)          | (12,507,174)          |
| Effect of assumption changes or inputs                                     | -           | -           | (256,054,624)         | (15,273,971)          | 29,972,889            | (55,525,011)          | 70,788,607            |
| Net change in total pension liability                                      | -           | -           | (263,338,076)         | (12,188,360)          | 21,760,788            | (50,317,769)          | 76,609,479            |
| Total pension liability - beginning of year                                | -           | -           | 451,440,728           | 463,629,088           | 441,868,300           | 492,186,069           | 415,576,590           |
| Total pension liability - end of year                                      | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 188,102,652</u> | <u>\$ 451,440,728</u> | <u>\$ 463,629,088</u> | <u>\$ 441,868,300</u> | <u>\$ 492,186,069</u> |
| Plan fiduciary net position  |             |             |                       |                       |                       |                       |                       |
| Employer contributions   | \$ -        | \$ -        | \$ 72,012,144         | \$ -                  | \$ -                  | \$ -                  | \$ -                  |
| Member contributions   | -           | -           | -                     | -                     | -                     | 395,038               | 3,159,856             |
| Net investment return  | -           | -           | 9,979,527             | 11,329,765            | 8,958,689             | 1,750,750             | 14,796,956            |
| Benefit payments   | -           | -           | (18,224,000)          | (16,304,500)          | (15,023,228)          | (14,368,870)          | (12,508,174)          |
| Administrative and other expenses  | -           | -           | (676,000)             | (685,109)             | (677,635)             | (557,024)             | (370,020)             |
| Net change in Plan fiduciary net position                                  | -           | -           | 63,091,671            | (5,659,844)           | (6,742,174)           | (12,780,106)          | 5,078,618             |
| Plan fiduciary net position - beginning of year                            | -           | -           | 125,010,981           | 130,670,825           | 137,412,999           | 150,193,105           | 145,114,487           |
| Plan fiduciary net position - end of year                                  | <u>-</u>    | <u>-</u>    | <u>188,102,652</u>    | <u>125,010,981</u>    | <u>130,670,825</u>    | <u>137,412,999</u>    | <u>150,193,105</u>    |
| Net pension liability - end of year  | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u>           | <u>\$ 326,429,747</u> | <u>\$ 332,958,263</u> | <u>\$ 304,455,301</u> | <u>\$ 341,992,964</u> |
| Plan fiduciary net position as a percentage of the total pension liability | N/A         | N/A         | 100%                  | 28%                   | 28%                   | 31%                   | 31%                   |
| Covered payroll  | N/A         | N/A         | N/A                   | N/A                   | N/A                   | \$ 86,061,783         | \$ 86,397,101         |
| Net pension liability as a percentage of covered payroll                   | N/A         | N/A         | N/A                   | N/A                   | N/A                   | 354%                  | 396%                  |

*Notes to the schedule:*

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

During fiscal year 2018, a settlement was reached with the Health System. As such, the Health System has recorded a settlement liability and no longer reports a net pension liability.

**SINGING RIVER HEALTH SYSTEM  
EMPLOYEES' RETIREMENT PLAN AND TRUST  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

| Year ended<br>September 30 | Actuarially<br>determined<br>contribution | Actual<br>employer<br>contributions | Contribution<br>excess/<br>(deficiency) | Actual<br>covered<br>payroll | Actual as a<br>% of covered<br>payroll |
|----------------------------|---|-------------------------------------|---|------------------------------|--|
| 2011                       | \$ 7,283,090                              | \$ -                                | \$ (7,283,090)                          | \$ 120,697,220               | 0.00%                                  |
| 2012                       | 8,964,565                                 | -                                   | (8,964,565)                             | 117,403,165                  | 0.00%                                  |
| 2013                       | 11,434,823                                | -                                   | (11,434,823)                            | 102,294,056                  | 0.00%                                  |
| 2014                       | 18,388,795                                | -                                   | (18,388,795)                            | 86,397,101                   | 0.00%                                  |
| 2015                       | -   | -                                   | -                                       | 86,061,783                   | 0.00%                                  |
| 2016                       | -   | -                                   | -                                       | N/A                          | N/A                                    |
| 2017                       | -   | -                                   | -                                       | N/A                          | N/A                                    |
| 2018                       | -   | -                                   | -                                       | N/A                          | N/A                                    |
| 2019                       | -   | -                                   | -                                       | N/A                          | N/A                                    |
| 2020                       | -   | -                                   | -                                       | N/A                          | N/A                                    |

*Note to the schedule:*

During fiscal year 2015, new accounting guidance was implemented which changed the accounting for the employer pension liability and presentation of required supplementary information. The actuarially determined contribution for all years prior to fiscal year 2015 is the same as the previously recorded annual required contribution.

**SINGING RIVER HEALTH SYSTEM  
EMPLOYEES' RETIREMENT PLAN AND TRUST  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF INVESTMENT RETURNS**

| Year ended<br>September 30 | Investment return,<br>net of investment expenses<br>Money weighted |
|----------------------------|--|
| 2014                       | 11.2%  |
| 2015                       | 1.2%   |
| 2016                       | 6.8%   |
| 2017                       | 9.3%   |
| 2018                       | 7.7%   |
| 2019                       | 1.4%   |
| 2020                       | 4.1%   |

*Note to the schedule:*

This schedule is intended to show information for ten years.  
Additional years will be displayed as they become available.