

ANNUAL FINANCIAL REPORT  
PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM  
OF LOUISIANA  
BATON ROUGE, LOUISIANA  
DECEMBER 31, 2023 AND 2022

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

INDEX TO ANNUAL FINANCIAL REPORT

DECEMBER 31, 2023 AND 2022

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT .....	1 – 4
MANAGEMENT'S DISCUSSION AND ANALYSIS .....	5 – 10
FINANCIAL STATEMENTS:	
Statements of Fiduciary Net Position .....	11
Statements of Changes in Fiduciary Net Position .....	12
Notes to Financial Statements .....	13 – 45
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Changes in Net Pension Liability (Asset) – Plan A & B .....	46 – 49
Schedule of Employers' Net Pension Liability (Asset) – Plan A & B .....	50 – 51
Schedule of Contributions – Employer and Non-Employer Contributing Entities – Plan A & B .....	52 – 53
Schedule of Investment Returns – Plan A & B .....	54
Schedule of Changes in the Total OPEB Liability .....	55
Schedule of the System's OPEB Contributions .....	56
Notes to Required Supplementary Information .....	57 – 63
OTHER SUPPLEMENTARY INFORMATION:	
Individual Plans' Statements of Fiduciary Net Position .....	64
Individual Plans' Statements of Changes in Fiduciary Net Position .....	65
Schedule of Administrative and Investment Expenses – Budget to Actual .....	66
Statements of Changes in Reserve Balances – Plan A & B .....	67 – 68
Schedule of Per Diem Paid to Board Members .....	69
Schedule of Compensation, Benefits, and Other Payments to Agency Head .....	70
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> .....	71 – 72
SUMMARY SCHEDULE OF FINDINGS .....	73



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## INDEPENDENT AUDITOR'S REPORT

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### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the Parochial Employees' Retirement System of Louisiana (the System), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Parochial Employees' Retirement System of Louisiana's basic financial statements as listed in the index to annual financial report.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Parochial Employees' Retirement System of Louisiana as of December 31, 2023 and 2022, and the respective changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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

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## ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

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

### ***Emphasis of Matter***

As disclosed in Note 4 to the financial statements, the total pension liability for the Parochial Employees' Retirement System was \$4,847,819,779 and \$4,658,944,882 for Plan A and \$442,186,112 and \$414,535,459 for Plan B, respectively, as of December 31, 2023 and 2022. The actuarial valuations were based on various assumptions made by the System's actuary. Because actual experience may differ from the assumptions used in the actuarial valuation, there is a risk that the total pension liability at December 31, 2023 and 2022 could be understated or overstated.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2024, on our consideration of the Parochial Employees' Retirement System of Louisiana'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 effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance of the Parochial Employees' Retirement System of Louisiana.

*Duplantier, Sharpner, Hogan and Greer, LLP*

New Orleans, Louisiana



PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

The Management's Discussion and Analysis of the Parochial Employees' Retirement System's financial performance presents a narrative overview and analysis of the Parochial Employees' Retirement System's financial activities for the year ended December 31, 2023. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the information contained in the Parochial Employees' Retirement System's financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS:

- Parochial Employees' Retirement System's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of fiscal year 2023 by \$5,193,730,573, which represents an increase from last fiscal year. The net position restricted for pension benefits increased by \$528,938,212 or 11.34%. The increase is primarily due to favorable investment returns during 2023.
- Contributions to the System by members and employers totaled \$161,928,730, an increase of \$10,288,607 or 6.78% over the prior year.
- The net appreciation in the fair value of investments was \$521,432,164 for 2023, compared to net depreciation of \$740,130,838 in 2022, an increase of 170.45%. The increase is due primarily to favorable investment returns during 2023.
- The rate of return on the System's investments was 13.58% for Plan A and Plan B based on the market value. This represents an increase from the 2022 results in both plans.
- Pension benefits including DROP paid to retirees and beneficiaries increased by \$9,110,550 or 3.57% as a result of the increase in the number of retirees and the larger benefit amounts generally paid to newer retirees.
- Administrative expenses totaled \$2,375,641, an increase of \$262,337 or 12.41%.
- The cost of administering the System per member during 2023 was \$61 per individual. This figure is derived by dividing total administrative expenses by the sum of active and retired employees, survivors, and terminated employees eligible for a refund or benefit.

OVERVIEW OF THE FINANCIAL STATEMENTS:

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

- Statement of fiduciary net position,
- Statement of changes in fiduciary net position, and
- Notes to financial statements.

This report also contains required supplementary information in addition to the basic financial statements themselves.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS: (Continued)

The statement of fiduciary net position reports the System's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and resultant net position restricted for pension benefits. It discloses the financial position of the System as of December 31, 2023 and 2022.

The statement of changes in fiduciary net position reports the results of the System's operations during the year disclosing the additions to and deductions from the fiduciary net position. It supports the change that has occurred to the prior year's net position value on the statement of fiduciary net position.

FINANCIAL ANALYSIS OF THE FUND:

Parochial Employees' Retirement System provides benefits to all eligible parish employees in 61 of the 64 parishes in the State of Louisiana. Employee contributions, employer contributions, and earnings on investments fund these benefits.

	Condensed Statements of Fiduciary Net Position		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Cash and investments	\$ 5,178,096,979	\$ 4,653,803,432	\$ 5,413,030,666
Receivables	44,416,857	40,604,577	40,444,983
Capital asset, net	570,449	582,998	602,710
Total assets	5,223,084,285	4,694,991,007	5,454,078,359
Deferred outflows of resources	112,170	33,342	44,487
Total liabilities	29,322,764	29,989,517	28,572,006
Deferred inflows of resources	143,118	242,471	121,178
Net Position Restricted for Pension Benefits	\$ 5,193,730,573	\$ 4,664,792,361	\$ 5,425,429,662

Fiduciary net position increased by \$528,938,212 or 11.34% (\$5,193,730,573 compared to \$4,664,792,361). All of these assets are restricted in use to provide monthly retirement allowances to members who contributed to the System as employees and their beneficiaries. The increase in fiduciary net position in 2023 was due primarily to favorable market returns during 2023.

	Condensed Statements of Changes in Fiduciary Net Position		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Additions:			
Contributions	\$ 173,584,838	\$ 162,551,915	\$ 164,921,967
Net investment income (loss)	636,143,878	(649,651,053)	552,799,973
Other	5,281,062	4,182,603	6,119,360
Total	815,009,778	(482,916,535)	723,841,300
Total deductions	(286,071,566)	(277,720,766)	(265,069,942)
Increase(Decrease) in Fiduciary Net Position	\$ 528,938,212	\$ (760,637,301)	\$ 458,771,358



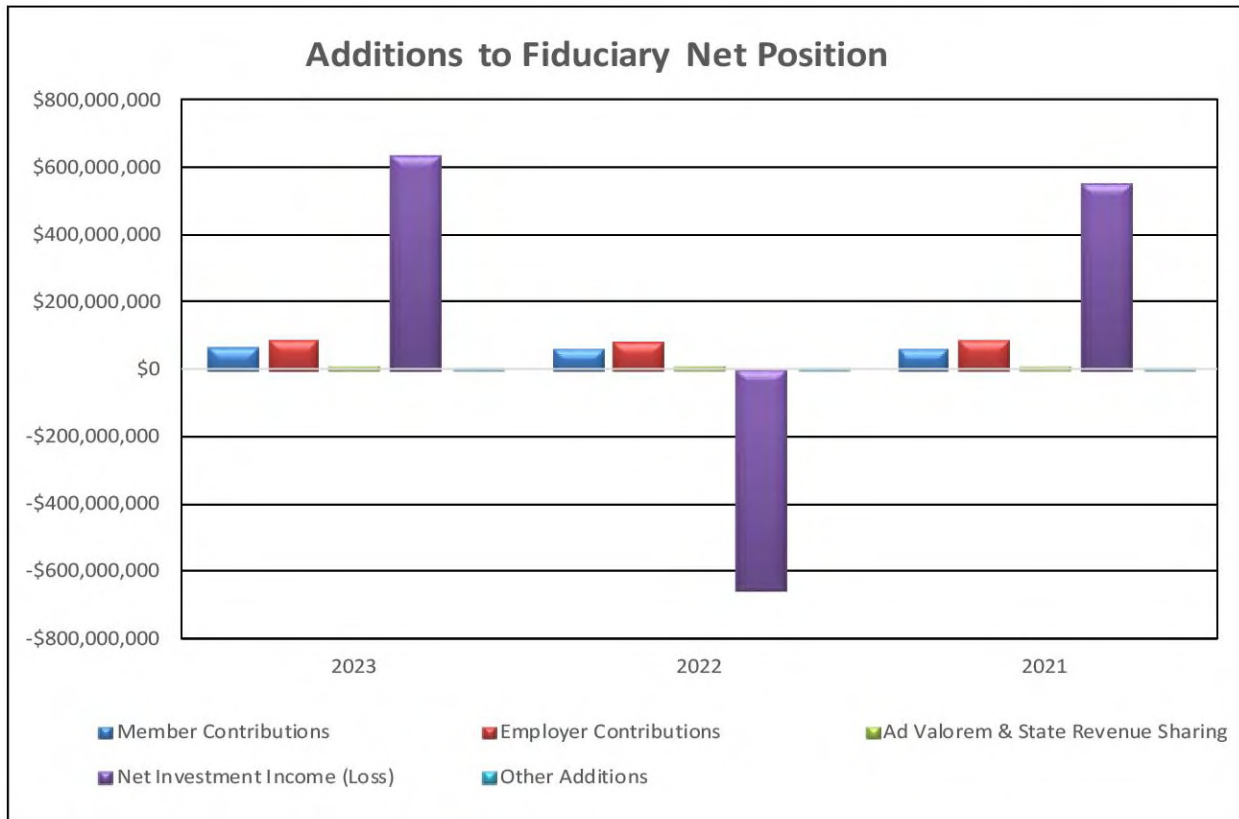
PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

FINANCIAL ANALYSIS OF THE FUND: (Continued)

Additions to Fiduciary Net Position:

Additions to the System's fiduciary net position were derived from member and employer contributions and net investment income. During the year ended December 31, 2023, member contributions increased by \$4,356,976 or 6.73% and employer contributions increased by \$5,931,631 or 6.83%. During the year ended December 31, 2022, member contributions increased by \$445,513 or 0.69% and employer contributions decreased by \$3,985,732 or 4.39%. During the year ended December 31, 2023, the System experienced net investment income of \$636,143,878 compared to a net investment loss of \$649,651,053 in 2022. The increase in fiduciary net position in 2023 was due primarily to favorable investment returns. During the year ended December 31, 2022, the System experienced a net investment loss of \$649,651,053 compared to net investment income of \$552,799,973 in 2021. The decrease in fiduciary net position in 2022 was due primarily to unfavorable investment returns.

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Member Contributions	\$ 69,141,645	\$ 64,784,669	\$ 64,341,156
Employer Contributions	92,787,085	86,855,454	90,841,186
Ad Valorem & State Revenue Sharing	11,656,108	10,911,792	9,739,625
Net Investment Income (Loss)	636,143,878	(649,651,053)	552,799,973
Other Additions	5,281,062	4,182,603	6,119,360
<b>Total</b>	<b>\$ 815,009,778</b>	<b>\$ (482,916,535)</b>	<b>\$ 723,841,300</b>



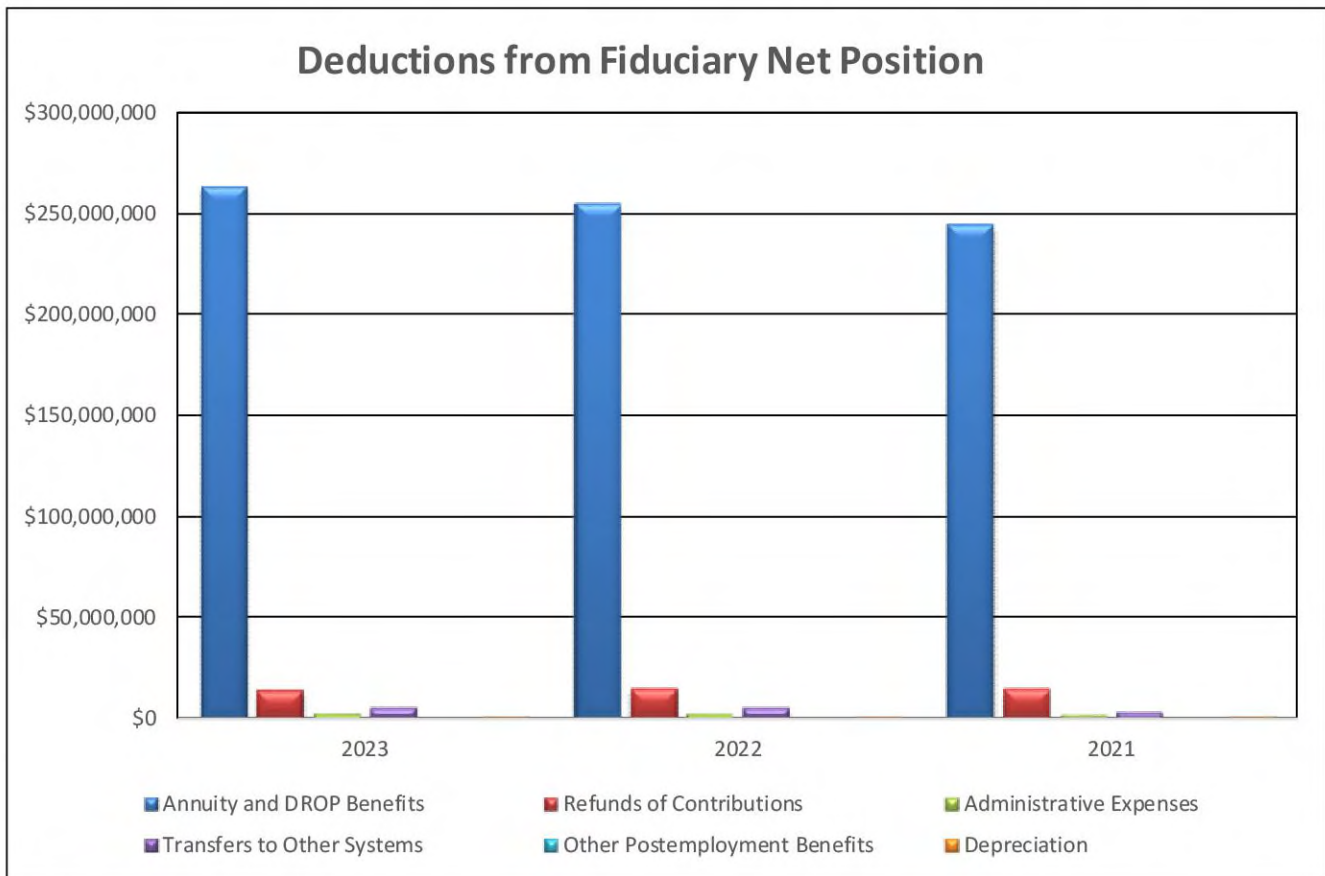
PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

FINANCIAL ANALYSIS OF THE FUND: (Continued)

Deductions from Fiduciary Net Position:

Deductions from fiduciary net position include mainly retirement, death and survivor benefits and administrative expenses. Deductions from fiduciary net position totaled \$286,071,566 in fiscal year 2023, an increase of \$8,350,800 or 3.01%. Annuity benefits including DROP increased by \$9,110,550 as a result of the increase in the number of retirees and the larger benefit amounts generally paid to newer retirees. Deductions from fiduciary net position totaled \$277,720,766 in fiscal year 2022, an increase of \$12,650,824 or 4.77%. Annuity benefits, including DROP, increased by \$9,957,592 as a result of the increase in the number of retirees and the larger benefit amounts generally paid to newer retirees.

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Annuity and DROP Benefits	\$ 264,095,075	\$ 254,984,525	\$ 245,026,933
Refunds of Contributions	14,201,432	15,212,155	14,900,302
Administrative Expenses	2,375,641	2,113,304	1,830,063
Transfers to Other Systems	5,379,805	5,391,070	3,292,823
Depreciation expense	19,613	19,712	19,821
Total	<u>\$ 286,071,566</u>	<u>\$ 277,720,766</u>	<u>\$ 265,069,942</u>



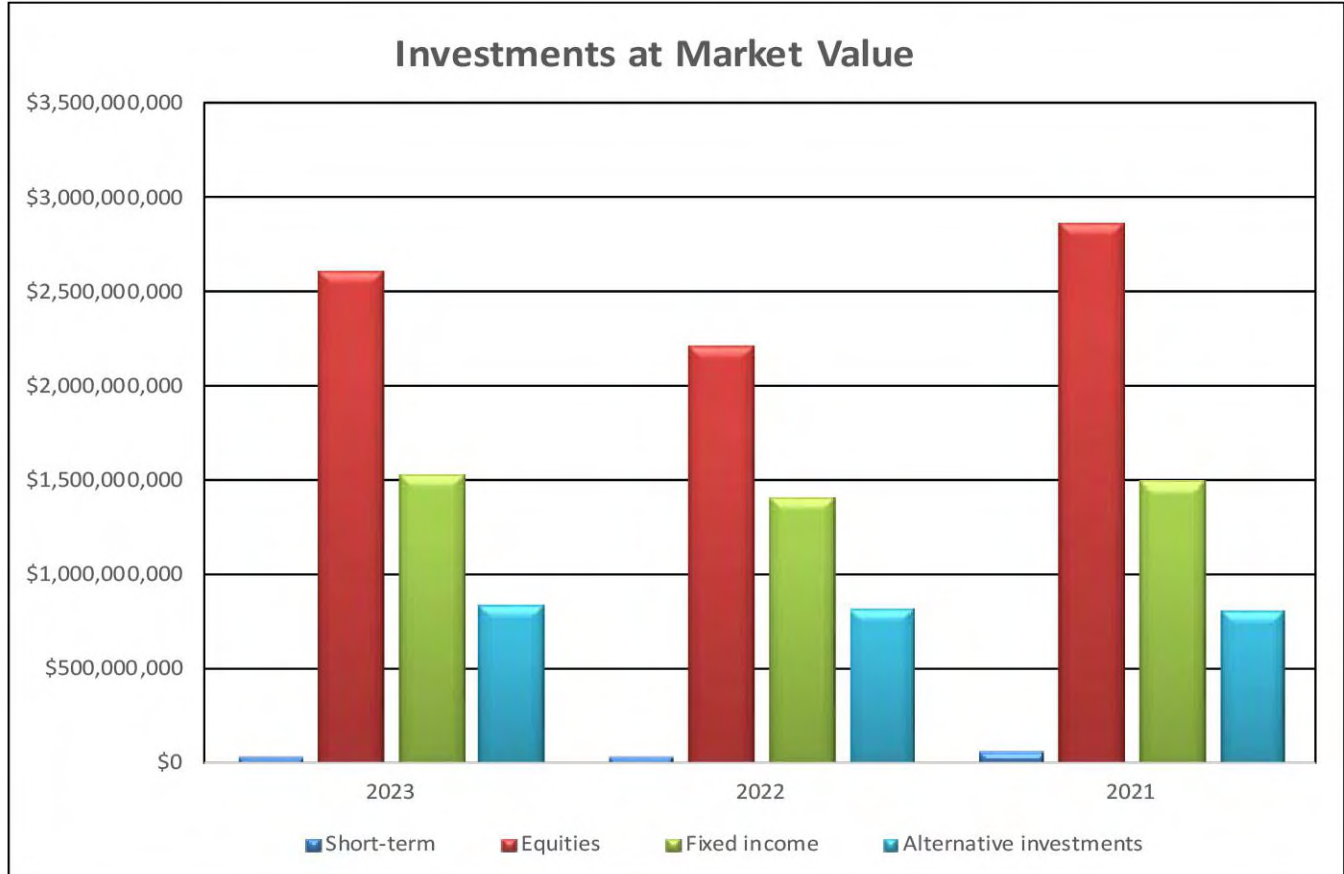
PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

FINANCIAL ANALYSIS OF THE FUND: (Continued)

Investments:

Parochial Employees' Retirement System is responsible for the prudent management of funds held in trust for the exclusive benefits of their members' pension benefits. Funds are invested to achieve maximum returns without exposing retirement assets to unacceptable risks. Total fair value of investments at December 31, 2023 was \$5,021,907,875 as compared to \$4,506,277,300 at December 31, 2022, which is an increase of \$515,630,575 or 11.44%. Total fair value of investments at December 31, 2022 was \$4,506,277,300 as compared to \$5,243,670,555 at December 31, 2021, which is a decrease of \$737,393,255 or 14.06%. The System's investments in various markets at the end of the 2023, 2022, and 2021 fiscal years are indicated in the following table:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Short-term	\$ 34,871,240	\$ 38,100,861	\$ 64,499,808
Equities	2,615,719,302	2,217,819,398	2,863,599,962
Fixed income	1,528,684,562	1,421,315,774	1,503,088,699
Alternative investments	842,632,771	829,041,267	812,482,086
Total	<u>\$ 5,021,907,875</u>	<u>\$ 4,506,277,300</u>	<u>\$ 5,243,670,555</u>



PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

REQUESTS FOR INFORMATION:

Questions concerning any of the information provided or requests for additional financial information should be addressed to Danna Tully, Administrative Director of the Parochial Employees' Retirement System, 7905 Wrenwood Boulevard, Baton Rouge, Louisiana 70809. (225) 928-1361.

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PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
STATEMENTS OF FIDUCIARY NET POSITION  
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS:		
Cash	\$ 156,189,104	\$ 147,526,132
Receivables:		
Contribution receivables	28,216,773	27,496,936
Irregular contributions receivable	-	377,896
Accrued interest and dividends on investments	979,588	2,351,680
Investment receivables	3,698,665	270,085
Ad valorem and state revenue sharing receivable	11,503,808	10,090,931
Other current assets	18,023	17,049
Total receivables	<u>44,416,857</u>	<u>40,604,577</u>
Investments, at fair value:		
Short-term	34,871,240	38,100,861
Equities	2,615,719,302	2,217,819,398
Fixed income	1,528,684,562	1,421,315,774
Alternative investments	842,632,771	829,041,267
Total investments	<u>5,021,907,875</u>	<u>4,506,277,300</u>
Capital assets (Net of accumulated depreciation)	570,449	582,998
Total assets	<u>5,223,084,285</u>	<u>4,694,991,007</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows of resources related to OPEB	<u>112,170</u>	<u>33,342</u>
LIABILITIES:		
Accounts payable	3,237,953	2,642,809
Benefits payable	21,883,979	21,865,179
Refunds payable	1,512,771	2,135,460
Investment payable	2,102,249	2,891,888
OPEB payable	585,812	454,181
Total liabilities	<u>29,322,764</u>	<u>29,989,517</u>
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows of resources related to OPEB	<u>143,118</u>	<u>242,471</u>
NET POSITION - RESTRICTED FOR PENSION BENEFITS	<u>\$ 5,193,730,573</u>	<u>\$ 4,664,792,361</u>

See accompanying notes.



PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ADDITIONS:		
Contributions:		
Member contributions	\$ 69,141,645	\$ 64,784,669
Employer contributions	92,787,085	86,855,454
Ad valorem taxes and revenue sharing funds	11,656,108	10,911,792
Total contributions	<u>173,584,838</u>	<u>162,551,915</u>
INVESTMENT INCOME (EXPENSE):		
Net appreciation (depreciation) in the fair value of investments	521,432,164	(740,130,838)
Dividends, interest, and other recurring income	147,368,980	120,812,631
Miscellaneous investment income	663,258	2,176,985
	<u>669,464,402</u>	<u>(617,141,222)</u>
Less - investment expense:		
Custodial fee	300,486	306,272
Money manager fees	22,495,798	23,468,828
Other investment expense	10,231,729	8,442,221
Investment consulting	292,511	292,510
	<u>33,320,524</u>	<u>32,509,831</u>
Net investment income (loss)	<u>636,143,878</u>	<u>(649,651,053)</u>
Other additions:		
Interest - transfers, refund payback	1,235,025	1,354,303
Transfers in from other systems	3,984,861	2,739,536
Miscellaneous income	28,454	11,863
OPEB benefit	32,722	76,901
Total other additions	<u>5,281,062</u>	<u>4,182,603</u>
Total	<u>815,009,778</u>	<u>(482,916,535)</u>
DEDUCTIONS:		
Retirement, disability, and survivor annuity benefits	246,432,783	232,492,166
DROP benefits	17,662,292	22,492,359
Refund of contributions	14,201,432	15,212,155
Transfers to other systems	5,379,805	5,391,070
Administrative expenses	2,375,641	2,113,304
Depreciation expense	19,613	19,712
Total deductions	<u>286,071,566</u>	<u>277,720,766</u>
NET INCREASE (DECREASE)	528,938,212	(760,637,301)
NET POSITION RESTRICTED FOR PENSION BENEFITS:		
Beginning of year	4,664,792,361	5,425,429,662
END OF YEAR	<u>\$ 5,193,730,573</u>	<u>\$ 4,664,792,361</u>

See accompanying notes

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

DESCRIPTION OF ORGANIZATION:

The Parochial Employees' Retirement System of Louisiana (System) was originally established, effective January 1, 1953, by Act #205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the State of Louisiana or any governing body or a parish which employs and pays persons serving the parish.

The System is administered by a Board of Trustees, that consists of seven trustees, four of whom are active or retired members of the System with at least 10 years of creditable service, elected by the members of the System for six year terms; one of whom shall be appointed by the Executive Board of the Police Jury Association of Louisiana who shall serve a four year term as an ex-officio member during his tenure; one who shall be the Chairman of the Senate Retirement Committee; and one who shall be the Chairman of the House Retirement Committee of the Legislature of Louisiana or their appointees.

Act #765 of the year 1979 established by the Legislature of the State of Louisiana revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan." Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date.

Act #867 of the year 1997 revised the System to create Plan C. This Plan was established for a larger employer that remained in Social Security on the revision date. There were no participants in this Plan.

Act #194 of the year 2003 established a separate unfunded, non-tax qualified Excess Benefit Plan to supplement the benefits provided to members to the extent their benefits are reduced by the limitations imposed by Section 415 of the United States Internal Revenue Code.

Act #871 of the year 2010 eliminated the Expense Fund and requires all administrative expense to be paid from Plan A's Pension Accumulation Fund. Annually, a transfer of funds from Plan B shall be made to reimburse Plan A for Plan B's expenses.

The Retirement System is governed by Louisiana Revised Statutes, Title 11, Sections 1901 through 2025, specifically, and other general laws of the State of Louisiana.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

The financial statements include the provisions of GASB Statement Number 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments and related standards*. This standard provides for the inclusion of management's discussion and analysis as supplementary information and other changes.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

The System's basic financial statements were prepared in conformity with the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans*. GASB Statement No. 67 established new standards of financial reporting for defined pension plans. Significant changes included an actuarial calculation of total and net pension liability, increased footnote disclosures regarding the pension liabilities and other related information, and provided for additional required supplementary information schedules.

Basis of Accounting.

The System's financial statements are prepared using the accrual basis of accounting. Employer and employee 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 each plan.

Interest income is recognized when earned. Ad valorem taxes are recognized when assessed by the taxing body. Revenue sharing monies are recognized in the year they are appropriated by the Legislature.

Expenses are recognized in the period incurred.

Method Used to Value Investments:

As required by GASB Statement No. 72, investments are reported at fair value. Fair value is described as an exit price. This statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. This statement establishes a hierarchy of inputs to valuation techniques used to measure fair value. That hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs – other than quoted prices – included within Level 1 that are observable for the asset or liability, whether directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security. This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. These disclosures are organized by type of asset or liability. GASB 72 also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent). These disclosures are located in Note 6.

Short-term investments are reported at market value when published prices are available, or at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Realized and unrealized gains and losses are reported in the Statements of Changes in Fiduciary Net Position as net appreciation

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Method Used to Value Investments: (Continued)

(depreciation) in fair value of investments during the period the instruments are held, and when instruments are sold or expire. Shares in external investment pools and mutual funds are equivalent to the fair value of the external investment pool and mutual funds. The investment in real estate consists of partnerships and real estate equity portfolios. These investments are valued at fair market value, which is based upon an independent appraisal or comparable sales. Fair value of investments in limited partnerships (which include private equities and hedge funds) is calculated as the System's percentage of ownership of the partner's capital reported by the partnership. Because of the inherent uncertainties in estimating fair values, it is at least reasonably possible that the estimates will change in the near term. Investments that do not have an established market are reported at estimated fair value.

Capital Assets:

Capital assets of the Parochial Employees' Retirement System of Louisiana are carried at historical cost. Depreciation is recognized on the straight-line method over the useful lives of the assets.

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The System utilizes various investment instruments, which by nature, are exposed to a variety of risk levels and risk types, such as interest rate risk, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and those changes could materially affect the amounts reported in the statements of fiduciary net position.

Deferred Outflows and Inflows of Resources:

In addition to assets, the statements of fiduciary net position report a separate section for deferred outflows of resources that represents a consumption of net position that applies to future period(s) and will not be recognized as an outflow of resources (expense) until then. The System has one item that qualifies for reporting in this category, which is amounts related to other postemployment benefits.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Deferred Outflows and Inflows of Resources: (Continued)

In addition to liabilities, the statements of fiduciary net position report a separate section for deferred inflows of resources that represents an acquisition of net position that applies to future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The System has one item that meets the criterion for this category, which is amounts related to other postemployment benefits.

New Accounting Standards:

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which became effective for the year ended December 31, 2023. Under GASB Statement No. 96, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods. The System has analyzed the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and has concluded that there are no subscription arrangements which qualify for adjustment or disclosure under the new standard. Therefore, no restatement of prior periods or cumulative effect adjustment recorded in the year of adoption, was considered necessary.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*, which became effective for the year ended December 31, 2022. This statement outlines a single model for certain leases based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under GASB Statement No. 87 a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The System has analyzed the provisions of GASB Statement No. 87, *Leases*, and has concluded that there are no leasing arrangements which qualify for adjustment or disclosure under the new standard. Therefore, no restatement of prior periods or cumulative effect adjustment recorded in the year of adoption, was considered necessary.

2. PLAN DESCRIPTION:

The Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S.11:1901 of the Louisiana Revised Statute (LRS), through 2025.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

2. PLAN DESCRIPTION: (Continued)

The System provides retirement benefits to employees of taxing districts of a parish, or any branch or section of a parish, within the state which does not have their own retirement system and which elect to become members of the System. For each of the years ended December 31, 2023 and 2022, there were 222 contributing employers in Plan A, and 53 in Plan B.

Statewide retirement membership consisted of:

<u>2023</u>	<u>PLAN A</u>	<u>PLAN B</u>	<u>TOTAL</u>
Inactive plan members or beneficiaries receiving benefits	8,477	1,116	9,593
Inactive plan members entitled to but not yet receiving benefits	10,728	2,310	13,038
Active members	<u>13,824</u>	<u>2,384</u>	<u>16,208</u>
 TOTAL PARTICIPATING AS OF VALUATION DATE	 <u>33,029</u>	 <u>5,810</u>	 <u>38,839</u>
 <u>2022</u>	 <u>PLAN A</u>	 <u>PLAN B</u>	 <u>TOTAL</u>
Inactive plan members or beneficiaries receiving benefits	8,284	1,074	9,358
Inactive plan members entitled to but not yet receiving benefits	10,332	2,218	12,550
Active members	<u>13,412</u>	<u>2,314</u>	<u>15,726</u>
 TOTAL PARTICIPATING AS OF VALUATION DATE	 <u>32,028</u>	 <u>5,606</u>	 <u>37,634</u>

Eligibility Requirements:

All permanent parish government employees (except those employed by Orleans, Lafourche, and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the Retirement System.

Retirement Benefits:

Any member of Plan A can retire providing he/she meets one of the following criteria:



PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

2. PLAN DESCRIPTION: (Continued)

Retirement Benefits: (Continued)

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service
2. Age 55 with twenty-five (25) years of creditable service
3. Age 60 with a minimum of ten (10) years of creditable service
4. Age 65 with a minimum of seven (7) years of creditable service

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service
2. Age 62 with 10 years of service
3. Age 67 with 7 years of service

Any member of Plan B can retire providing he /she meets one of the following criteria.

For employees hired prior to January 1, 2007:

1. Age 55 with thirty (30) years of creditable service
2. Age 60 with a minimum of ten (10) years of creditable service
3. Age 65 with a minimum of seven (7) years of creditable service

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service
2. Age 62 with 10 years of service
3. Age 67 with 7 years of service

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to 3.00% of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to 2.00% of the member's final average compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

2. PLAN DESCRIPTION: (Continued)

Survivor Benefits:

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the Plan provides for benefits for the surviving spouse and minor children as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit as outlined in the statutes.

Plan B members need ten (10) years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with twenty (20) or more years of creditable service who is not eligible for normal retirement, the Plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage if the remarriage occurs before age 55. A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

DROP Benefits:

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in DROP, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the Board of Trustees. These subaccounts may be credited with interest based on money market rates of return, or at the option of the System, the funds may be credited to self-directed subaccounts.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

2. PLAN DESCRIPTION: (Continued)

Drop Benefits: (Continued)

The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the System and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits:

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007 and has at least five (5) years of creditable service or if hired after January 1, 2007, has seven (7) years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, if not eligible for normal retirement, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to 3.00% of the member's final average compensation multiplied by his years of service, not to be less than 15, or 3.00% multiplied by years of service assuming continued service to age 60 for those members who are enrolled prior to January 1, 2007 and to age 62 for those members who are enrolled January 1, 2007 and later.

For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007 and has at least five (5) years of creditable service or if hired after January 1, 2007, has seven (7) years of creditable service, and is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, if not eligible for normal retirement, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal to 2.00% of the member's final average compensation multiplied by years of service, to age 60 for those members who are enrolled prior to January 1, 2007 and to age 62 for those members who are enrolled January 1, 2007 and later.

Cost of Living Increases:

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2.00% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to 2.00% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.50% for retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.50% cost of living adjustment commencing at age 55.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

3. CONTRIBUTIONS AND RESERVES:

Contributions:

Contributions for all members are established by statute at 9.50% of compensation for Plan A members and 3.00% of compensation for Plan B. The contributions are deducted from the member's salary and remitted by the participating employer.

According to state statute, contributions for all employers are actuarially determined each year. For the years ended December 31, 2023 and 2022, the actuarially determined contribution rate was 7.49% and 7.10%, respectively, of member's compensation for Plan A and 5.35% and 4.93%, respectively, of member's compensation for Plan B. The actual contribution rate for each of the fiscal years ending December 31, 2023 and 2022 was 11.50%, for Plan A and 7.50%, for Plan B.

According to state statute, the System also receives  $\frac{1}{4}$  of 1.00% of ad valorem taxes collected within the respective parishes except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-contributing entities.

Administrative costs of the System are financed through employer contributions.

Reserves:

Use of the term "reserve" by the System indicates that a portion of the fund balances is legally restricted for a specific future use. The nature and purpose of these reserves are explained below:

a. Annuity Savings:

The Annuity Savings was created by state law and is credited with contributions made by the members of the System. When a member terminates his service, or upon his death before qualifying for a benefit, the refund of his contributions is made from this reserve. If a member dies and there is a survivor who is eligible for a benefit, the amount of the member's accumulated contributions is transferred from the Annuity Savings to the Annuity Reserve. When a member retires, the amount of his accumulated contributions is transferred to Annuity Reserve to fund part of the benefits. Plan A's Annuity Savings balance was \$533,422,965 and \$512,615,320 for December 31, 2023 and 2022, respectively. The balance for Plan B was \$30,077,212 and \$28,441,694 as of December 31, 2023 and 2022, respectively.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

3. CONTRIBUTIONS AND RESERVES: (Continued)

Reserves: (Continued)

b. Pension Accumulation Reserve:

The Pension Accumulation Reserve was created by state law and consists of contributions paid by employers, interest earned on investments, administrative expenses, and any other income or expense not covered by other accounts. This reserve account is charged annually with an amount, determined by the actuary, to be transferred to the Annuity Reserve to fund retirement benefits for existing recipients. It is also relieved when expenditures are not covered by the other accounts. The Pension Accumulation Reserve for Plan A as of December 31, 2023 and 2022 was \$1,685,779,323 and \$1,330,861,846, respectively. The balance for Plan B was \$224,144,691 and \$185,113,188 as of December 31, 2023 and 2022, respectively.

c. Annuity Reserve:

The Annuity Reserve was created by state law and consists of the reserves for all pensions, excluding cost of living increases, granted to retired members and is the reserve account from which such pensions and annuities are paid. Survivors of deceased beneficiaries also receive benefits from this reserve account. The Annuity Reserve as of December 31, 2023 and 2022 for Plan A was \$2,366,295,945 and \$2,306,667,540, respectively. The balance for Plan B was \$171,351,994 and \$165,671,353 as of December 31, 2023 and 2022, respectively.

d. Deferred Retirement Option Account.

The Deferred Retirement Option account was created by state law and consists of the reserves for all members who upon retirement eligibility elect to deposit into this account an amount equal to the member's monthly benefit if he/she had retired. A member can only participate in the program for three years, and upon termination may receive his/her benefits in a lump sum payment or a true annuity. The Deferred Retirement Option balance for Plan A as of December 31, 2023 and 2022 was \$64,834,595 and \$58,657,279, respectively. The balance for Plan B as of December 31, 2023 and 2022 was \$6,421,207 and \$5,773,128, respectively.

e. Funding Deposit Account.

The Funding Deposit Account was created by state law and consists of excess contributions collected by the System. The excess funds earn interest at the Board approved actuarial valuation rate and are credited to the fund at least once a year. These funds are due to the System freezing the employer rate at a higher rate than actuarially required. The excess funds

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

3. CONTRIBUTIONS AND RESERVES: (Continued)

Reserves: (Continued)

e. Funding Deposit Account: (Continued)

can be used for the following purposes: (1) reduce the unfunded accrued liability, (2) reduce the future normal costs, and/or (3) pay all or a portion of any future net direct employer contributions (4) to provide funding for a cost-of-living increase. In accordance with a motion authorized by the Board of Trustees, funds were withdrawn from the Funding Deposit Account, for Plan A and Plan B, in order to fund a cost-of-living increase for retirees age 62 and older effective January 1, 2023. The board did not grant a cost-of-living increase for the calendar year beginning January 1, 2022. The Funding Deposit Account balance for Plan A as of December 31, 2023 and 2022 was \$102,214,729 and \$65,263,833, respectively. The balance for Plan B as of December 31, 2023 and 2022 was \$9,187,912 and \$5,727,180, respectively.

4. NET PENSION LIABILITY (ASSET) OF EMPLOYERS:

The components of the net pension liability of the System's employers for Plan A and Plan B determined in accordance with GASB No. 67 as of December 31, 2023 and 2022 are as follows:

	<u>PLAN A</u>		<u>PLAN B</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Total Pension Liability	\$ 4,847,819,779	\$ 4,658,944,882	\$ 442,186,112	\$ 414,535,459
Plan Fiduciary Net Position	<u>4,752,547,557</u>	<u>4,274,065,818</u>	<u>441,183,016</u>	<u>390,726,543</u>
Employers' Net Pension Liability	<u>\$ 95,272,222</u>	<u>\$ 384,879,064</u>	<u>\$ 1,003,096</u>	<u>\$ 23,808,916</u>
 Plan Fiduciary Net Position as a percentage of the Total Pension Liability	 98.03%	 91.74%	 99.77%	 94.26%

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

The actuarial assumptions used in the December 31, 2023 valuation were based on the assumptions used in the December 31, 2023 actuarial funding valuation, which were based on results of an actuarial experience study for the period of January 1, 2018 through December 31, 2022. The actuarial assumptions used in the December 31, 2022 valuation were based on the assumptions used in



PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

4. NET PENSION LIABILITY (ASSET) OF EMPLOYERS: (Continued)

the December 31, 2022 actuarial funding valuation, which were based on results of an actuarial experience study for the period of January 1, 2013 through December 31, 2017. The required Schedules of Employers' Net Pension Liability (Asset) located in required supplementary information following the Notes to the Financial Statements presents multi-year trend information regarding whether the Plan's fiduciary net positions are increasing or decreasing over time relative to the total pension liability. The total pension liability as of December 31, 2023 and 2022 is based on actuarial valuations for the same period, updated using generally accepted actuarial procedures.

Information on the actuarial valuation and assumptions is for both Plan A and Plan B is as follows:

Valuation date	December 31, 2023	December 31, 2022
Actuarial cost method	Entry Age Normal Cost	Entry Age Normal Cost
Investment rate of return	6.40% <sup>o</sup> , net of pension plan investment expense, including inflation	6.40% <sup>o</sup> , net of pension plan investment expense, including inflation
Expected remaining service lives	4 years	4 years
Inflation rate	2.30% <sup>o</sup>	2.30% <sup>o</sup>
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% <sup>o</sup> for males and 125% <sup>o</sup> for females using MP2021 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% <sup>o</sup> for males and 125% <sup>o</sup> for females using MP2021 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% <sup>o</sup> for males and 125% <sup>o</sup> for females using MP2021 scale for disabled annuitants.	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% <sup>o</sup> for males and 125% <sup>o</sup> for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% <sup>o</sup> for males and 125% <sup>o</sup> for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% <sup>o</sup> for males and 125% <sup>o</sup> for females using MP2018 scale for disabled annuitants.
Salary increases	4.75% - Plan A, and 4.25% - Plan B	4.75% - Plan A, and 4.25% - Plan B

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.30% for each of the years ended December 31, 2023 and 2022, and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.50% and 7.70% for the years ended December 31, 2023 and 2022, respectively.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

4. NET PENSION LIABILITY (ASSET) OF EMPLOYERS: (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2023 are summarized in the following table:

<u>Asset Class</u>	Target Asset <u>Allocation</u>	Long-Term Expected Portfolio Real Rate <u>of Return</u>
Fixed Income	33%	1.12%
Equity	51%	3.20%
Alternatives	14%	0.67%
Real Assets	2%	0.11%
Totals	<u>100%</u>	<u>5.10%</u>
Inflation		<u>2.40%</u>
Expected Arithmetic Nominal Return		<u><u>7.50%</u></u>

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

<u>Asset Class</u>	Target Asset <u>Allocation</u>	Long-Term Expected Portfolio Real Rate <u>of Return</u>
Fixed Income	33%	1.17%
Equity	51%	3.58%
Alternatives	14%	0.73%
Real Assets	2%	0.12%
Totals	<u>100%</u>	<u>5.60%</u>
Inflation		<u>2.10%</u>
Expected Arithmetic Nominal Return		<u><u>7.70%</u></u>

The discount rate used to measure the total pension liability was 6.40% for each of the years ended December 31, 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

4. NET PENSION LIABILITY (ASSET) OF EMPLOYERS: (Continued)

In accordance with GASB 67, regarding the disclosure of the sensitivity of the net pension liability (asset) to changes in the discount rate, the following presents the net pension liability of the participating employers calculated as of December 31, 2023 and 2022 using the discount rate of 6.40%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.40%), or one percentage point higher (7.40%), than the current rate.

Changes in the discount rate for the years ended December 31, 2023 and 2022 for Plan A are as follows:

	PLAN A		
	Current		
	1% Decrease 5.40%	Discount Rate 6.40%	1% Increase 7.40%
Net Pension Liability (Asset) - December 31, 2023	\$ 679,784,535	\$ 95,272,222	\$ (395,367,826)
Net Pension Liability (Asset) - December 31, 2022	\$ 951,818,910	\$ 384,879,064	\$ (90,427,343)

Changes in the discount rate for the years ended December 31, 2023 and 2022 for Plan B are as follows:

	PLAN B		
	Current		
	1% Decrease 5.40%	Discount Rate 6.40%	1% Increase 7.40%
Net Pension Liability (Asset) - December 31, 2023	\$ 57,401,440	\$ 1,003,096	\$ (46,198,552)
Net Pension Liability (Asset) - December 31, 2022	\$ 77,041,714	\$ 23,808,916	\$ (20,751,830)

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

5. CAPITAL ASSETS:

The following is a summary of capital assets at cost less accumulated depreciation:

<u>2023</u>	Beginning <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	Ending <u>Balance</u>
Land	\$ 120,618	\$ -	\$ -	\$ 120,618
Building and improvements	755,010	-	-	755,010
Office equipment and furniture	253,601	7,064	-	260,665
Less: accumulated depreciation	<u>(546,231)</u>	<u>(19,613)</u>	<u>-</u>	<u>(565,844)</u>
	<u>\$ 582,998</u>	<u>\$ (12,549)</u>	<u>\$ -</u>	<u>\$ 570,449</u>

<u>2022</u>	Beginning <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	Ending <u>Balance</u>
Land	\$ 120,618	\$ -	\$ -	\$ 120,618
Building and improvements	755,010	-	-	755,010
Office equipment and furniture	253,601	-	-	253,601
Less: accumulated depreciation	<u>(526,519)</u>	<u>(19,712)</u>	<u>-</u>	<u>(546,231)</u>
	<u>\$ 602,710</u>	<u>\$ (19,712)</u>	<u>\$ -</u>	<u>\$ 582,998</u>

Depreciation expense for the year ended December 31, 2023 and 2022 was \$19,613 and \$19,712, respectively.

6. INVESTMENTS AT FAIR VALUE:

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The System has the following recurring fair value measurements as of December 31, 2023 and 2022, respectively:

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

6. INVESTMENTS AT FAIR VALUE: (Continued)

	December 31, 2023	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Short-term investments	\$ 34,871,240	\$ -	\$ -	\$ 34,871,240
Fixed Income Investments:				
Asset backed securities	185,048,744	-	185,048,744	-
Total fixed income investments	185,048,744	-	185,048,744	-
Equity Securities:				
Domestic equities:				
Large cap	516,155,259	516,155,259	-	-
Mid cap	213,209,177	213,209,177	-	-
Small cap	167,532,680	167,532,680	-	-
Total domestic equities	896,897,116	896,897,116	-	-
Foreign equities:				
Large cap	27,955,091	27,955,091	-	-
Mid cap	27,237,317	27,237,317	-	-
Small cap	6,801,805	6,801,805	-	-
Total foreign equities	61,994,213	61,994,213	-	-
Total equity securities	958,891,329	958,891,329	-	-
Total Investments at Fair Value Level	\$ 1,178,811,313	\$ 958,891,329	\$ 185,048,744	\$ 34,871,240
Investments measured at the Net Asset Value (NAV):				
Fixed income fund	\$ 1,343,635,818			
Equity funds	1,656,827,973			
Alternative Investments				
Hedge funds	255,292,137			
Real asset funds	109,544,547			
Real estate funds	268,900,767			
Private equity funds	208,895,320			
Total investments at NAV	\$ 3,843,096,562			
Total investments at fair value	\$ 5,021,907,875			
Investment Derivatives:				
Foreign currency future receivables	\$ 1,300,652	\$ 1,300,652	\$ -	\$ -
Foreign currency future payables	(591,074)	(591,074)	-	-
Total Investment Derivatives	\$ 709,578	\$ 709,578	\$ -	\$ -

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

6. INVESTMENTS AT FAIR VALUE: (Continued)

	December 31, 2022	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Short-term investments	\$ 38,100,861	\$ -	\$ -	\$ 38,100,861
Fixed Income Investments:				
Asset backed securities	165,322,395	-	165,322,395	-
Total fixed income securities	165,322,395	-	165,322,395	-
Equity Securities:				
Domestic equities:				
Large cap	450,868,809	450,868,809	-	-
Mid cap	176,866,211	176,866,211	-	-
Small cap	157,321,822	157,321,822	-	-
Total domestic equities	785,056,842	785,056,842	-	-
Foreign Equities:				
Large cap	31,981,307	31,981,307	-	-
Mid cap	22,467,823	22,467,823	-	-
Small cap	7,819,816	7,819,816	-	-
Total foreign equities	62,268,946	62,268,946	-	-
Total equity securities	847,325,788	847,325,788	-	-
Total Investments at Fair Value Level	\$ 1,050,749,044	\$ 847,325,788	\$ 165,322,395	\$ 38,100,861
Investments measured at the Net Asset Value (NAV)				
Fixed income funds	\$ 1,255,993,379			
Equity funds	1,370,493,610			
Alternative investments				
Hedge funds	236,764,447			
Real asset funds	95,648,697			
Real estate funds	311,299,317			
Private equity funds	185,328,806			
Total investments at NAV	3,455,528,256			
Total investments at fair value	\$ 4,506,277,300			
Investment Derivatives:				
Foreign currency future receivables	\$ 184,265	\$ 184,265	\$ -	\$ -
Foreign currency future payables	(2,752,853)	(2,752,853)	-	-
Total Investment Derivatives	\$ (2,568,588)	\$ (2,568,588)	\$ -	\$ -



PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

6. INVESTMENTS AT FAIR VALUE: (Continued)

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Investments classified in Level 3 of the fair value hierarchy are valued using unobservable inputs and are not directly corroborated with market data.

The unfunded commitments and redemption terms for investments measured at the net asset value (NAV) per share or its equivalent as of December 31, 2023 is presented on the following table:

	Net Asset Value December 31, 2023	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investments measured at the NAV				
Fixed Income Funds	\$ 1,343,635,818	\$ -	N/A for ArrowMark Credit Fund & Daily / Monthly / Quarterly for other funds	1 - 90 Days
Equity Funds	1,656,827,973	-	Daily / Monthly / Bi-monthly	1 - 30 Days
Alternative investments:				
Hedge Funds	255,292,137	13,799,504	Monthly	45 Days
Real Asset Funds	109,544,547	615,955	Quarterly for PRISA II Fund & TA Core Property / N/A for closed end funds	30 Days
Real Estate Funds	268,900,767	30,566,500	N/A	N/A
Private Equity Funds	208,895,320	201,531,019	N/A	N/A
Total Investments at NAV	<u>\$ 3,843,096,562</u>	<u>\$ 246,512,978</u>		

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

	Net Asset Value December 31, 2022	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investments measured at the NAV				
Fixed Income Funds	\$ 1,255,993,379	\$ 100,000	N/A for ArrowMark Credit Fund & Daily / Monthly / Quarterly for other funds	1 - 90 Days
Equity Funds	1,370,493,610	-	Daily / Monthly	1 - 30 Days
Alternative investments:				
Hedge Funds	236,764,447	30,300,000	Monthly	45 Days
Real Asset Funds	95,648,697	1,253,382	Not eligible	30 Days
Real Estate Funds	311,299,317	42,066,500	Quarterly for PRISA II Fund & TA Core Property / N/A for closed end funds	N/A
Private Equity Funds	185,328,806	222,791,019	Not eligible	N/A
Total Investments at NAV	<u>\$ 3,455,528,256</u>	<u>\$ 296,510,901</u>		

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

6. INVESTMENTS AT FAIR VALUE: (Continued)

Equity Funds:

Equity funds consist of seven funds with various objectives and portfolio characteristics. There is one index strategy and six actively managed strategies. Two of the funds (one active and one passive) invest primarily in stocks of large U.S. domiciled companies. The remaining five funds invest in stocks of foreign based entities including both those based in developed and emerging markets. The fair value of the investments in these funds has been determined using the NAV per share (or equivalent) of the investments. Unit valuation ranges from daily to monthly and requirements for redemption of units range from advanced notice of one to fifteen days. Any amount redeemed will be paid within three trading days or four trading days after the beginning of the following month.

Fixed Income Funds:

The six fixed income funds the System invests in fall into one of three broad strategies within the fixed income allocation of the portfolio. The first strategy is focused primarily on investment grade bonds issued by public and privately owned companies domiciled in the United States, and benchmarked to the Barclays Aggregate Bond and/or Barclays Credit Indexes. There are two funds that fall in that category. The second strategy consists of two funds and focuses on investments in below investment grade sectors of the bond and fixed income markets including securitized issues, bonds, and bank loans, including private transactions with banking institutions. The third broad strategy is invested in bonds primarily of governments and corporations headquartered outside of the United States, some of which are rated below investment grade. In addition, one of these strategies actively manages the currency exposure of its holdings in foreign bonds. There are two funds in this category.

Alternative Investments:

The portfolio invests in alternative assets to increase the level of overall diversification. The funds in this area fall into one of three general areas: opportunistic strategies, real assets (infrastructure, timber, etc) outside of real estate, and private equity investments.

Opportunistic investments consists of one fund that has been formed to invest in (i) hedge funds across multiple strategies (which may include Long/Short Equity, Event Driven, Relative Value, Tactical Trading and Multi-Strategy sectors) with a primary objective of return enhancement and a secondary objective of diversification to public markets and (ii) co-investments and secondaries in non-hedge fund asset classes. The fair value of the investments in these funds has been determined using the NAV per share (or equivalent) of the investments. Fund performance is recorded monthly and withdrawals require 45 days' notice prior to the proposed withdrawal date which shall be on the last business day of a particular month. Any amount withdrawn will generally be settled within 30 calendar days after the withdrawal date and subject to the liquidity terms of and receipt of cash from the underlying investment.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

6. INVESTMENTS AT FAIR VALUE: (Continued)

Alternative Investments: (Continued)

Real estate and real asset investments are comprised of two open-ended funds and seven closed-end funds. The real estate is typically in well-located, institutional quality assets in markets mostly throughout the United States providing a benefit of durable income, a partial inflation hedge, and appreciation over the mid to long term. The funds are diversified by property type (office, industrial, apartment, retail, etc.), economic exposure, and geography. The fair value of the investments in these funds has been determined using the NAV per share (or equivalent) of the System's ownership interest in partners' capital. With respect to the open-ended funds, unit valuation is quarterly and redemption of units requires one-quarter notification. Any amount redeemed will be paid the following quarter subject to cash availability. The closed-end funds' investments are not eligible for redemptions, however, distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated between ten to fifteen years from the commencement of the fund. The two funds invested in infrastructure closed-end partnerships will convert to open-ended structures in June of 2024. At that point, there will be limited quarterly liquidity available to investors.

Private equity investments consist of two funds. These funds invest in the equity and some debt of companies that are privately held, rather than publicly traded on a stock exchange. These funds employ a combination of strategies (venture capital, buyout, growth equity, mezzanine, and co-investments) to achieve return levels in excess of public market returns and expand the diversification of the portfolio. The fair value of the investments in these funds has been determined using the NAV per share (or equivalent) of the System's ownership interest in partners' capital. These investments are not eligible for redemptions, however, distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated between 10 to 15 years from the commencement of the fund.

7. REQUIRED SUPPLEMENTARY SCHEDULE INFORMATION:

The information in the Required Supplementary Schedules on pages 46 through 63 is designed to provide information about the System's progress made in accumulating sufficient assets to pay benefits.

8. DEPOSITS AND INVESTMENTS:

The following are the components of the Plan' deposits and investments at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Deposits (bank balance)	\$ 156,782,736	\$ 145,816,811
Investments	5,021,907,875	4,506,277,300
	<u>\$ 5,178,690,611</u>	<u>\$ 4,652,094,111</u>

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

8. DEPOSITS AND INVESTMENTS: (Continued)

The System maintains cash balances deposited in financial institutions. During the years ended December 31, 2023 and 2022, the System's bank deposits were fully covered by federal depository insurance or pledged collateral.

Investments:

In accordance with LRS 11:263, the System is authorized to invest under the Prudent-Man Rule. The Prudent-Man Rule requires each fiduciary of a retirement system and each board of trustees to act collectively on behalf of the System and to exercise the judgment and care under the circumstances then prevailing that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds considering probable safety of capital as well as probable income. Notwithstanding the Prudent-Man Rule, the System shall not invest more than 55% of the total portfolio in common stock.

Short-term investments in the amount of \$34,871,240 for the year ended December 31, 2023 consist of amounts invested in a money market mutual fund. Short-term investments in the amount of \$38,100,861 for the year ended December 31, 2022 consist of balances invested in a money market mutual fund. The money market mutual fund account is established in the name of the System's custodian as an omnibus account for all custodial clients invested in the fund.

Concentration of Credit Risk.

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

The System's investment policy specified the following investment parameters:

	<u>2023</u>	<u>2022</u>
Equities	41%-56%	41%-56%
Fixed income	28%-44%	28%-44%
Alternative investments	0%-20%	0%-20%

At December 31, 2023 and 2022, the components of the System's investment portfolio fell within the allowable ranges.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

8. DEPOSITS AND INVESTMENTS: (Continued)

Concentration of Credit Risk: (Continued)

The System had the following investments that represent 5% or more of the net position as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
<u>Stock Index Funds</u>		
LSV Large Cap Value	\$ 489,174,791	\$ 438,443,896
LSV Emerging Markets	-	239,555,877
Loomis Large Cap Growth	433,400,530	304,915,905
<u>Fixed Income Funds</u>		
Loomis Sayles Fixed Fund	272,256,848	252,134,609

Credit Risk:

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The standardized rating systems are a good tool with which to assess credit risk on debt obligations. The System's investment policy requires most debt investments to be rated A to BBB- depending on the investment. Investments in a fixed income structured credit strategy may invest in securities of any credit rating (including unrated securities) and may invest without limit in higher risk, below investment-grade debt securities. Interest rate swaps and currency swaps must have a credit quality rating of not less than A per S&P. Bank loan fixed income funds may invest, without limit, in bank loans that are below investment grade. Bank loan fixed income funds may invest in unrated loans, whether or not determined by the loan fund manager to be investment grade or better according to the methodology used by the Barclays Capital Global Bond Indices. Emerging market fixed income funds may invest in securities of any credit rating (including unrated securities) and may invest without limit in higher risk, below investment-grade debt securities.

The following table provides credit rating information for the PERS' bond holdings at December 31, 2023 and 2022.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

8. DEPOSITS AND INVESTMENTS: (Continued)

Credit Risk: (Continued)

	<u>2023</u>		<u>2022</u>
	Asset Backed Securities		Asset Backed Securities
A	\$ 2,447,420	A	\$ 885,277
A-	1,011,325	A-	240,134
A+	729,249	A+	561,944
AA	435,722	AA	510,948
AA-	528,882	AA-	-
AA+	22,900,948	AA+	18,609,360
AAA	451,615	AAA	538,655
B	727,818	B	2,221,230
B-	2,490,382	B-	1,870,854
B+	3,210,983	B+	4,188,202
BB	3,549,113	BB	636,009
BB-	12,114,120	BB-	12,832,162
BB+	744,730	BB+	-
BBB	1,645,059	BBB	2,519,565
BBB-	10,149,964	BBB-	7,004,942
BBB+	755,784	BBB+	848,478
CC	2,324,827	CC	2,487,924
CCC	1,443,657	CCC	1,485,873
D	1,694,616	D	1,793,387
Not rated	115,692,530	Not rated	106,087,451
	<u>\$185,048,744</u>		<u>\$165,322,395</u>

Interest Rate Risk:

Interest rate risk is defined as the risk that changes in the interest rates will adversely affect the fair value of an investment. The risk is applicable to debt investments with fair values that are sensitive to changes in interest rates. One indicator of the measure of interest rate risk is the dispersion of maturity dates for debt instruments. The System's policy on interest rate risk requires fixed income investments not to exceed between 1 to 10 years in duration depending on the investment. Emerging market funds' average duration may be outside this range at times. Structured credit and high yield fixed income funds have no limits and can invest in securities of any maturity or duration.

The following table shows the PERS' fixed income investments and maturities in actively managed accounts at December 31, 2023.

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
Asset Backed Securities	\$ 185,048,744	\$ 445,339	\$ 12,903,361	\$ 22,086,610	\$ 149,613,434
Total	<u>\$ 185,048,744</u>	<u>\$ 445,339</u>	<u>\$ 12,903,361</u>	<u>\$ 22,086,610</u>	<u>\$ 149,613,434</u>

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

8. DEPOSITS AND INVESTMENTS: (Continued)

Interest Rate Risk: (Continued)

The following table shows the PERS' fixed income investments and maturities in actively managed accounts at December 31, 2022.

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
Asset Backed Securities	\$ 165,322,395	\$ 1,916,458	\$ 13,683,618	\$ 22,060,978	\$ 127,661,341
Total	\$ 165,322,395	\$ 1,916,458	\$ 13,683,618	\$ 22,060,978	\$ 127,661,341

Fixed Income Funds.

The System also invests in fixed income funds in the amount \$1,343,635,818 and \$1,255,993,379 for the years ended December 31, 2023 and 2022, respectively, as follows:

- a. The System invested in Loomis Sayles Core Plus Full Discretion Fund. The fair market value of the fund was of \$272,256,847 and \$252,134,609 for the years ended December 31, 2023 and 2022, respectively. The Fund will invest at least 90% of the market value of its assets in fixed income securities. It may invest up to 10% of the market value of its assets in securities rated below investment grade, but it primarily invests in investment grade fixed income securities. The average credit quality of the Fund is BAA1 according to Moody's Investors Services. The average portfolio duration of the Loomis Sayles Core Plus Full Discretion Fund was 5.78 years.
- b. The System invested in Brandywine Global Opportunistic Fixed Income Fund. The fair market value of the fund was \$229,279,105 and \$213,984,792 for the years ended December 31, 2023 and 2022, respectively. The objective of the Global Opportunistic Fixed Income portfolio is to achieve interest income and long-term capital appreciation by investing in U.S. fixed income instruments and non-U.S. developed and emerging markets sovereign debt securities. The Fund concentrates its investments in bonds of countries having the best value in the form of high real interest rates. The Fund had an average credit quality rating of AA- according to Standard & Poor's rating service. The average portfolio duration of the Brandywine Global Opportunistic Fixed Income Fund was 8.36 years.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

8. DEPOSITS AND INVESTMENTS: (Continued)

Fixed Income Funds. (Continued)

- c. The System invested in the Prudential Private Place Bond Separate Account (PRIVEST). The fair market value of the investment was \$162,582,577 and \$158,305,762 for the years ended December 31, 2023 and 2022, respectively. The objective of PRIVEST is to achieve a long-term total return greater than public bond portfolios of comparable credit quality and duration by primarily investing in privately placed corporate debt securities, with credit qualities ranging primarily from A+ to BBB+. The account had an average credit quality rating of BBB+ according to Standard & Poor's rating service. The average portfolio duration of PRIVEST was 6.26 years.
- d. The System invested in Stone Harbor Emerging Market Debt Fund. The fair market value of the fund was \$129,428,009 for the year ended December 31, 2022. The System liquidated their investment in the Fund during the year ended December 31, 2023. The Fund seeks to provide capital appreciation by identifying and investing in countries it considers to be emerging markets. The Fund normally will invest at least 80% of its net assets (plus any borrowings made for investment purposes) in Emerging Markets Corporate Debt Investments. The Fund had an average credit quality rating of BB according to the Standard & Poor's rating service. The average portfolio duration of the Stone Harbor Emerging Market Debt Fund was 6.53 years.
- e. The System invested in Golden Tree Multi-Sector Cayman, Ltd. The fair market value of the investment was \$250,107,561 and \$221,666,247 for the years ended December 31, 2023 and 2022, respectively. The objective of the Golden Tree Fixed Income portfolio is to achieve attractive risk adjusted returns by investing across a broad universe of credit-related investments, including, but not limited to, bank debt, high yield bonds, and Structured Products. The Fund seeks to generate mid to high single digit net returns across market cycles by investing in securities which meet the System's disciplined investment process and by allocating dynamically across sectors based on the most attractive risk-adjusted returns. The Fund had an average credit quality rating of BB according to the Standard & Poor's rating service. The average portfolio duration of the Golden Tree Fixed Income Fund was 1.90 years.
- f. The System invested in ArrowMark Credit Fund, LP. The fair market value of the investment was \$209,642,224 and \$210,543,960 for the years ended December 31, 2023 and 2022, respectively. The objective of the ArrowMark Credit Fund is to generate returns through income generation and, secondarily, capital appreciation by holding a diversified portfolio of regulatory capital relief/significant risk transfer transactions. Eligible investments include Regulatory Capital Relief Investments, foreign currency, cash, cash equivalents, Short-Duration Investments, and derivatives for currency hedging. The portfolio of the fund was 100% unrated by a nationally recognized statistical rating



PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

8. DEPOSITS AND INVESTMENTS: (Continued)

Fixed Income Funds. (Continued)

organization (NRSRO). The average portfolio duration of the ArrowMark Credit Fund was 0.23 years.

- g. The System invested in T. Rowe Price Trust. The fair market value of the investment was \$219,767,504 and \$69,930,000 at December 31, 2023 and 2022, respectively. The objective of the T. Rowe Price Trust is to seek to provide high current income and capital appreciation. The T. Rowe Price Trust will normally invest at least 80% of its net assets in debt securities issued by governments, government agencies, organizations or companies located in emerging market countries. The T. Rowe Price Trust had an average credit quality rating of BB+ according to the Standard & Poor's rating service. The average portfolio duration of the T. Rowe Price Trust was 4.88 years.

Custodial Credit Risk:

Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

The System has no formal policy regarding custodial credit risk. The money market funds are established in the name of the System's custodian. The money market funds are managed by JP Morgan Chase, who also serves as custodian. The System is exposed to custodial credit risk at December 31, 2023 and 2022 for short-term investments in the amount of \$34,871,240 and \$38,100,861, respectively, since these investments are not in the name of the System.

Foreign Currency Risk:

Foreign currency risk is defined as the risk that changes in the exchange rates will adversely affect the fair value of an investment.

The System's policy regarding foreign currency risk states that the portfolio's exposure may be hedged to U.S. dollars. Cross hedging to non-U.S. currencies is permitted. Hedging instruments may include options, forward foreign currency contracts and futures contracts.

The System invests in various foreign holdings which are traded in the United States and denominated in U.S. dollars. However, the System is indirectly exposed to foreign currency risk through investment in various foreign equities and foreign fixed income funds and other foreign securities, through foreign currency exchange. The foreign currency hedge is designed to offset this risk. See note 11 for derivative investments. The System's foreign currency hedge is exposed to foreign currency risk through holdings in foreign cash as of December 31, 2023 and 2022 as follows:

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

8. DEPOSITS AND INVESTMENTS: (Continued)

Foreign Currency Risk: (Continued)

<u>Currency</u>	<u>2023</u>	<u>2022</u>
Norwegian Krone	\$ (545,428)	\$ (45,021)
Swedish Krone	<u>(1,126,933)</u>	<u>385,278</u>
Total	<u>\$ (1,672,361)</u>	<u>\$ 340,257</u>

Money-Weighted Rate of Return:

For the years ended December 31, 2023 and 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, for Plan A was 13.58% and -11.92% and for Plan B was 13.58% and -11.92%, respectively. The money-weighted return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

9. TAX QUALIFICATION

Effective January 1, 1993, the System is a tax qualified plan under IRS code section 401(a). All member contributions are treated as tax deferred for federal and state income tax purposes.

10. OTHER POST-EMPLOYMENT BENEFITS:

Substantially all System employees become eligible for post-employment health care and life insurance benefits if they reach normal retirement age while working for the System. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the System. At December 31, 2023 and 2022, three and four retirees, respectively, were receiving post-employment benefits.

Plan Description:

The System's employees may participate in the State of Louisiana's Other Post-Employment Benefit Plan (OPEB Plan), an agent multiple-employer defined benefit OPEB Plan that provides medical and life insurance to eligible active employees, retirees and their beneficiaries. The State administers the Plan through the Office of Group Benefits (OGB). LRS 42:801-883 assigns the authority to establish and amend benefit provisions of the Plan. The Office of Group Benefits does not issue a publicly available financial report of the OPEB Plan; however, it is included in the State of Louisiana Annual Comprehensive Financial Report (ACFR). You may obtain a copy of the ACFR on the Office of Statewide Reporting and Accounting Policy's website at [www.doa.la.gov/oa/osrap/](http://www.doa.la.gov/oa/osrap/).

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

10. OTHER POST-EMPLOYMENT BENEFITS: (Continued)

Benefits Provided:

The OPEB Plan provides benefits such as death benefits, life insurance, disability, and long-term care that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment. The OPEB plan does not provide termination benefits or termination payments for sick leave.

Contributions:

The contribution requirements of plan members and the System are established and may be amended by LRS 42:801-883. The OPEB Plan is currently funded on a pay-as-you-go basis through a combination of retiree and System contributions. Employees do not contribute to their post-employment benefits cost until they become retirees and begin receiving post-employment benefits. The retirees contribute to the cost of their post-employment benefits based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. Employee premiums for these benefits totaled \$9,182 and \$7,509 for the years ended December 31, 2023 and 2022, respectively. Employer contributions to the OPEB Plan from the System were \$17,126 and \$12,783 for the years ended December 31, 2023 and 2022, respectively.

Employer contributions are based on plan premiums and the employer contribution percentage. This percentage is based on the date of participation in an OGB plan (before or after January 1, 2002) and employee years of service at retirement. Employees who began participation or rejoined the plan before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65 who pay approximately 25% of the active employee cost). For those beginning participation or rejoining on or after January 1, 2002, the percentage of premiums contributed by the employer is based on the following schedule:

<u>OGB Participation</u>	<u>Retiree Share</u>	<u>State Share</u>
Under 10 years	81%	19%
10-14 years	62%	38%
15-19 years	44%	56%
20+ years	25%	75%

In accordance with a motion authorized by the Board of Trustees, the System adopted the health insurance policy permitting payment of the employer rate for health insurance using the 75% participation rate schedule published by the OGB plan for any retiree who was employed by the System for 20 years or more and who maintained health insurance coverage through OGB for at least 10 years or more prior to their date of retirement.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

10. OTHER POST-EMPLOYMENT BENEFITS: (Continued)

Contributions: (Continued)

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance is available for the individual retiree and spouses of retirees, subject to maximum values. The retiree pays 50% of the Prudential Company of America premium. The retiree pays 100% of the Prudential Company of America premium for spousal coverage. The employer pays the remaining amount. Premiums vary by age.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2023 and 2022, the System reported a total OPEB liability of \$585.812 and \$454,181, respectively. The total OPEB liability was measured as of July 1, 2023 and 2022, respectively, and was determined by an actuarial valuation as of that date.

For the years ended December 31, 2023 and 2022, the System recognized OPEB benefit of \$32,722 and \$76,901, respectively. As of December 31, 2023 and 2022, the System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>2023</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 41,853	\$ 98,202
Changes in proportion	-	-
Difference in expected and actual experience	64,926	44,916
Difference in expected and actual payments	-	-
Employer contributions subsequent to the measurement date	5,391	-
Total	<u>\$ 112,170</u>	<u>\$ 143,118</u>
	<u>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 24,606	\$ 147,759
Changes in proportion	-	-
Difference in expected and actual experience	5,163	94,712
Difference in expected and actual payments	-	-
Employer contributions subsequent to the measurement date	3,573	-
Total	<u>\$ 33,342</u>	<u>\$ 242,471</u>

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

10. OTHER POST-EMPLOYMENT BENEFITS: (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: (Continued)

Deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date of \$5,391 will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (benefit) as follows:

<u>Year Ended</u> <u>December 31</u>	<u>Amount</u>
2024	\$ (16,713)
2025	(20,725)
2026	(17,564)
2027	18,663
	<u>\$ (36,339)</u>

Actuarial Methods and Assumptions:

The total OPEB liability in the July 1, 2023 and 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	July 1, 2023	July 1, 2022
Inflation	2.4%	2.4%
Salary Increases	Consistent with the pension valuation assumptions	Consistent with the pension valuation assumptions
Investment Rate of Return	4.13%, based on the S&P Municipal Bond 20-Year High Grade Rate Index	4.09%, based on the S&P Municipal Bond 20-Year High Grade Rate Index
Healthcare Cost Trend	7.00% - 4.50%	7.00% - 4.50%
Mortality Rates	For healthy lives the RP-2014 Combined Healthy Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2018. For existing disabled lives, the RP-2014 Disabled Retiree Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2018	For healthy lives the RP-2014 Combined Healthy Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2018. For existing disabled lives, the RP-2014 Disabled Retiree Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2018.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

10. OTHER POST-EMPLOYMENT BENEFITS: (Continued)

Actuarial Methods and Assumptions: (Continued)

The actuarial assumptions used in the July 1, 2023 and 2022 valuation were based on the results of actuarial experience studies performed for the Statewide Retirement Systems. As a result of the 2023 and 2022 actuarial experience studies, the assumptions were adjusted in the July 1, 2023 and 2022 actuarial valuation to more closely reflect actual experience.

Discount Rate:

The discount rate used to measure the total OPEB liability at December 31, 2023 and 2022 was 4.13% and 4.09%, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at contractually required rates. Based on this assumption and as the OPEB Plan is unfunded, the OPEB plan's fiduciary net position was not projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was determined using a discount rate that reflects the 20-year tax-exempt municipal bond yield or index rate.

The discount rate used to measure the total OPEB liability was increased to 4.13% in the July 1, 2023 valuation from 4.09% as of July 1, 2022.

Sensitivity of the System's OPEB Liability to Changes in the Discount Rate.

The following presents the System's total OPEB liability, as well as what the System's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate as of December 31, 2023 and 2022:

	1.0% Decrease (3.13%)	<u>2023</u> Discount Rate (4.13%)	1.0% Increase (5.13%)
System's total OPEB liability	\$ 672,007	\$ 585,812	\$ 514,877
	1.0% Decrease (3.09%)	<u>2022</u> Discount Rate (4.09%)	1.0% Increase (5.09%)
System's total OPEB liability	\$ 521,770	\$ 454,181	\$ 398,526

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

10. OTHER POST-EMPLOYMENT BENEFITS: (Continued)

Sensitivity of the System's OPEB Liability to Changes in the Healthcare Cost Trend Rates:

The following presents the System's total OPEB liability, as well as what the System's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates as of December 31, 2023 and 2022:

	<u>1.0%</u> <u>Decrease</u>	<u>2023</u> <u>Healthcare</u> <u>Cost Trend</u> <u>Rate</u>	<u>1.0%</u> <u>Increase</u>
System's total OPEB liability	\$ 513,922	\$ 585,812	\$ 674,005
	<u>1.0%</u> <u>Decrease</u>	<u>2022</u> <u>Healthcare</u> <u>Cost Trend</u> <u>Rate</u>	<u>1.0%</u> <u>Increase</u>
System's total OPEB liability	\$ 397,012	\$ 454,181	\$ 524,626

Payables to the OPEB Plan:

The System reported \$-0- for outstanding contributions to the OPEB plan required for each of the years ended December 31, 2023 and 2022.

11. DERIVATIVES:

The System reports derivatives in accordance with Governmental Accounting Standards Board (GASB) Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. GASB 53 requires investment derivatives to be recorded at fair value and requires certain disclosures.

The System invests in futures contracts to mitigate exposure to foreign currency risk and improve the overall risk / return profile of the System's investment portfolio. The System invests in currency futures to hedge against the impact foreign currency fluctuations may have on the dollar value of its investments. In addition, the System invests in currencies that it anticipates will appreciate 2.50% – 3.00% per year on average in a dollar value similar to the notional amount of the currencies hedged. The fair values of the foreign currency futures contracts were estimated based on the present value of their estimated future cash flows.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

11. DERIVATIVES: (Continued)

Futures contracts are standardized, exchange-traded contracts to purchase or sell a specific financial instrument at a predetermined price. Gains and losses on futures contracts are settled daily based on a notional (underlying) principal value and do not involve an actual transfer of the specific instrument. The exchange assumes the risk that the counterparty will not pay and generally requires margin payments to minimize such risk. Futures are used primarily as a tool to increase or decrease market exposure to various asset classes. At December 31, 2023 and 2022, the System has the following derivative instruments categorized as investment derivative instruments:

	<u>Changes in Fair Value</u>		<u>Fair Value</u>		<u>Notional Amount</u>
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	
2023:					
Investment derivatives:					
Foreign Currency	Net app.(depr)	\$ (5,864,711)	Investments payable	\$ (591,074)	\$ (246,755,072)
Futures					
Foreign Currency	Net app.(depr)	\$ (12,455,395)	Investments receivable	\$ 1,300,652	\$ (421,039,344)
Futures					
2022:					
Investment derivatives:					
Foreign Currency	Net app.(depr)	\$ (9,328,640)	Investments payable	\$ (2,752,853)	\$ (510,487,926)
Futures					
Foreign Currency	Net app.(depr)	\$ 2,473,009	Investments receivable	\$ 184,265	\$ (145,099,194)
Futures					

Credit Risk:

All futures contracts held by the System at December 31, 2023 and 2022 were exchange-traded, thereby minimizing counterparty credit risk through the use of a futures clearing merchant. The clearing merchant acts as an intermediary who contracts with the buyer and seller to facilitate trades. The National Securities Clearing Corporation (NSCC), a subsidiary of the Depository Trust Clearing Corporation (DTCC), oversees the responsibilities and laws governing the clearing merchants.

Foreign Currency Risk:

The System's futures contracts are denominated in U.S. dollars. Although denominated in U.S. dollars, the System's futures contracts are indirectly exposed to foreign currency risk, at December 31, 2023 and 2022, due to currency fluctuations in exchanges rates.

Interest Rate Risk:

The System is not exposed to interest rate risk on foreign currency futures.



REQUIRED SUPPLEMENTARY INFORMATION

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PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) - PLAN A  
 FOR THE TEN YEARS ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Pension Liability:					
Service cost	\$ 114,063,454	\$ 113,895,933	\$ 113,295,392	\$ 105,864,756	\$ 103,278,431
Interest	297,266,551	287,635,641	280,311,920	260,019,266	258,973,110
Changes of benefit terms	-	40,477,032	-	34,252,925	-
Differences between expected and actual experience	60,152,417	(34,966,590)	(32,358,618)	56,919,551	(39,482,931)
Changes of assumptions	(22,131,205)	-	-	49,131,750	-
Benefit payments	(246,657,509)	(237,601,587)	(229,559,984)	(214,886,274)	(199,534,313)
Refunds of member contributions	(13,634,283)	(14,426,798)	(14,043,544)	(10,631,201)	(12,208,207)
Other	(184,528)	(1,062,960)	1,689,076	2,493,151	673,568
Net change in total pension liability	<u>188,874,897</u>	<u>153,950,671</u>	<u>119,334,251</u>	<u>289,163,924</u>	<u>111,699,658</u>
Total pension liability - beginning	<u>4,658,944,882</u>	<u>4,504,994,211</u>	<u>4,385,659,960</u>	<u>4,096,496,036</u>	<u>3,984,796,378</u>
Total pension liability - ending (a)	<u>\$ 4,847,819,779</u>	<u>\$ 4,658,944,882</u>	<u>\$ 4,504,994,211</u>	<u>\$ 4,385,659,960</u>	<u>\$ 4,096,496,036</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 83,470,506	\$ 78,108,350	\$ 82,274,830	\$ 81,854,501	\$ 72,984,730
Contributions - member	65,285,791	61,063,549	60,596,263	60,430,089	57,209,760
Net investment income (loss)	582,321,522	(595,615,733)	507,357,899	543,135,978	625,015,609
Contributions - nonemployer contributing entities	9,895,101	9,318,063	8,272,216	8,407,288	8,092,294
Benefit payments	(246,657,509)	(237,601,587)	(229,559,984)	(214,886,274)	(199,534,313)
Refunds of member contributions	(13,634,283)	(14,426,798)	(14,043,544)	(10,631,201)	(12,208,207)
Administrative expenses	(2,014,861)	(1,754,688)	(1,550,486)	(1,590,764)	(1,495,334)
Other	(184,528)	(1,062,960)	1,689,076	2,493,151	673,568
Net change in plan fiduciary net position	<u>478,481,739</u>	<u>(701,971,804)</u>	<u>415,036,279</u>	<u>469,212,768</u>	<u>550,828,107</u>
Plan fiduciary net position - beginning	<u>4,274,065,818</u>	<u>4,976,037,622</u>	<u>4,561,001,343</u>	<u>4,091,788,575</u>	<u>3,540,960,468</u>
Plan fiduciary net position - ending (b)	<u>\$ 4,752,547,557</u>	<u>\$ 4,274,065,818</u>	<u>\$ 4,976,037,622</u>	<u>\$ 4,561,001,343</u>	<u>\$ 4,091,788,575</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ 95,272,222</u>	<u>\$ 384,879,064</u>	<u>\$ (471,043,411)</u>	<u>\$ (175,341,383)</u>	<u>\$ 4,707,461</u>
Plan fiduciary net position as a percentage of total pension liability	98.03%	91.74%	110.46%	104.00%	99.89%
Covered payroll	\$ 725,830,487	\$ 679,203,043	\$ 671,631,330	\$ 668,200,008	\$ 634,649,826
Net pension liability as a percentage of covered payroll	13.13%	56.67%	N/A	N/A	0.74%

(Continued)

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) - PLAN A  
 FOR THE TEN YEARS ENDED DECEMBER 31, 2023

(Continued)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability					
Service cost	\$ 103,162,285	\$ 96,851,197	\$ 93,628,785	\$ 92,179,543	\$ 89,258,252
Interest	253,635,577	246,511,960	237,294,449	232,727,540	221,836,067
Changes of benefit terms	-	26,860,777	-	-	20,487,101
Differences between expected and actual experience	(4,746,111)	(40,626,421)	(12,667,455)	(44,975,205)	(16,205,443)
Changes of assumptions	82,069,583	98,842,690	-	78,202,025	-
Benefit payments	(191,685,061)	(186,762,347)	(175,282,523)	(163,209,008)	(151,787,333)
Refunds of member contributions	(11,486,631)	(11,051,467)	(11,028,687)	(10,977,072)	(11,000,773)
Other	(948,890)	4,300,890	101,867	883,237	(222,109)
Net change in total pension liability	<u>230,000,752</u>	<u>234,927,294</u>	<u>132,046,436</u>	<u>184,831,060</u>	<u>152,365,762</u>
Total pension liability - beginning	<u>3,754,795,626</u>	<u>3,519,868,332</u>	<u>3,387,821,896</u>	<u>3,202,990,836</u>	<u>3,050,625,074</u>
Total pension liability - ending (a)	<u>\$ 3,984,796,378</u>	<u>\$ 3,754,795,626</u>	<u>\$ 3,519,868,332</u>	<u>\$ 3,387,821,896</u>	<u>\$ 3,202,990,836</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 69,015,634	\$ 77,029,442	\$ 77,431,442	\$ 84,459,009	\$ 90,704,837
Contributions - member	54,385,489	55,665,016	53,518,453	51,488,106	50,375,250
Net investment income (loss)	(213,305,699)	569,914,523	238,615,848	(18,772,102)	149,043,734
Contributions - nonemployer contributing entities	7,641,523	7,434,422	7,386,897	7,276,289	7,137,180
Benefit payments	(191,685,061)	(186,762,347)	(175,282,523)	(163,209,008)	(151,787,333)
Refunds of member contributions	(11,486,631)	(11,051,467)	(11,028,687)	(10,977,072)	(11,000,773)
Administrative expenses	(1,676,178)	(1,427,221)	(1,419,415)	(1,334,292)	(1,252,136)
Other	(948,890)	4,300,899	101,867	12,203	(1,089,446)
Net change in plan fiduciary net position	<u>(288,059,813)</u>	<u>515,103,267</u>	<u>189,323,882</u>	<u>(51,056,867)</u>	<u>152,131,313</u>
Plan fiduciary net position - beginning	<u>3,829,020,281</u>	<u>3,313,917,014</u>	<u>3,124,593,132</u>	<u>3,175,649,999</u>	<u>3,043,518,686</u>
Plan fiduciary net position - ending (b)	<u>\$ 3,540,960,468</u>	<u>\$ 3,829,020,281</u>	<u>\$ 3,313,917,014</u>	<u>\$ 3,124,593,132</u>	<u>\$ 3,175,649,999</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ 443,835,910</u>	<u>\$ (74,224,655)</u>	<u>\$ 205,951,318</u>	<u>\$ 263,228,764</u>	<u>\$ 27,340,837</u>
Plan fiduciary net position as a percentage of total pension liability	88.86%	101.98%	94.15%	92.23%	99.15%
Covered payroll	\$ 600,135,948	\$ 616,235,536	\$ 595,626,477	\$ 577,451,897	\$ 562,757,869
Net pension liability as a percentage of covered payroll	73.96%	N/A	34.58%	45.58%	4.86%

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) - PLAN B  
FOR THE TEN YEARS ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Pension Liability					
Service cost	\$ 11,973,438	\$ 11,876,996	\$ 11,712,615	\$ 11,056,703	\$ 10,519,268
Interest	26,738,181	25,373,290	24,600,213	23,167,008	22,000,199
Changes of benefit terms	-	3,005,685	-	2,496,450	-
Differences between expected and actual experience	4,328,021	(1,089,498)	(7,918,349)	1,980,949	285,479
Changes of assumptions	2,335,533	-	-	4,489,680	-
Benefit payments	(17,437,566)	(17,382,938)	(15,466,949)	(14,671,169)	(13,117,620)
Refunds of member contributions	(567,149)	(785,357)	(856,758)	(726,412)	(556,488)
Other	280,195	26,310	1,455,833	(1,467,384)	(289,548)
Net change in total pension liability	<u>27,650,653</u>	<u>21,024,488</u>	<u>13,526,605</u>	<u>26,325,825</u>	<u>18,841,290</u>
Total pension liability - beginning	<u>414,535,459</u>	<u>393,510,971</u>	<u>379,984,366</u>	<u>353,658,541</u>	<u>334,817,251</u>
Total pension liability - ending (a)	<u>\$ 442,186,112</u>	<u>\$ 414,535,459</u>	<u>\$ 393,510,971</u>	<u>\$ 379,984,366</u>	<u>\$ 353,658,541</u>
Plan Fiduciary Net Position:					
Contributions - employer	\$ 9,316,579	\$ 8,747,104	\$ 8,566,347	\$ 8,589,896	\$ 8,331,425
Contributions - member	3,628,722	3,472,402	3,392,465	3,300,858	3,180,013
Contributions - nonemployer contributing entities	1,761,007	1,593,729	1,467,409	1,515,833	1,394,483
Net investment income (loss)	53,822,356	(54,035,320)	45,442,074	48,501,333	54,407,447
Benefit payments	(17,437,566)	(17,382,938)	(15,466,949)	(14,671,169)	(13,117,620)
Refunds of member contributions	(567,149)	(785,357)	(856,758)	(726,412)	(556,488)
Administrative expenses	(347,671)	(301,427)	(265,342)	(279,166)	(257,297)
Other	280,195	26,310	1,455,833	(1,467,384)	(289,548)
Net change in plan fiduciary net position	<u>50,456,473</u>	<u>(58,665,497)</u>	<u>43,735,079</u>	<u>44,763,789</u>	<u>53,092,415</u>
Plan fiduciary net position - beginning	<u>390,726,543</u>	<u>449,392,040</u>	<u>405,656,961</u>	<u>360,893,172</u>	<u>307,800,757</u>
Plan fiduciary net position - ending (b)	<u>\$ 441,183,016</u>	<u>\$ 390,726,543</u>	<u>\$ 449,392,040</u>	<u>\$ 405,656,961</u>	<u>\$ 360,893,172</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ 1,003,096</u>	<u>\$ 23,808,916</u>	<u>\$ (55,881,069)</u>	<u>\$ (25,672,595)</u>	<u>\$ (7,234,631)</u>
Plan fiduciary net position as a percentage of total pension liability	99.77%	94.26%	114.20%	106.76%	102.05%
Covered payroll	\$ 124,221,053	\$ 116,628,053	\$ 114,217,960	\$ 114,531,947	\$ 111,085,667
Net pension liability as a percentage of covered payroll	0.81%	20.41%	N/A	N/A	N/A

(Continued)

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) - PLAN B  
 FOR THE TEN YEARS ENDED DECEMBER 31, 2023

(Continued)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability:					
Service cost	\$ 10,443,125	\$ 9,844,786	\$ 9,633,861	\$ 8,544,264	\$ 8,412,233
Interest	21,460,208	20,549,184	19,404,284	18,696,801	17,562,661
Changes of benefit terms	-	1,753,159	-	-	1,309,944
Differences between expected and actual experience	(2,945,913)	(6,450,008)	(2,340,186)	(2,179,740)	(3,451,795)
Changes of assumptions	4,117,485	8,837,618	-	3,098,805	-
Benefit payments	(11,972,193)	(10,958,480)	(10,155,817)	(8,914,800)	(7,542,480)
Refunds of member contributions	(681,290)	(588,797)	(543,481)	(601,666)	(663,027)
Other	1,350,992	1,310,623	(159,841)	484,797	555,593
Net change in total pension liability	<u>21,772,414</u>	<u>24,298,085</u>	<u>15,838,820</u>	<u>19,128,461</u>	<u>16,183,129</u>
Total pension liability - beginning	<u>313,044,837</u>	<u>288,746,752</u>	<u>272,907,932</u>	<u>253,779,471</u>	<u>237,596,342</u>
Total pension liability - ending (a)	<u>\$ 334,817,251</u>	<u>\$ 313,044,837</u>	<u>\$ 288,746,752</u>	<u>\$ 272,907,932</u>	<u>\$ 253,779,471</u>
Plan Fiduciary Net Position:					
Contributions - employer	\$ 7,846,175	\$ 8,096,586	\$ 7,943,831	\$ 8,676,229	\$ 8,390,840
Contributions - member	3,047,834	2,920,617	2,874,226	2,805,634	2,629,127
Contributions - nonemployer contributing entities	1,311,932	1,269,869	1,209,345	1,194,705	1,176,417
Net investment income (loss)	(18,484,521)	48,062,503	19,716,857	(1,801,444)	11,734,154
Benefit payments	(11,972,193)	(10,958,480)	(10,155,817)	(8,914,800)	(7,542,480)
Refunds of member contributions	(681,290)	(588,797)	(543,481)	(601,666)	(663,027)
Administrative expenses	(245,050)	(242,065)	(232,496)	(218,483)	(204,921)
Other	1,350,992	1,310,624	(159,841)	461,478	555,593
Net change in plan fiduciary net position	<u>(17,826,121)</u>	<u>49,870,857</u>	<u>20,652,624</u>	<u>1,601,653</u>	<u>16,075,703</u>
Plan fiduciary net position - beginning	<u>325,626,878</u>	<u>275,756,021</u>	<u>255,103,397</u>	<u>253,501,744</u>	<u>237,426,041</u>
Plan fiduciary net position - ending (b)	<u>\$ 307,800,757</u>	<u>\$ 325,626,878</u>	<u>\$ 275,756,021</u>	<u>\$ 255,103,397</u>	<u>\$ 253,501,744</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ 27,016,494</u>	<u>\$ (12,582,041)</u>	<u>\$ 12,990,731</u>	<u>\$ 17,804,535</u>	<u>\$ 277,227</u>
Plan fiduciary net position as a percentage of total pension liability	91.93% <sup>a</sup>	104.02% <sup>a</sup>	95.50% <sup>a</sup>	93.48% <sup>a</sup>	99.89% <sup>a</sup>
Covered payroll	\$ 104,615,667	\$ 101,207,325	\$ 99,297,888	\$ 96,402,089	\$ 90,711,784
Net pension liability as a percentage of covered payroll	25.82% <sup>a</sup>	N.A.	13.08% <sup>a</sup>	18.47% <sup>a</sup>	0.31% <sup>a</sup>

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY (ASSET) - PLAN A  
FOR THE TEN YEARS ENDED DECEMBER 31, 2023

	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of Total Pension Liability	Covered Payroll	Employers' Net Pension Liability as a Percentage of Covered Payroll
2014	\$ 3,202,990,836	\$ 3,175,649,999	\$ 27,340,837	99.15%	\$ 562,757,869	4.86%
2015	\$ 3,387,821,896	\$ 3,124,593,132	\$ 263,228,764	92.23%	\$ 577,451,897	45.58%
2016	\$ 3,519,868,332	\$ 3,313,917,014	\$ 205,951,318	94.15%	\$ 595,626,477	34.58%
2017	\$ 3,754,795,626	\$ 3,829,020,281	\$ (74,224,655)	101.98%	\$ 616,235,536	N/A
2018	\$ 3,984,796,378	\$ 3,540,960,468	\$ 443,835,910	88.86%	\$ 600,135,948	73.96%
2019	\$ 4,096,496,036	\$ 4,091,788,575	\$ 4,707,461	99.89%	\$ 634,649,826	0.74%
2020	\$ 4,385,659,960	\$ 4,561,001,343	\$ (175,341,383)	104.00%	\$ 668,200,008	N/A
2021	\$ 4,504,994,211	\$ 4,976,037,622	\$ (471,043,411)	110.46%	\$ 671,631,339	N/A
2022	\$ 4,658,944,882	\$ 4,274,065,818	\$ 384,879,064	91.74%	\$ 679,203,043	56.67%
2023	\$ 4,847,819,779	\$ 4,752,547,557	\$ 95,272,222	98.03%	\$ 725,830,487	13.13%

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY (ASSET) - PLAN B  
FOR THE TEN YEARS ENDED DECEMBER 31, 2023

	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of Total Pension Liability	Covered Payroll	Employers' Net Pension Liability as a Percentage of Covered Payroll
2014	\$ 253,779,471	\$ 253,501,744	\$ 277,727	99.89%	\$ 90,711,784	0.31%
2015	\$ 272,907,932	\$ 255,103,397	\$ 17,804,535	93.48%	\$ 96,402,089	18.47%
2016	\$ 288,746,752	\$ 275,756,021	\$ 12,990,731	95.50%	\$ 99,297,888	13.08%
2017	\$ 313,044,837	\$ 325,626,878	\$ (12,582,041)	104.02%	\$ 101,207,325	N/A
2018	\$ 334,817,251	\$ 307,800,757	\$ 27,016,494	91.93%	\$ 104,615,667	25.82%
2019	\$ 353,658,541	\$ 360,893,172	\$ (7,234,631)	102.05%	\$ 111,085,667	N/A
2020	\$ 379,984,366	\$ 405,656,961	\$ (25,672,595)	106.76%	\$ 114,531,947	N/A
2021	\$ 393,510,971	\$ 449,392,040	\$ (55,881,069)	114.20%	\$ 114,217,960	N/A
2022	\$ 414,535,459	\$ 390,726,543	\$ 23,808,916	94.26%	\$ 116,628,053	20.41%
2023	\$ 442,186,112	\$ 441,183,016	\$ 1,003,096	99.77%	\$ 124,221,053	0.81%



PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CONTRIBUTIONS  
 EMPLOYER AND NON-EMPLOYER CONTRIBUTING ENTITIES - PLAN A  
FOR THE TEN YEARS ENDED DECEMBER 31, 2023

<u>Date</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution *</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2014	\$94,496,545	\$ 97,842,017	\$ (3,345,472)	\$ 562,757,869	17.39%
2015	\$82,513,991	\$ 91,735,298	\$ (9,221,307)	\$ 577,451,897	15.89%
2016	\$70,025,994	\$ 84,818,339	\$ (14,792,345)	\$ 595,626,477	14.24%
2017	\$72,215,108	\$ 84,463,864	\$ (12,248,756)	\$ 616,235,536	13.71%
2018	\$63,069,363	\$ 76,657,157	\$ (13,587,794)	\$ 600,135,948	12.77%
2019	\$71,254,127	\$ 81,077,024	\$ (9,822,897)	\$ 634,649,826	12.78%
2020	\$90,257,666	\$ 90,261,789	\$ (4,123)	\$ 668,200,008	13.51%
2021	\$82,755,906	\$ 90,547,055	\$ (7,791,149)	\$ 671,631,339	13.48%
2022	\$79,768,930	\$ 87,426,413	\$ (7,657,483)	\$ 679,203,043	12.87%
2023	\$60,689,282	\$ 93,365,607	\$ (32,676,325)	\$ 725,830,487	12.86%

\* Includes contributions from employer and nonemployer contributing entities as well as funds allocated to the Funding Deposit Account. Does not include funds withdrawn from the Funding Deposit Account.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CONTRIBUTIONS  
 EMPLOYER AND NON-EMPLOYER CONTRIBUTING ENTITIES - PLAN B  
FOR THE TEN YEARS ENDED DECEMBER 31, 2023

<u>Date</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution *</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2014	\$ 9,507,318	\$ 9,567,257	\$ (59,939)	\$ 90,711,784	10.55%
2015	\$ 9,469,961	\$ 9,870,934	\$ (400,973)	\$ 96,402,089	10.24%
2016	\$ 8,421,102	\$ 9,153,176	\$ (732,074)	\$ 99,297,888	9.22%
2017	\$ 8,602,151	\$ 9,366,455	\$ (764,304)	\$ 101,207,325	9.25%
2018	\$ 8,348,365	\$ 9,158,107	\$ (809,742)	\$ 104,615,667	8.75%
2019	\$ 9,115,505	\$ 9,725,908	\$ (610,403)	\$ 111,085,667	8.76%
2020	\$10,067,512	\$ 10,105,729	\$ (38,217)	\$ 114,531,947	8.82%
2021	\$10,087,266	\$ 10,033,756	\$ 53,510	\$ 114,217,960	8.78%
2022	\$ 9,614,669	\$ 10,340,833	\$ (726,164)	\$ 116,628,053	8.87%
2023	\$ 7,917,754	\$ 11,077,586	\$ (3,159,832)	\$ 124,221,053	8.92%

\* Includes contributions from employer and nonemployer contributing entities as well as funds allocated to the Funding Deposit Account. Does not include funds withdrawn from the Funding Deposit Account.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF INVESTMENT RETURNS  
FOR THE TEN YEARS ENDED DECEMBER 31, 2023

<u>Fiscal Year End</u>	<u>Annual Money-Weighted Rate of Return*</u>	
	<u>Plan A</u>	<u>Plan B</u>
2014	3.81%	9.00%
2015	-2.72%	2.01%
2016	4.67%	8.84%
2017	13.86%	18.02%
2018	-5.63%	-5.58%
2019	17.91%	17.86%
2020	13.47%	13.66%
2021	11.28%	11.53%
2022	-11.92%	-11.92%
2023	13.58%	13.58%

\* Annual money-weighted rates of return are presented net of investment expense.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY  
FOR THE SIX YEARS ENDED DECEMBER 31, 2023

Fiscal Year*	System's Beginning Total OPEB Liability	Service Cost	Interest	Differences between Expected and Actual Expense	Changes in Assumptions	Changes in Proportion	Differences between Expected and Actual Payments	Contributions	System's Ending Total OPEB Liability
2018	\$ 835,880	\$ 27,370	\$ 26,800	\$ (8,672)	\$ (20,324)	\$ 5,542	\$ (17,142)	\$ (8,163)	\$ 841,291
2019	841,291	25,744	25,657	(202,536)	(86,896)	-	-	(12,211)	591,049
2020	591,049	17,196	16,717	12,624	866	-	-	(18,286)	620,166
2021	620,166	17,401	16,721	735	41,623	-	-	(18,035)	678,611
2022	678,611	20,435	15,081	(76,997)	(168,347)	-	-	(14,602)	454,181
2023	454,181	12,813	18,857	79,005	32,966	-	-	(12,010)	585,812

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

\* The amounts presented for each fiscal year were determined as of July 1 of corresponding fiscal year.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE SYSTEM'S OPEB CONTRIBUTIONS  
FOR THE SIX YEARS ENDED DECEMBER 31, 2023

<u>Fiscal Year*</u>	<u>Actuarially Estimated Contributions</u>	<u>System's Actual Contributions</u>	<u>Contributions Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>	<u>Total OPEB Liability as a Percentage of Covered Payroll</u>
2018	\$ 8,163	\$ 12,096	\$ (3,933)	\$ 311,604	3.88%	269.99%
2019	11,016	12,211	(1,195)	680,389	1.79%	86.87%
2020	18,286	25,825	(7,539)	813,406	3.17%	76.24%
2021	18,035	25,310	(7,275)	852,271	2.97%	79.62%
2022	14,602	15,628	(1,026)	963,212	1.62%	47.15%
2023	12,010	12,010	-	1,194,046	1.01%	49.06%

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

\* The amounts presented for each fiscal year were determined as of July 1 of corresponding fiscal year.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2023 AND 2022

1. SCHEDULE OF CHANGES IN NET PENSION LIABILITY:

The total pension liability contained in this schedule was provided by the System's actuary, Curran Actuarial Consulting, Ltd. The net pension liability is measured as the total pension liability less the amount of the fiduciary net position of the System.

2. SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY:

The schedule of employers' net pension liability shows the percentage of the System's employers' net pension liability as a percentage of covered payroll. The employers' net pension liability is the liability of contributing employers to members for benefits provided through the System. Covered payroll is the payroll on which contributions to the system are based.

3. SCHEDULE OF CONTRIBUTIONS – EMPLOYERS AND NON-EMPLOYER CONTRIBUTING ENTITIES:

The difference between the actuarially determined employer contributions for employers and non-employer contributing entities and the contributions received and the percentage of contributions received to covered payroll is presented in this schedule. Ad valorem taxes and revenue sharing funds received from the State of Louisiana are considered to be support from non-employer contributing entities.

4. SCHEDULE OF INVESTMENT RETURNS:

The annual money-weighted rate of return is shown in this schedule. The money-weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. This expresses investment performance adjusted for the changing amounts actually invested throughout the year, measured using monthly inputs with expenses measured on an accrual basis.

5. ACTUARIAL ASSUMPTIONS – NET PENSION LIABILITY:

The information presented in the required supplementary schedules was used in the actuarial valuation for purposes of determining the actuarially determined contribution rate. The assumptions and methods used for the actuarial valuation were recommended by the actuary and adopted by the Board. Additional information on the assumptions and methods used as of the latest actuarial valuation are disclosed in the notes to the financial statements footnote 4. Net Pension Liability (Asset) of Employers.

6. SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY:

This schedule reflects the participation of the System's employees in the State of Louisiana Postemployment Benefits Plan and changes in the total other postemployment liability.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of the Governmental Accounting Standards Board Statement No. 75 to pay related benefits.

**PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2023 AND 2022**

**7. SCHEDULE OF OPEB CONTRIBUTIONS:**

The difference between actuarially determined employer OPEB contributions and actual employer OPEB contributions received, and the percentage of employer OPEB contributions received to covered payroll, is presented in this schedule. The amounts presented in the schedule were determined as July 1 of the corresponding fiscal year.

**8. CHANGES IN ACTUARIAL ASSUMPTIONS:**

**Pension Plan:**

The following is a detailed description of the changes in actuarial assumptions for both Plan A and B:

Valuation Date	Investment Rate of Return	Expected Remaining Services Lives	Inflation Rate	Mortality Rate - Annuitant and Beneficiary	Mortality Rate - Employees	Mortality Rate - Disabled Annuitants	Salary Increases
December 31 2023	6.40%	4 years	2.30%	Pub-2010 Public Ret Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP2021 scale	Pub-2010 Public Ret Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2021 scale	Pub-2010 Public Ret Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2021 scale	4.75% for Plan A, and 4.25% for Plan B
December 31 2022	6.40%	4 years	2.30%	Pub-2010 Public Ret Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP2018 scale	Pub-2010 Public Ret Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale	Pub-2010 Public Ret Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale	4.75% for Plan A, and 4.25% for Plan B
December 31 2021	6.40%	4 years	2.30%	Pub-2010 Public Ret Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP2018 scale	Pub-2010 Public Ret Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale	Pub-2010 Public Ret Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale	4.75% for Plan A, and 4.25% for Plan B
December 31 2020	6.40%	4 years	2.30%	Pub-2010 Public Ret Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP2018 scale	Pub-2010 Public Ret Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale	Pub-2010 Public Ret Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale	4.75% for Plan A, and 4.25% for Plan B
December 31, 2019	6.50%	4 years	2.40%	Pub-2010 Public Ret Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP2018 scale	Pub-2010 Public Ret Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale	Pub-2010 Public Ret Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale	4.75% for Plan A, and 4.25% for Plan B
December 31, 2018	6.50%	4 years	2.40%	Pub-2010 Public Ret Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP2018 scale	Pub-2010 Public Ret Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale	Pub-2010 Public Ret Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale	4.75% for Plan A, and 4.25% for Plan B
December 31 2017	6.75%	4 years	2.50%	RP-2000 Healthy Annuitant Sex Distinct Tables projected to 2031 using Scale AA set back 1 year for females	RP-2000 Employee table set back 4 years for males and 3 years for females	RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females	5.25%
December 31 2016	7.00%	4 years	2.50%	RP-2000 Healthy Annuitant Sex Distinct Tables projected to 2031 using Scale AA set back 1 year for females	RP-2000 Employee table set back 4 years for males and 3 years for females	RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females	5.25%
December 31, 2015	7.00%	4 years	2.50%	RP-2000 Healthy Annuitant Sex Distinct Tables projected to 2031 using Scale AA set back 1 year for females	RP-2000 Employee table set back 4 years for males and 3 years for females	RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females	5.25%
December 31, 2014	7.25%	4 years	2.00%	RP-2000 Healthy Annuitant Mortality Table set back 1 year for males and females	RP-2000 Employee Mortality table set back 1 year for males and females	RP-2000 Disabled Lives Mortality table	5.75%

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2023 AND 2022

8. CHANGES IN ACTUARIAL ASSUMPTIONS: (Continued)

OPEB Plan:

The discount rate changed from 4.09% as of July 1, 2022 to 4.13% as of July 1, 2023 for the State of Louisiana Postemployment Benefit Plan.

Other changes in assumptions as of July 1, 2023 were as follows:

- Life insurance premium rates were updated, resulting in a decrease in the plan's liability.
- Vantage Medical Home HMO and Vantage MA HMO plans will no longer be offered after December 31, 2023.
- Baseline per capita costs (PCCs) and medical plan election percentages were updated to reflect 2023 claims and enrollment. Plan claims and premiums increased less than had been expected, which decreased the Plan's liability.
- Three of the associated pension systems, Teachers' Retirement System Louisiana (TRSL), Louisiana School Employees' Retirement System (LSERS), and Louisiana State Police Retirement System (LSPRS) adopted new assumptions as of July 1, 2023 valuation based on updated experience rates for the TRSL, LSERS, and LSPRS groups were updated to be consistent with the pension valuation assumptions.
- The baseline trend was updated to more accurately reflect the current medical cost environment. Pre Medicare trend has been revised to 7.0% for the first two years trending down 25 basis points per year to an ultimate rate of 4.5%. Medicare trend has been revised to 6.5% for the first two years trending down 25 basis points per year to an ultimate rate of 4.5%.
- The Medical trend was further adjusted to reflect the impact of certain provisions of the Inflation Reduction Act ("IRA").

The discount rate changed from 2.18% as of July 1, 2021 to 4.09% as of July 1, 2022 for the State of Louisiana Postemployment Benefit Plan.

Other changes in assumptions as of July 1, 2022 were as follows:

- Baseline per capita costs (PCCs) and medical plan election percentages were updated to reflect 2022 claims and enrollment. Plan claims and premiums increased less than had been expected, which decreased the Plan's liability.
- The termination rate for LASERS Wildlife participants was updated to be consistent with the rates used in the LASERS pension valuation. This resulted in an increase in the Plan's liability.



PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2023 AND 2022

8. CHANGES IN ACTUARIAL ASSUMPTIONS: (Continued)

OPEB Plan: (Continued)

- The mortality rates for LASERS Public Safety participants were updated to be consistent with the rates used in the LASERS pension valuation. This resulted in an increase in the Plan's liability.

The discount rate changed from 2.66% as of July 1, 2020 to 2.18% as of July 1, 2021 for the State of Louisiana Postemployment Benefit Plan.

Other changes in assumptions as of July 1, 2021 were as follows:

- Baseline per capita costs (PCCs) were updated to reflect 2020 claims and enrollment. OPEB Plan claims and premiums increased less than had been expected, which decreased the OPEB Plan's liability. In addition, the estimate of future EGWP savings was increased, based on an analysis of recent EGWP experience. This further reduced the OPEB Plan's liability.
- Medical plan election percentages have been updated since the previous valuation. This change contributed towards the decrease in the OPEB Plan's liability associated with updating baseline per capita costs (PCCs) and premiums.
- The healthcare cost trend assumption has been revised since the previous valuation. This change increased the OPEB Plan's liability.

The discount rate changed from 2.79% as of July 1, 2019 to 2.66% as of July 1, 2020 for the State of Louisiana Postemployment Benefit Plan.

Other changes in assumptions as of July 1, 2020 were as follows:

- Baseline per capita costs (PCCs) were updated to reflect 2020 claims and enrollment for the prescription drug costs and retiree contributions were updated based on 2021 premiums. 2020 medical claims and enrollment experience were reviewed but not included in the projection of expected 2021 plan costs. Due to the COVID-19 pandemic, this experience is not believed to be reflective of what can be expected in future years. OPEB Plan claims and premiums increased less than had been expected, which decreased the OPEB Plan's liability. In addition, the estimate of future EGWP savings was increased, based on an analysis of recent EGWP experience. This further reduced the OPEB Plan's liability.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2023 AND 2022

8. CHANGES IN ACTUARIAL ASSUMPTIONS: (Continued)

OPEB Plan: (Continued)

- The Louisiana State Employee Retirement System (LASERS) and the Teachers' Retirement System of Louisiana (TRSL) have adopted new salary scale assumptions for the June 30, 2020 valuation. The economic assumptions were updated to reflect the updated salary scale assumptions. This slightly increased the OPEB Plan's liability. The Louisiana State Police Retirement System (LSPRS) and the Louisiana School Employees' Retirement System (LSERS) salary scale assumptions have not changed since the prior year.
- Several demographic assumptions have been updated based on a review of OPEB experience from July 1, 2017 through June 30, 2020:
  - Medical participation rates have been decreased since the previous valuation. This change decreased the OPEB Plan's liability.
  - The life participation rate has been decreased from 52% to 36% since the previous valuation, which decreased the OPEB Plan's liability.
  - The age difference between future retirees and their spouses has been updated since the previous valuation. This change increased the OPEB Plan's liability.
  - The assumed percent of participants assumed to be Medicare-eligible upon reaching age 65 has been updated since the previous valuation. This change increased the OPEB Plan's liability.
  - Medical plan election percentages have been updated since the previous valuation. This change contributed towards the decrease in the OPEB Plan's liability associated with updating baseline per capita costs (PCCs) and premiums.

The discount rate changed from 2.98% as of July 1, 2018 to 2.79% as of July 1, 2019 for the State of Louisiana Postemployment Benefit Plan.

Other changes in assumptions as of July 1, 2019 were as follows:

- Baseline per capita cost (PCCs) were updated to reflect 2019 claims and enrollments and retiree contributions were updated based on 2020 premiums. OPEB Plan claims and premiums increased less than had been expected, which decreased the OPEB Plan's liability. In addition, the estimate of future EGWP savings was increased, based on an analysis of recent EGWP experience. This further reduced the OPEB Plan's liability.
- Life insurance contributions were updated based on updated schedules for 2020 monthly premiums rates, which reduced the OPEB Plan's liability.
- The impact of the High Cost Excise Tax was removed. The High Cost Excise Tax was repealed in December 2019. This reduced the OPEB Plan's liability.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2023 AND 2022

8. CHANGES IN ACTUARIAL ASSUMPTIONS: (Continued)

OPEB Plan: (Continued)

- The Louisiana State Employee Retirement System (LASERS) has performed a recent experience study and adopted new assumptions for the June 30, 2019 valuation, based on these studies. The demographic assumptions were updated to reflect the revised assumptions. This reduced the OPEB Plan's liability. The Louisiana State Police Retirement System (LSPRS), the Louisiana School Employees' Retirement System (LSERS), and the Teachers' Retirement System of Louisiana (TRSL) demographic assumptions have not changed since the prior year.

The discount rate changed from 3.13% as of July 1, 2017 to 2.98% as of July 1, 2018 for the State of Louisiana Postemployment Benefit Plan.

Other changes in assumptions as of July 1, 2018 were as follows:

- Baseline per capital costs were updated to reflect 2018 claims and enrollment and retiree contributions were updated based on 2019 premiums. The impact of the High Cost Excise Tax was revisited, reflecting updated plan premiums.
- The mortality assumptions for the Louisiana State Employees' Retirement System were updated from RP-2014 Healthy Annuitant and Employee tables for males and females with generational projections using projection scale MP-2017 to the RP-2014 Healthy Annuitant and Employee tables for males and females using projection scale MP-2018.
- The percentage of future retirees assumed to elect medical coverage was modified based on recent plan experience.

9. CHANGES IN BENEFIT TERMS:

Pension Plan:

During the year ended December 31, 2022, the Fund granted a 2.5% Cost of Living Adjustment (COLA) to retirees aged 62 and older, effective January 1, 2023. The actuarial cost of the COLA was included as a change of benefit terms in the Schedule of Changes in Net Pension Liability for the year ended December 31, 2022.

During the year ended December 31, 2020, the Fund granted a 2.5% Cost of Living Adjustment (COLA) to retirees aged 62 and older, effective January 1, 2021. The actuarial cost of the COLA was included as a change of benefit terms in the Schedule of Changes in Net Pension Liability for the year ended December 31, 2020.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2023 AND 2022

9. CHANGES IN BENEFIT TERMS: (Continued)

Pension Plan: (continued)

During the year ended December 31, 2017, the Fund granted a 2.5% Cost of Living Adjustment (COLA) to retirees aged 62 and older, effective January 1, 2018. The actuarial cost of the COLA was included as a change of benefit terms in the Schedule of Changes in Net Pension Liability for the year ended December 31, 2017.

During the year ended December 31, 2014, the Fund granted a 2.5% Cost of Living Adjustment (COLA) to retirees aged 62 and older, effective January 1, 2015. The actuarial cost of the COLA was included as a change of benefit terms in the Schedule of Changes in Net Pension Liability for the year ended December 31, 2014.

OPEB Plan:

There were no changes of benefit terms for the OPEB Plan during any of the years presented.

OTHER SUPPLEMENTARY INFORMATION

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
SUPPLEMENTARY INFORMATION  
INDIVIDUAL PLANS' STATEMENTS OF FIDUCIARY NET POSITION  
DECEMBER 31, 2023 AND 2022

	<u>PLAN "A"</u>		<u>PLAN "B"</u>		<u>TOTAL</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
CURRENT ASSETS:						
Cash	\$ 106,938,884	\$ 105,259,108	\$ 49,250,220	\$ 42,267,024	\$ 156,189,104	\$ 147,526,132
Contribution receivables	26,257,193	25,429,738	1,959,580	2,067,198	28,216,773	27,496,936
Irregular contribution receivables	-	377,896	-	-	-	377,896
Accrued interest and dividends on investments	902,831	2,168,071	76,757	183,609	979,588	2,351,680
Investment receivables	3,403,708	248,592	294,957	21,493	3,698,665	270,085
Ad valorem and state revenue sharing receivable	9,809,297	8,612,610	1,694,511	1,478,321	11,503,808	10,090,931
Due (to) from other funds	7,216,636	2,278,784	(7,216,636)	(2,278,784)	-	-
Other current assets	13	13	18,010	17,036	18,023	17,049
<b>TOTAL CURRENT ASSETS</b>	<u>154,528,562</u>	<u>144,374,812</u>	<u>46,077,399</u>	<u>43,755,897</u>	<u>200,605,961</u>	<u>188,130,709</u>
 CAPITAL ASSETS (NET OF DEPRECIATION)	<u>495,935</u>	<u>506,965</u>	<u>74,514</u>	<u>76,033</u>	<u>570,449</u>	<u>582,998</u>
 INVESTMENTS:						
Short-term	32,143,229	35,152,680	2,728,011	2,948,181	34,871,240	38,100,861
Equities	2,411,009,564	2,048,071,880	204,619,738	169,747,518	2,615,719,302	2,217,819,398
Fixed income	1,408,230,933	1,311,651,783	120,453,629	109,663,991	1,528,684,562	1,421,315,774
Alternative investments	773,431,555	762,514,345	69,201,216	66,526,922	842,632,771	829,041,267
<b>TOTAL INVESTMENTS</b>	<u>4,624,905,281</u>	<u>4,157,390,688</u>	<u>397,002,594</u>	<u>348,886,612</u>	<u>5,021,907,875</u>	<u>4,506,277,300</u>
 <b>TOTAL ASSETS</b>	<u>4,779,929,778</u>	<u>4,302,272,465</u>	<u>443,154,507</u>	<u>392,718,542</u>	<u>5,223,084,285</u>	<u>4,694,991,007</u>
 DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows of resources related to OPEB	<u>112,170</u>	<u>33,342</u>	<u>-</u>	<u>-</u>	<u>112,170</u>	<u>33,342</u>
 LIABILITIES						
Accounts payable	2,994,791	2,439,399	243,162	203,410	3,237,953	2,642,809
Benefits payable	20,395,170	20,411,514	1,488,809	1,453,665	21,883,979	21,865,179
Refunds payable	1,443,514	2,037,472	69,257	97,988	1,512,771	2,135,460
Investment payable	1,931,986	2,654,952	170,263	236,936	2,102,249	2,891,888
OPEB payable	585,812	454,181	-	-	585,812	454,181
<b>TOTAL LIABILITIES</b>	<u>27,351,273</u>	<u>27,997,518</u>	<u>1,971,491</u>	<u>1,991,999</u>	<u>29,322,764</u>	<u>29,989,517</u>
 DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources related to OPEB	<u>143,118</u>	<u>242,471</u>	<u>-</u>	<u>-</u>	<u>143,118</u>	<u>242,471</u>
 NET POSITION - RESTRICTED FOR PENSION BENEFITS	<u>\$ 4,752,547,557</u>	<u>\$ 4,274,065,818</u>	<u>\$ 441,183,016</u>	<u>\$ 390,726,543</u>	<u>\$ 5,193,730,573</u>	<u>\$ 4,664,792,361</u>

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
SUPPLEMENTARY INFORMATION  
INDIVIDUAL PLANS' STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	PLAN "A"		PLAN "B"		TOTAL	
	2023	2022	2023	2022	2023	2022
<b>ADDITIONS:</b>						
Contributions						
Member contributions	\$ 65,510,965	\$ 61,312,267	\$ 3,630,680	\$ 3,472,402	\$ 69,141,645	\$ 64,784,669
Employer contributions	83,470,506	78,108,350	9,316,579	8,747,104	92,787,085	86,855,454
Ad valorem taxes and revenue sharing funds	9,895,101	9,318,063	1,761,007	1,593,729	11,656,108	10,911,792
Total contributions	<u>158,876,572</u>	<u>148,738,680</u>	<u>14,708,266</u>	<u>13,813,235</u>	<u>173,554,838</u>	<u>162,551,915</u>
Investment income (expense):						
Net appreciation (depreciation) in the fair value of investments	477,287,754	(678,576,114)	44,144,410	(61,554,724)	521,432,164	(740,130,838)
Dividends, interest, and other recurring income	134,889,349	110,719,873	12,479,631	10,092,758	147,368,980	120,812,631
Miscellaneous investment income	604,995	1,997,155	58,263	179,830	663,258	2,176,985
	<u>612,782,098</u>	<u>(565,559,086)</u>	<u>56,682,304</u>	<u>(51,282,136)</u>	<u>669,464,402</u>	<u>(617,141,222)</u>
Less: Investment expense:						
Custodial fees	256,224	261,403	44,262	44,869	300,486	306,272
Money manager fees	20,588,189	21,509,872	1,907,609	1,958,956	22,495,798	23,468,828
Other investment expenses	9,366,739	7,735,715	864,990	706,506	10,231,729	8,442,221
Investment consultant	249,424	249,657	43,087	42,853	292,511	292,510
	<u>30,460,576</u>	<u>29,756,647</u>	<u>2,859,948</u>	<u>2,753,184</u>	<u>33,320,524</u>	<u>32,509,831</u>
Net investment income (loss)	<u>582,321,522</u>	<u>(595,615,733)</u>	<u>53,822,356</u>	<u>(54,035,320)</u>	<u>636,143,878</u>	<u>(649,651,053)</u>
Other additions:						
Interest - transfers, refund payback	1,144,741	1,232,639	90,284	121,664	1,235,025	1,354,303
Transfers in from other systems	3,587,372	2,481,737	397,489	257,799	3,984,861	2,739,536
Miscellaneous income	21,822	7,840	6,632	4,023	28,454	11,863
OPEB benefit	27,902	65,635	4,820	11,266	32,722	76,901
Total other additions	<u>4,781,837</u>	<u>3,787,851</u>	<u>499,225</u>	<u>394,752</u>	<u>5,281,062</u>	<u>4,182,603</u>
Total	<u>745,979,931</u>	<u>(443,089,202)</u>	<u>69,029,847</u>	<u>(39,827,333)</u>	<u>815,009,778</u>	<u>(482,916,535)</u>
<b>DEDUCTIONS</b>						
Retirement disability and survivor annuity benefits	229,777,248	217,109,755	16,655,535	15,382,411	246,432,783	232,492,166
DROP benefits	16,880,261	20,491,832	782,031	2,000,527	17,662,292	22,492,359
Transfers to/from plans	(72,345)	(14,666)	72,345	14,666	-	-
Refund of contributions	13,634,283	14,426,798	567,149	785,357	14,201,432	15,212,155
Transfers to other systems	5,235,982	5,048,560	143,823	342,510	5,379,805	5,391,070
Administrative expenses	2,025,710	1,803,182	349,931	310,122	2,375,641	2,113,304
Depreciation expense	17,053	17,141	2,560	2,571	19,613	19,712
Total deductions	<u>267,498,192</u>	<u>258,882,602</u>	<u>18,573,374</u>	<u>18,838,164</u>	<u>286,071,566</u>	<u>277,720,766</u>
NET INCREASE (DECREASE)	478,481,739	(701,971,804)	50,456,473	(58,665,497)	528,938,212	(760,637,301)
<b>NET POSITION - RESTRICTED FOR PENSION BENEFITS:</b>						
Beginning of year	4,274,065,818	4,976,037,622	390,726,543	449,392,040	4,664,792,361	5,425,429,662
END OF YEAR	<u>\$ 4,752,547,557</u>	<u>\$ 4,274,065,818</u>	<u>\$ 441,183,016</u>	<u>\$ 390,726,543</u>	<u>\$ 5,193,730,573</u>	<u>\$ 4,664,792,361</u>

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF ADMINISTRATIVE AND INVESTMENT EXPENSES  
BUDGET TO ACTUAL  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	<u>Budget</u>	<u>Actual</u>	<u>Variance (over) under</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance (over) under</u>
<u>ADMINISTRATIVE EXPENSES:</u>						
<u>SALARIES AND RELATED EXPENSES:</u>						
Salaries	\$ 1,300,000	\$ 1,291,063	\$ 8,937	\$ 1,115,000	\$ 1,109,087	\$ 5,913
Retirement	150,000	84,403	65,597	130,000	173,632	(43,632)
Group hospitalization and dental	110,000	96,281	13,719	97,000	74,143	22,857
Medicare and payroll taxes	21,000	20,268	732	17,000	16,615	385
Total salaries and related expenses	<u>1,581,000</u>	<u>1,492,015</u>	<u>88,985</u>	<u>1,359,000</u>	<u>1,373,477</u>	<u>(14,477)</u>
<u>PROFESSIONAL SERVICES:</u>						
Actuarial consultant	252,000	218,550	33,450	236,000	238,090	(2,090)
Accounting	150,000	140,596	9,404	150,000	120,646	29,354
Legal counsel	80,000	28,898	51,102	60,000	33,741	26,259
Computer programming	160,000	153,294	6,706	40,000	23,408	16,592
Medical board	15,000	10,150	4,850	20,000	10,600	9,400
Investigation	25,000	21,830	3,170	24,000	22,938	1,062
Total professional services	<u>682,000</u>	<u>573,318</u>	<u>108,682</u>	<u>530,000</u>	<u>449,423</u>	<u>80,577</u>
<u>COMMUNICATIONS:</u>						
Printing	23,000	22,558	442	21,000	21,099	(99)
Telephone	24,000	19,356	4,644	24,000	18,682	5,318
Postage	30,000	25,685	4,315	45,000	29,675	15,325
Travel	22,000	18,659	3,341	20,000	17,714	2,286
Website	7,000	4,756	2,244	2,000	2,805	(805)
Per diem	1,000	750	250	1,250	975	275
Total communications	<u>107,000</u>	<u>91,764</u>	<u>15,236</u>	<u>113,250</u>	<u>90,950</u>	<u>22,300</u>
<u>GENERAL OFFICE:</u>						
Building maintenance	18,000	15,051	2,949	10,000	6,266	3,734
Rent	2,600	2,210	390	2,600	2,740	(140)
Supplies	15,000	24,789	(9,789)	15,000	16,416	(1,416)
Dues and subscriptions	27,000	25,036	1,964	25,000	24,023	977
Equipment rental	40,000	32,454	7,546	35,000	31,702	3,298
Equipment maintenance	23,000	19,100	3,900	18,000	15,978	2,022
Insurance	88,000	77,046	10,954	75,000	75,448	(448)
Janitorial	7,200	5,225	1,975	7,200	6,125	1,075
Microfilm	-	-	-	11,000	4,815	6,185
Training	13,000	10,263	2,737	9,000	7,388	1,612
Utilities	8,500	7,370	1,130	8,500	8,553	(53)
Total general office	<u>242,300</u>	<u>218,544</u>	<u>23,756</u>	<u>216,300</u>	<u>199,454</u>	<u>16,846</u>
TOTAL ADMINISTRATIVE EXPENSES	<u>\$ 2,612,300</u>	<u>\$ 2,375,641</u>	<u>\$ 236,659</u>	<u>\$ 2,218,550</u>	<u>\$ 2,113,304</u>	<u>\$ 105,246</u>
<u>INVESTMENT EXPENSES:</u>						
Custodial Bank	\$ 350,000	\$ 300,486	\$ 49,514	\$ 350,000	\$ 306,272	\$ 43,728
Investment consultant	300,000	292,511	7,489	325,000	292,510	32,490
TOTAL INVESTMENT EXPENSES	<u>\$ 650,000</u>	<u>\$ 592,997</u>	<u>\$ 57,003</u>	<u>\$ 675,000</u>	<u>\$ 598,782</u>	<u>\$ 76,218</u>
CAPITAL OUTLAYS	<u>\$ 20,000</u>	<u>\$ 7,064</u>	<u>\$ 12,936</u>	<u>\$ 7,000</u>	<u>\$ -</u>	<u>\$ 7,000</u>



PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
SUPPLEMENTARY INFORMATION - PLAN "A"  
STATEMENT OF CHANGES IN RESERVE BALANCES  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

2023

	ANNUITY SAVINGS	DROP	FUNDING DEPOSIT ACCOUNT	ANNUITY RESERVE	PENSION ACCUMULATION	TOTAL
BALANCE - BEGINNING	\$ 512,615,320	\$ 58,657,279	\$ 65,263,833	\$ 2,306,667,540	\$ 1,330,861,846	\$ 4,274,065,818
REVENUES AND TRANSFERS:						
Employee contributions	65,510,965	-	-	-	-	65,510,965
Employer contributions	-	-	32,774,011	-	50,696,495	83,470,506
Tax collector contributions	-	-	-	-	9,755,840	9,755,840
Revenue sharing contributions	-	-	-	-	139,261	139,261
Net investment income (loss)	-	252,655	4,176,885	-	577,891,982	582,321,522
Miscellaneous income	-	-	-	-	21,822	21,822
OPEB benefit	-	-	-	-	27,902	27,902
Transfer from Annuity Savings	-	-	-	30,775,435	-	30,775,435
Transfer from Annuity Reserve	-	22,804,922	-	-	-	22,804,922
Interest - transfers, refund payback	-	-	-	-	1,144,741	1,144,741
Transfer from another system	1,115,077	-	-	-	2,472,295	3,587,372
Transfer from other plans	-	-	-	-	72,345	72,345
Actuarial transfer	-	-	-	281,435,140	-	281,435,140
	<u>66,626,042</u>	<u>23,057,577</u>	<u>36,950,896</u>	<u>312,210,575</u>	<u>642,222,683</u>	<u>1,081,067,773</u>
EXPENDITURES AND TRANSFERS:						
Refunds to terminated employees	13,634,283	-	-	-	-	13,634,283
Transfer to Annuity Reserve	30,775,435	-	-	-	-	30,775,435
Transfer to DROP	-	-	-	22,804,922	-	22,804,922
Pensions paid	-	-	-	229,777,248	-	229,777,248
DROP benefits	-	16,880,261	-	-	-	16,880,261
Administrative expenses	-	-	-	-	2,025,710	2,025,710
Depreciation	-	-	-	-	17,053	17,053
Actuarial transfer	-	-	-	-	281,435,140	281,435,140
Transfers to another system	1,408,679	-	-	-	3,827,303	5,235,982
	<u>45,818,397</u>	<u>16,880,261</u>	<u>-</u>	<u>252,582,170</u>	<u>287,305,206</u>	<u>602,586,034</u>
NET INCREASE (DECREASE)	<u>20,807,645</u>	<u>6,177,316</u>	<u>36,950,896</u>	<u>59,628,405</u>	<u>354,917,477</u>	<u>478,481,739</u>
BALANCE - ENDING	<u>\$ 533,422,965</u>	<u>\$ 64,834,595</u>	<u>\$ 102,214,729</u>	<u>\$ 2,366,295,945</u>	<u>\$ 1,685,779,323</u>	<u>\$ 4,752,547,557</u>

<u>ANNUITY SAVINGS</u>	<u>DROP</u>	<u>FUNDING DEPOSIT ACCOUNT</u>	<u>ANNUITY RESERVE</u>	<u>PENSION ACCUMULATION</u>	<u>TOTAL</u>
\$ 500,040,376	\$ 56,700,837	\$ 69,983,070	\$ 2,175,658,766	\$ 2,173,654,573	\$ 4,976,037,622
61,312,267	-	-	-	-	61,312,267
-	-	31,278,879	-	46,829,471	78,108,350
-	-	-	-	9,185,468	9,185,468
-	-	-	-	132,595	132,595
-	2,383	4,478,916	-	(600,097,032)	(595,615,733)
-	-	-	-	7,840	7,840
-	-	-	-	65,635	65,635
-	-	-	33,850,899	-	33,850,899
-	22,445,891	-	-	-	22,445,891
-	-	-	-	1,232,639	1,232,639
800,321	-	-	-	1,681,416	2,481,737
-	-	-	-	14,666	14,666
-	-	-	336,713,521	40,477,032	377,190,553
62,112,588	22,448,274	35,757,795	370,564,420	(500,470,270)	(9,587,193)
14,426,798	-	-	-	-	14,426,798
33,850,899	-	-	-	-	33,850,899
-	-	-	22,445,891	-	22,445,891
-	-	-	217,109,755	-	217,109,755
-	20,491,832	-	-	-	20,491,832
-	-	-	-	1,803,182	1,803,182
-	-	-	-	17,141	17,141
-	-	40,477,032	-	336,713,521	377,190,553
1,259,947	-	-	-	3,788,613	5,048,560
49,537,644	20,491,832	40,477,032	239,555,646	342,322,457	692,384,611
12,574,944	1,956,442	(4,719,237)	131,008,774	(842,792,727)	(701,971,804)
\$ 512,615,320	\$ 58,657,279	\$ 65,263,833	\$ 2,306,667,540	\$ 1,330,861,846	\$ 4,274,065,818

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
SUPPLEMENTARY INFORMATION - PLAN "B"  
STATEMENT OF CHANGES IN RESERVE BALANCES  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

2023

	ANNUITY SAVINGS	DROP	FUNDING DEPOSIT ACCOUNT	ANNUITY RESERVE	PENSION ACCUMULATION	TOTAL
BALANCE - BEGINNING	\$ 28,441,694	\$ 5,773,128	\$ 5,727,180	\$ 165,671,353	\$ 185,113,188	\$ 390,726,543
REVENUES AND TRANSFERS:						
Employee contributions	3,630,680	-	-	-	-	3,630,680
Employer contributions	-	-	3,094,192	-	6,222,387	9,316,579
Net investment income (loss)	-	35,601	366,540	-	53,420,215	53,822,356
Tax collector contributions	-	-	-	-	1,740,895	1,740,895
Revenue sharing contributions	-	-	-	-	20,112	20,112
Miscellaneous income	-	-	-	-	6,632	6,632
OPEB benefit	-	-	-	-	4,820	4,820
Transfer from Annuity Savings	-	-	-	1,514,111	-	1,514,111
Transfer from Annuity Reserve	-	1,394,509	-	-	-	1,394,509
Transfer from another system	115,213	-	-	-	282,276	397,489
Transfer from other plans	-	-	-	-	-	-
Interest - transfers refund payback	-	-	-	-	90,284	90,284
Actuarial transfer	-	-	-	22,216,574	-	22,216,574
	<u>3,745,893</u>	<u>1,430,110</u>	<u>3,460,732</u>	<u>23,730,685</u>	<u>61,787,621</u>	<u>94,155,041</u>
EXPENDITURES AND TRANSFERS:						
Refunds to terminated employees	567,149	-	-	-	-	567,149
Transfer to Annuity Reserve	1,514,111	-	-	-	-	1,514,111
Transfer to DROP	-	-	-	1,394,509	-	1,394,509
Pensions paid	-	-	-	16,655,535	-	16,655,535
Transfer to other plans	-	-	-	-	72,345	72,345
DROP benefits	-	782,031	-	-	-	782,031
Administrative expenses	-	-	-	-	349,931	349,931
Depreciation	-	-	-	-	2,560	2,560
Transfers to another system	29,115	-	-	-	114,708	143,823
Actuarial transfer	-	-	-	-	22,216,574	22,216,574
	<u>2,110,375</u>	<u>782,031</u>	<u>-</u>	<u>18,050,044</u>	<u>22,756,118</u>	<u>43,698,568</u>
NET INCREASE (DECREASE)	<u>1,635,518</u>	<u>648,079</u>	<u>3,460,732</u>	<u>5,680,641</u>	<u>39,031,503</u>	<u>50,456,473</u>
BALANCE - ENDING	<u>\$ 30,077,212</u>	<u>\$ 6,421,207</u>	<u>\$ 9,187,912</u>	<u>\$ 171,351,994</u>	<u>\$ 224,144,691</u>	<u>\$ 441,183,016</u>

<u>ANNUITY SAVINGS</u>	<u>DROP</u>	<u>FUNDING DEPOSIT ACCOUNT</u>	<u>ANNUITY RESERVE</u>	<u>PENSION ACCUMULATION</u>	<u>TOTAL</u>
\$ 27,844,616	\$ 6,453,303	\$ 5,194,363	\$ 146,741,543	\$ 263,158,215	\$ 449,392,040
3,472,402	-	-	-	-	3,472,402
-	-	3,206,063	-	5,541,041	8,747,104
-	220	332,439	-	(54,367,979)	(54,035,320)
-	-	-	-	1,569,562	1,569,562
-	-	-	-	24,167	24,167
-	-	-	-	4,023	4,023
-	-	-	-	11,266	11,266
-	-	-	2,109,995	-	2,109,995
-	1,320,132	-	-	-	1,320,132
87,815	-	-	-	169,984	257,799
-	-	-	-	-	-
-	-	-	-	121,664	121,664
-	-	-	33,522,358	3,005,685	36,528,043
<u>3,560,217</u>	<u>1,320,352</u>	<u>3,538,502</u>	<u>35,632,353</u>	<u>(43,920,587)</u>	<u>130,837</u>
785,357	-	-	-	-	785,357
2,109,995	-	-	-	-	2,109,995
-	-	-	1,320,132	-	1,320,132
-	-	-	15,382,411	-	15,382,411
-	-	-	-	14,666	14,666
-	2,000,527	-	-	-	2,000,527
-	-	-	-	310,122	310,122
-	-	-	-	2,571	2,571
67,787	-	-	-	274,723	342,510
-	-	3,005,685	-	33,522,358	36,528,043
<u>2,963,139</u>	<u>2,000,527</u>	<u>3,005,685</u>	<u>16,702,543</u>	<u>34,124,440</u>	<u>58,796,334</u>
597,078	(680,175)	532,817	18,929,810	(78,045,027)	(58,665,497)
<u>\$ 28,441,694</u>	<u>\$ 5,773,128</u>	<u>\$ 5,727,180</u>	<u>\$ 165,671,353</u>	<u>\$ 185,113,188</u>	<u>\$ 390,726,543</u>

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS  
DECEMBER 31, 2023 AND 2022

In accordance with Louisiana Revised Statute 11:182, the System's Board of Trustees shall receive \$75 per meeting for attendance. The per diem paid to Trustees for the years ending December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Valerie Brolin	\$ 225	\$ -
R. Bruce Kelly	300	300
Kelly Fontenot	-	75
Terrie Rodrigue	-	300
Phillip Bourgoyne	<u>225</u>	<u>300</u>
 TOTAL	 <u>\$ 750</u>	 <u>\$ 975</u>

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF COMPENSATION, BENEFITS,  
 AND OTHER PAYMENTS TO AGENCY HEAD  
DECEMBER 31, 2023

Agency Head Name: R. Bruce Kelly, Chairman of the Board

<u>PURPOSE</u>	<u>AMOUNT</u>
Per Diem	\$ 300
Travel	2,017
Registration fees	125
Conference travel	<u>929</u>
 TOTAL	 <u><u>\$ 3,371</u></u>



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

June 14, 2024

Board of Trustees  
Parochial Employees' Retirement System of Louisiana  
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statements of fiduciary net position and the related statements of changes in fiduciary net position of the Parochial Employees' Retirement System (System), as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the Parochial Employees' Retirement System's basic financial statements, and have issued our report thereon dated June 14, 2024.

### Report on Internal Control over Financial Reporting

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

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

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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

*Duplantier, Sharpner, Hogan and Baker, LLP*

New Orleans, Louisiana



PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2023

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of the Parochial Employees' Retirement System of Louisiana for the year ended December 31, 2023 was unmodified.

2. Internal Control

Material weakness:           None noted

Significant deficiency:       None noted

3. Compliance and Other Matters

Noncompliance material to financial statements: none noted

FINDINGS REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED  
GOVERNMENTAL AUDITING STANDARDS:

None

SUMMARY OF PRIOR YEAR FINDINGS:

None

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

FOR THE FISCAL YEAR JANUARY 01, 2023  
THROUGH DECEMBER 31, 2023

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM

TABLE OF CONTENTS

FOR THE FISCAL YEAR JANUARY 01, 2023  
THROUGH DECEMBER 31, 2023

	<u>PAGE</u>
AGREED-UPON PROCEDURES .....	1 – 13



# Duplantier Hrapmann Hogan & Maher, LLP

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE YEAR ENDED DECEMBER 31, 2023

June 7, 2024

Board of Directors  
Parochial Employees' Retirement System and  
Louisiana Legislative Auditor  
1905 Wrenwood Blvd  
Baton Rouge, LA 70809

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the calendar year January 01, 2023 through December 31, 2023. The Parochial Employees' Retirement System's management is responsible for those C/C areas identified in the SAUPs.

The Parochial Employees' Retirement System has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the calendar year January 01, 2023 through December 31, 2023. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

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## ***1) Written Policies and Procedures***

---

- A. **Procedure**: Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
  - iii. ***Disbursements***, including processing, reviewing, and approving.
  - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
  - v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
  - vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
  - vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
  - viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
  - ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
  - x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
  - xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available

system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Results**: We noted no findings as a result of applying the above agreed-upon procedures.

## ***2) Board or Finance Committee***

---

- A. **Procedure**: Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
  - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

**Results**: We noted no findings as a result of applying the above agreed-upon procedures.

## ***3) Bank Reconciliations***

---

- A. **Procedure**: Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Results:** We noted no findings as a result of applying the above agreed-upon procedures.

#### **4) Collections (excluding electronic funds transfers)**

---

- A. **Procedure:** Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

**Results:** We noted no findings as a result of applying the above agreed-upon procedures.

- B. **Procedure:** For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- i. Employees responsible for cash collections do not share cash drawers/registers;
- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

**Results:** We noted no findings as a result of applying the above agreed-upon procedures.

- C. **Procedure:** Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

**Results:** We noted no findings as a result of applying the above agreed-upon procedures.

- D. **Procedure:** Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
  - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - iii. Trace the deposit slip total to the actual deposit per the bank statement.
  - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - v. Trace the actual deposit per the bank statement to the general ledger.

**Results:** We noted no findings as a result of applying the above agreed-upon procedures.

**5) *Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)***

---

- A. **Procedure:** Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

**Results:** We noted no findings as a result of applying the above agreed-upon procedures.

- B. **Procedure:** For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
  - ii. At least two employees are involved in processing and approving payments to vendors;
  - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;



- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

**Results:** We noted no findings as a result of applying the above agreed-upon procedures.

- C. **Procedure:** For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
  - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
  - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

**Results:** We noted no findings as a result of applying the above agreed-upon procedures.

- D. **Procedure:** Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

**Results:** We noted no findings as a result of applying the above agreed-upon procedures.

#### 6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

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- A. **Procedure:** Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

**Results:** The System does not have or issue entity credit cards, bank debit cards, fuel cards, or P-cards, therefore, these procedures are not applicable.

- B. **Procedure:** Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined

statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
- ii. Observe that finance charges and late fees were not assessed on the selected statements.

**Results:** The System does not have or issue entity credit cards, bank debit cards, fuel cards, or P-cards, therefore, these procedures are not applicable.

- C. **Procedure:** Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

**Results:** The System does not have or issue entity credit cards, bank debit cards, fuel cards, or P-cards, therefore, these procedures are not applicable.

## ***7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

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- A. **Procedure:** Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));
  - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
  - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results:** We noted no findings as a result of applying the above agreed-upon procedures.

## 8) *Contracts*

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- A. **Procedure:** Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
  - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
  - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
  - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval), and
  - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

**Results:** We noted no findings as a result of applying the above agreed-upon procedures.

## 9) *Payroll and Personnel*

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- A. **Procedure:** Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

**Results:** We noted no findings as a result of applying the above agreed-upon procedures.

- B. **Procedure:** Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:
  - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

**Results:** We noted no findings as a result of applying the above agreed-upon procedures.

- C. **Procedure:** Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

**Results:** We noted no findings as a result of applying the above agreed-upon procedures.

- D. **Procedure:** Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

**Results:** We noted no findings as a result of applying the above agreed-upon procedures.

## 10) *Ethics*

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- A. **Procedure:** Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and:
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
  - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable

**Results:** We noted no findings as a result of applying the above agreed-upon procedures.

- B. **Procedure:** Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

**Results:** We noted no findings as a result of applying the above agreed-upon procedures.

## ***11) Debt Service***

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- A. **Procedure:** Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

**Results:** The System does not have or issue debt, therefore, the debt service agreed upon procedures are not applicable.

- B. **Procedure:** Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**Results:** The System does not have or issue debt, therefore, the debt service agreed upon procedures are not applicable.

## ***12) Fraud Notice***

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- A. **Procedure:** Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

**Results:** We noted no findings as a result of applying the above agreed-upon procedures.

- B. **Procedure:** Observe that the entity has posted, on its premises and website, the notice required by R.S. 24.523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Results:** We noted no findings as a result of applying the above agreed-upon procedures.

## ***13) Information Technology Disaster Recovery/Business Continuity***

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- A. **Procedure:** Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

**Results:** We performed the above agreed-upon procedure and discussed the results with management of Parochial Employees' Retirement System.

- B. **Procedure:** Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

**Results:** We performed the above agreed-upon procedure and discussed the results with management of Parochial Employees' Retirement System.

- C. **Procedure:** Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 – completed the training; and
- Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

**Results:** We performed the above agreed-upon procedure and discussed the results with management of Parochial Employees' Retirement System.

#### ***14) Prevention of Sexual Harassment***

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- A. **Procedure:** Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

**Results:** We noted no findings as a result of applying the above agreed-upon procedures.

- B. **Procedure:** Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

**Results:** As a result of applying the above agreed-upon procedures, we noted the following:

- The entity did not have their sexual harassment policy and complaint procedure posted on its website.

We recommend that the entity post the sexual harassment policy and complaint procedure to their website.

**Response:** Management has since posted the sexual harassment policy and complaint procedure to the website, as required.

- C. **Procedure:** Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344.
- i. Number and percentage of public servants in the agency who have completed the training requirements;
  - ii. Number of sexual harassment complaints received by the agency;
  - iii. Number of complaints which resulted in a finding that sexual harassment occurred.
  - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - v. Amount of time it took to resolve each complaint.

**Results:** We noted no findings as a result of applying the above agreed-upon procedures.

We were engaged by the Parochial Employees' Retirement System to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Parochial Employees' Retirement System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the results of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Duplantier, Chapman, Hogan and Oakes, LLP*

New Orleans, Louisiana