

**Louisiana Assessors' Retirement Fund
and Subsidiary
Baton Rouge, Louisiana
Financial Report
September 30, 2022**

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Independent Auditor's Report

Ms. Kathy Bertrand, Executive Director,
and the Board of Trustees of
Louisiana Assessors' Retirement Fund and Subsidiary
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Louisiana Assessors' Retirement Fund and Subsidiary, which comprise the consolidated statements of fiduciary net position as of September 30, 2022 and 2021, and the related consolidated statements of changes in fiduciary net position for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the respective fiduciary net position of Louisiana Assessors' Retirement Fund and Subsidiary as of September 30, 2022 and 2021, 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 audits 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 Louisiana Assessors' Retirement Fund and Subsidiary, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Louisiana Assessors' Retirement Fund and Subsidiary'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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 Louisiana Assessors' Retirement Fund and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Louisiana Assessors' Retirement Fund and Subsidiary'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.

Emphasis of Matter

As disclosed in Note 3 to the financial statements, the total pension liability for Louisiana Assessors' Retirement Fund and Subsidiary was \$519,649,573 and \$507,071,744 as of September 30, 2022 and 2021, respectively. The actuarial valuations were based on various assumptions made by Louisiana Assessors' Retirement Fund and Subsidiary's actuary. Because actual experience may differ from the assumptions used in the actuarial valuations, there is a risk that the total pension liability at September 30, 2022 and 2021, could be understated or overstated.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in net pension liability (asset), schedules of employers' net pension liability (asset), schedules of contributions, and schedules of investment returns be presented to supplement the basic consolidated financial statements. Such information is the responsibility of management and, although not a part of the basic consolidated 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 consolidated 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 consolidated financial statements, and other knowledge we obtained during our audits of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedules of per diem paid to trustees, administrative expenses, and compensation, benefits, and other payments to agency head or chief executive officer are presented for purposes of additional analysis and are not a required part of the basic consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic consolidated 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 consolidated financial statements or to the basic consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2023, on our consideration of Louisiana Assessors' Retirement Fund and Subsidiary'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 solely 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 Louisiana Assessors' Retirement Fund and Subsidiary'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 Louisiana Assessors' Retirement Fund and Subsidiary's internal control over financial reporting and compliance.

Hawthorn, Waymouth & Carroll, LLP.

February 7, 2023

**Louisiana Assessors' Retirement Fund
and Subsidiary
Management's Discussion and Analysis
September 30, 2022**

The following discussion and analysis of Louisiana Assessors' Retirement Fund and Subsidiary ("Fund") for the year ended September 30, 2022, highlights relevant aspects of the consolidated financial statements and provides an analytical overview of the Fund's financial activities.

Financial Highlights

The Fund's net position restricted for pension benefits decreased by \$86.5 million, or 16.03%, compared to an increase of \$79.5 million, or 17.27%, in the prior year. The decrease was primarily due to depreciation in fair value of investments.

The Fund's net pension liability changed from a \$32.9 million asset in 2021 to a \$66.2 million liability in 2022.

Contributions to the Fund by members and employers totaled approximately \$6.2 million, a decrease of \$1.2 million, or 16.54%, from prior year. The decrease is primarily due to the decrease in employer contribution rate of 8% in 2021 to 5% in 2022. Contributions from ad valorem taxes and revenue sharing totaled approximately \$15 million in 2022 and 2021.

The Fund had a net investment loss of \$80.6 million in 2022 compared to net investment income of \$83.7 million in 2021, a decrease of \$164.2 million.

Retirement benefit payments and DROP withdrawals totaled approximately \$26.5 million in 2022 and 2021.

Overview of the Financial Statements

Management's Discussion and Analysis is intended to serve as an introduction to the Fund's consolidated financial statements, together with the related notes to the consolidated financial statements, required supplementary information, and the supporting schedules, all of which are described below:

Consolidated Statements of Fiduciary Net Position - These statements report the Fund's assets, liabilities, and resulting net position restricted for pension benefits. The statements should be read with the understanding that they present the Fund's financial position on September 30, 2022 and 2021.

Consolidated Statements of Changes in Fiduciary Net Position - These statements report the results of operations during the fiscal years, categorically presenting the additions (reductions) to and deductions from the fiduciary net position. The net increase (decrease) in net position on these statements supports the changes in net position restricted for pension benefits on the Consolidated Statements of Fiduciary Net Position.

Notes to Consolidated Financial Statements - The financial statement notes provide additional information that is essential to a complete understanding of the data set forth in the consolidated financial statements. They are considered an integral part of the consolidated financial statements. A description of the information provided in the notes follows:

Note 1 (Plan Description) provides a general description of the Fund. Information is included regarding the board of trustees, plan membership, basic benefits, the Back-Deferred Retirement Option Plan (Back-DROP), and the excess benefit plan.

Note 2 (Summary of Significant Accounting and Financial Reporting Policies) provides information about the accounting methods and policies used in determining amounts shown on the consolidated financial statements. Information relative to the basis of accounting, determination of estimates, valuation of investments and property is included in this note.

**Louisiana Assessors' Retirement Fund
and Subsidiary
Management's Discussion and Analysis
September 30, 2022**

Overview of the Financial Statements (Continued)

Note 3 (Contributions, Funding Status and Reserves) describes contributions to the Fund and the Reserve Funds, the Deferred Retirement Option Plan (DROP), Back-DROP, Annuity Savings, Pension Accumulation and Annuity Reserve.

Note 4 (Deposits and Investments) describes cash deposits as well as investments, including a discussion of interest rate risk, credit risk, and foreign currency risk. Investment authority and policy are also briefly discussed.

Note 5 (Note Receivable - Related Party) details a note receivable from the Louisiana Assessors' Association.

Note 6 (Property and Equipment) details the cost of the Fund's fixed assets as well as related depreciation expense and accumulated depreciation.

Note 7 (Related Party Transactions) provides an explanation of the expenses the Fund reimburses to Louisiana Assessors' Association.

Note 8 (Subsequent Events) discloses any significant events occurring subsequent to the financial statement date and the date through which they were evaluated.

Louisiana Assessors' Retirement Fund's Financial Analysis

The Fund is a cost-sharing, multiple-employer, qualified governmental defined benefit pension plan covering Louisiana assessors and their employees under the provisions of Louisiana Revised Statutes 11:1401 through 1494. The plan is a qualified plan as defined by the Internal Revenue Code, effective January 1, 1998. Retirement benefits are funded through member contributions, employer contributions, ad valorem taxes, state revenue sharing, and earnings on investments. Total net position restricted for pension benefits at September 30, 2022 amounted to \$453.4 million, which was a decrease of \$86.5 million, or 16.03% under the \$539.9 million net position restricted for pension benefits at September 30, 2021.

**Condensed Consolidated Statements of Fiduciary Net Position
September 30,
(In thousands)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Cash and investments	\$ 453,056	\$ 538,732	\$ 459,290
Receivables	2,003	1,343	1,190
Capital assets	-	-	-
Note receivable	-	120	123
Total assets	455,059	540,195	460,603
Total liabilities	1,652	248	186
Net position restricted for pension benefits	\$ 453,407	\$ 539,947	\$ 460,417

**Louisiana Assessors' Retirement Fund
and Subsidiary
Management's Discussion and Analysis
September 30, 2022**

Louisiana Assessors' Retirement Fund's Financial Analysis (Continued)

**Condensed Consolidated Statements of Changes in Fiduciary Net Position
Years Ended September 30,
(In thousands)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Additions (Reductions):			
Contributions	\$ 21,241	\$ 22,411	\$ 21,991
Net investment income (loss)	(80,589)	83,697	40,855
Other	<u>135</u>	<u>431</u>	<u>54</u>
Total additions (reductions)	(59,213)	106,539	62,900
Total deductions	<u>27,328</u>	<u>27,008</u>	<u>25,048</u>
Net increase (decrease)	<u>\$ (86,541)</u>	<u>\$ 79,531</u>	<u>\$ 37,852</u>

Additions (Reductions) to Fiduciary Net Position

Additions (reductions) to the Fund's fiduciary net position include contributions from employers and members, ad valorem taxes, revenue sharing, and investment income (loss). The Fund recognized current year net investment losses of \$80.6 million compared to net investment income of \$83.7 million in the prior year.

Additions (Reductions) to Fiduciary Net Position	In thousands			2021 to 2022 Percentage Change
	<u>2022</u>	<u>2021</u>	<u>2020</u>	
Employer contributions	\$ 2,397	\$ 3,725	\$ 3,699	-36%
Member contributions	3,840	3,748	3,695	2%
Net investment income (loss)	(80,589)	83,697	40,855	-196%
Transfers in	132	389	35	-66%
State revenue sharing	351	351	354	0%
Ad valorem taxes	14,653	14,586	14,243	0%
Miscellaneous	<u>3</u>	<u>43</u>	<u>19</u>	-93%
Total additions (reductions)	<u>\$ (59,213)</u>	<u>\$ 106,539</u>	<u>\$ 62,900</u>	

Deductions from Fiduciary Net Position

Deductions from the Fund's fiduciary net position are comprised primarily of benefits paid to retirees, survivors, and beneficiaries. Also included as deductions are administrative expenses and refunds of contributions. Benefits paid to retirees, survivors, and beneficiaries amounted to \$26.5 million for 2022 and 2021. The administrative expenses represented approximately 1.11% of total plan deductions, which is consistent with prior years.

**Louisiana Assessors' Retirement Fund
and Subsidiary
Management's Discussion and Analysis
September 30, 2022**

Louisiana Assessors' Retirement Fund's Financial Analysis (Continued)

Deductions from Fiduciary Net Position (Continued)

Deductions from Fiduciary Net Position	In thousands			2021 to 2022 Percentage Change
	2022	2021	2020	
Benefits and withdrawals	\$ 26,508	\$ 26,538	\$ 24,332	0%
Refunds and transfers	517	179	429	189%
Administrative expenses	<u>303</u>	<u>291</u>	<u>287</u>	4%
Total deductions	<u>\$ 27,328</u>	<u>\$ 27,008</u>	<u>\$ 25,048</u>	

Investments

Investments totaled \$447.3 million at September 30, 2022, compared to \$537.4 million at September 30, 2021, which represents a decrease of \$90.1 million, or 16.77%.

When making comparisons from year to year, it is important to be aware that other factors may affect the change in investments, particularly the changes between investment categories and types. Probably the most notable factor is that of investment re-balancing, which is initiated when a certain predetermined target allocation percentage is reached. Investment allocations that have become over-allocated are sold in part and distributed for the purchase of investment allocations that have become under-allocated. It is also important to note that the investment portfolio is not stagnant but is traded in part each business day. Therefore, the reader should be cautious about drawing conclusions as to how and why the portfolio increased or decreased in value. It is perhaps best to refer to the following table to conclude how the Fund's investments changed overall.

	In thousands			2021 to 2022 Percentage Change
	2022	2021	2020	
Investments, at fair value				
Short-term investments	\$ 6,773	\$ 11,586	\$ 5,587	-42%
LAMP funds	385	263	263	46%
U.S. Government securities	40,908	41,442	34,466	-1%
Corporate bonds	61,839	77,607	67,193	-20%
Foreign government securities	2,461	2,650	2,690	-7%
Bond mutual funds	24,897	29,096	27,738	-14%
Equity securities	248,701	326,159	297,769	-24%
Real estate funds	<u>61,373</u>	<u>48,559</u>	<u>21,541</u>	26%
Total investments	<u>\$ 447,337</u>	<u>\$ 537,362</u>	<u>\$ 457,247</u>	

**Louisiana Assessors' Retirement Fund
and Subsidiary
Management's Discussion and Analysis
September 30, 2022**

Requests for Information

This annual financial report is designed to provide a general overview of Louisiana Assessors' Retirement Fund's finances for interested parties. Questions concerning any of the information provided herein or requests for additional financial information should be addressed to Louisiana Assessors' Retirement Fund, Post Office Box 14699, Baton Rouge, Louisiana 70898.

**Louisiana Assessors' Retirement Fund
and Subsidiary
Consolidated Statements of Fiduciary Net Position
September 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Assets		
Cash and cash equivalents	\$ 5,719,181	\$ 1,370,295
Receivables:		
Employer contributions	147,146	221,477
Member contributions	237,738	223,782
Accrued interest and dividends	1,341,658	897,894
Pending trades receivable	<u>276,160</u>	<u>-</u>
Total receivables	<u>2,002,702</u>	<u>1,343,153</u>
Investments, at fair value:		
Short-term investments	6,772,669	11,586,160
LAMP funds	385,572	263,480
U.S. Government securities	40,908,044	41,442,023
Corporate bonds	61,838,610	77,606,504
Foreign government securities	2,460,950	2,650,150
Bond mutual funds	24,896,914	29,095,506
Equity securities	248,700,740	326,158,637
Real estate funds	<u>61,373,294</u>	<u>48,559,471</u>
Total investments	<u>447,336,793</u>	<u>537,361,931</u>
Note receivable - related party	<u>-</u>	<u>119,983</u>
Property and equipment, net of accumulated depreciation of \$101,747 for 2022 and 2021	<u>-</u>	<u>-</u>
Total assets	<u>455,058,676</u>	<u>540,195,362</u>
Liabilities		
Accounts payable	293,182	247,544
Refunds payable	40,890	-
Pending trades payable	<u>1,318,303</u>	<u>-</u>
Total liabilities	<u>1,652,375</u>	<u>247,544</u>
Net Position Restricted for Pension Benefits	<u>\$ 453,406,301</u>	<u>\$ 539,947,818</u>

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

**Louisiana Assessors' Retirement Fund
and Subsidiary
Consolidated Statements of Changes in Fiduciary Net Position
Years Ended September 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Additions (Reductions)		
Contributions:		
Employer	\$ 2,397,157	\$ 3,725,505
Member	3,839,950	3,747,974
State revenue sharing	351,124	351,042
Ad valorem taxes	<u>14,652,981</u>	<u>14,585,892</u>
Total contributions	<u>21,241,212</u>	<u>22,410,413</u>
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	(85,512,678)	77,859,778
Interest and dividends	<u>7,010,312</u>	<u>7,923,774</u>
	(78,502,366)	85,783,552
Less investment expenses	<u>2,086,647</u>	<u>2,086,343</u>
Net investment income (loss)	<u>(80,589,013)</u>	<u>83,697,209</u>
Other Additions		
Assets transferred from other systems	131,707	388,694
Miscellaneous	<u>2,854</u>	<u>42,708</u>
Total other additions	<u>134,561</u>	<u>431,402</u>
Total additions (reductions)	<u>(59,213,240)</u>	<u>106,539,024</u>
Deductions		
Retirement benefits	24,711,576	23,761,404
DROP withdrawals	1,795,925	2,776,790
Refunds to terminated employees	320,798	178,698
Assets transferred to other systems	196,775	-
Administrative expenses	<u>303,203</u>	<u>291,482</u>
Total deductions	<u>27,328,277</u>	<u>27,008,374</u>
Net Increase (Decrease) in Net Position	(86,541,517)	79,530,650
Net Position Restricted for Pension Benefits		
Beginning of year	<u>539,947,818</u>	<u>460,417,168</u>
End of year	<u>\$ 453,406,301</u>	<u>\$ 539,947,818</u>

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

**Louisiana Assessors' Retirement Fund
and Subsidiary
Notes to Consolidated Financial Statements
September 30, 2022**

Note 1-Plan Description

The following brief description of Louisiana Assessors' Retirement Fund and Subsidiary (collectively referred to as the "Fund") is provided for general information purposes only. Readers should refer to the appropriate Louisiana Revised Statutes for more complete information.

General The Fund was created by Act 91 Section 1 of the 1950 regular session of the Legislature of the State of Louisiana. The Fund is a cost-sharing, multiple-employer, qualified governmental defined benefit pension plan covering assessors and their deputies employed by any parish of the State of Louisiana, under the provisions of Louisiana Revised Statutes 11:1401 through 1494. The plan is a qualified plan as defined by the Internal Revenue Code Section 401(a), effective January 1, 1998. Membership in the Fund is a condition of employment for assessors and their full-time employees.

Reporting Entity The Fund is not a component unit of the State of Louisiana, and its financial statements are not included in the State's consolidated annual financial report. The accompanying consolidated financial statements reflect the activity of the Fund.

The Fund is administered by a board of trustees composed of seventeen members as follows: the president, vice president, and treasurer of Louisiana Assessors' Association, one regular member representative from each of the eight election districts established by Louisiana Assessors' Association, two retiree representatives nominated by the board and elected by the retirees of the Fund, two assessor employee representatives who are members of the Fund nominated by the board and elected by the assessor employees who are members of the Fund, a member of the House Committee on Retirement appointed by the Speaker of the House of Representatives, and the chairman of the Senate Committee on Retirement. The elected members are elected for terms of two years and may be reelected.

Plan Membership Membership data at September 30, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Employer Members		
Louisiana Assessors' offices	64	64
Louisiana Assessors' Association	<u>1</u>	<u>1</u>
	<u>65</u>	<u>65</u>
Employee Members		
Current retirees and beneficiaries	582	582
Terminated vested participants	17	16
Terminated due a refund	122	118
Active plan participants	<u>742</u>	<u>742</u>
	<u>1,463</u>	<u>1,458</u>

Eligibility requirements and benefit provisions are described in Louisiana Revised Statutes 11:1421 through 1458. The following information is a brief description of the eligibility requirements and benefit provisions.

**Louisiana Assessors' Retirement Fund
and Subsidiary
Notes to Consolidated Financial Statements
September 30, 2022**

Note 1-Plan Description (Continued)

A. Eligibility Requirements

Members who were hired before October 1, 2013, will be eligible for pension benefits once they have either reached the age of fifty-five and have at least twelve years of service or have at least thirty years of service, regardless of age. Members who were hired on or after October 1, 2013, will be eligible for pension benefits once they have either reached the age of sixty and have at least twelve years of service or have reached the age of fifty-five and have at least thirty years of service.

B. Retirement Benefits

Members whose first employment making them eligible for membership began prior to October 1, 2006, are entitled to annual pension benefits equal to three and one-third percent of their highest monthly average final compensation received during any 36 consecutive months, multiplied by their total years of service, not to exceed 100% of monthly average final compensation. Members whose first employment making them eligible for membership began on or after October 1, 2006 but before October 1, 2013, are entitled to annual pension benefits equal to three and one-third percent of their highest monthly average final compensation received during any 60 consecutive months, multiplied by their total years of service, not to exceed 100% of monthly average final compensation. Members whose first employment making them eligible for membership began on or after October 1, 2013 but who have less than thirty years of service, are entitled to annual pension benefits equal to three percent of their highest monthly average final compensation received during any 60 consecutive months, multiplied by their total years of service, not to exceed 100% of monthly average final compensation. Members whose first employment making them eligible for membership began on or after October 1, 2013 and have thirty or more years of service, are entitled to annual pension benefits equal to three and one-third percent of their highest monthly average final compensation received during any 60 consecutive months, multiplied by their total years of service, not to exceed 100% of monthly average final compensation. Members may elect to receive their pension benefits in the form of a joint and survivor annuity.

If members terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to the employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. Members may elect to receive the actuarial equivalent of their retirement allowance in a reduced retirement payable throughout life with the following options:

1. If the member dies before he has received in retirement payments purchased by his contributions the amount he had contributed to the fund before his retirement, the balance shall be paid to his legal representatives or to such person as he shall nominate by written designation.
2. Upon the member's death, his reduced retirement allowance shall be continued throughout the life of and paid to his surviving spouse.
3. Upon the member's death, one-half of his reduced retirement allowance shall be continued throughout the life of and paid to his surviving spouse.
4. The member may elect to receive some other board-approved benefit or benefits that together with the reduced retirement allowance shall be of equivalent actuarial value to his retirement allowance.

The Fund provides benefits for surviving spouses and minor children under certain conditions which are outlined in the Louisiana Revised Statutes.

**Louisiana Assessors' Retirement Fund
and Subsidiary
Notes to Consolidated Financial Statements
September 30, 2022**

Note 1-Plan Description (Continued)

C. Disability Benefits

The Board of Trustees shall award disability benefits to eligible members who have been officially certified as disabled by the State Medical Disability Board. The disability benefit shall be the lesser of (1) or (2) as set forth below:

1. A sum equal to the greater of forty-five percent (45%) of final average compensation or the member's accrued retirement benefit at the time of termination of employment due to disability; or
2. The retirement benefit which would be payable assuming accrued creditable service plus additional accrued service, if any, to the earliest normal retirement age based on final average compensation at the time of termination of employment due to disability.

Upon approval for disability benefits, the member shall exercise an optional retirement allowance as provided in R.S. 11:1423 and no change in the option selected shall be permitted after it has been filed with the board. The retirement option factors shall be the same as those utilized for regular retirement based on the age of the retiree and that of the spouse, had the retiree continued in active service until the earliest normal retirement date.

D. Back-Deferred Retirement Option Program (Back-DROP)

In lieu of receiving a normal retirement benefit pursuant to R.S. 11:1421 through 1423, an eligible member of the Fund may elect to retire and have their benefits structured, calculated, and paid as provided in R.S. 11:1456.1.

An active, contributing member of the Fund shall be eligible for Back-DROP only if all of the following apply:

1. The member has accrued more service credit than the minimum required for eligibility for a normal retirement benefit.
2. The member has attained an age that is greater than the minimum required for eligibility for a normal retirement benefit, if applicable.
3. The member has revoked his participation, if any, in the Deferred Retirement Option Plan pursuant to R.S. 11:1456.2.

At the time of retirement, a member who elects to receive a Back-DROP benefit shall select a Back-DROP period to be specified in whole months. The duration of the Back-DROP period shall not exceed the lesser of thirty-six months or the number of months of creditable service accrued after the member first attained eligibility for normal retirement. The Back-DROP period shall be comprised of the most recent calendar days corresponding to the member's employment for which service credit in the Fund accrued.

The Back-DROP benefit shall have two portions: a lump-sum portion and a monthly benefit portion. The member's Back-DROP monthly benefit shall be calculated pursuant to the provisions applicable for service retirement set forth in R.S. 11:1421 through 1423, subject to the following conditions:

1. Creditable service shall not include service credit reciprocally recognized pursuant to R.S. 11:142.
2. Accrued service at retirement shall be reduced by the Back-DROP period.

**Louisiana Assessors' Retirement Fund
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Note 1-Plan Description (Continued)

D. Back-Deferred Retirement Option Program (Back-DROP) (Continued)

3. Final average compensation shall be calculated by excluding all earnings during the Back-DROP period.
4. Contributions received by the Fund during the Back-DROP period and any interest that has accrued on employer and employee contributions received during the period shall remain with the Fund and shall not be refunded to the member or to the employer.
5. The member's Back-DROP monthly benefit shall be calculated based upon the member's age and service and the Fund provisions in effect on the last day of creditable service before the Back-DROP period.
6. At retirement, the member's maximum monthly retirement benefit payable as a life annuity shall be equal to the Back-DROP monthly benefit.
7. The member may elect to receive a reduced monthly benefit in accordance with the options provided in R.S. 11:1423 based upon the member's age and the age of the member's beneficiary as of the actual effective date of retirement. No change in the option selected or beneficiary shall be permitted after the option is filed with the Board of Trustees.

In addition to the monthly benefit received, the member shall be paid a lump-sum benefit equal to the Back-DROP maximum monthly retirement benefit multiplied by the number of months selected as the Back-DROP period. Cost-of-living adjustments shall not be payable on the member's Back-DROP lump sum.

Upon the death of a member who selected the maximum option pursuant to R.S. 11:1423, the member's named beneficiary or, if none, the member's estate shall receive the deceased member's remaining contributions, less the Back-DROP benefit amount. Upon the death of a member who selected Option 1 pursuant to R.S. 11:1423, the member's named beneficiary or, if none, the member's estate, shall receive the member's annuity savings fund balance as of the member's date of retirement reduced by the portion of the Back-DROP account balance and his previously paid retirement benefits that are attributable to the member's annuity payments as provided by the annuity savings fund.

E. Excess Benefit Plan

La. R.S. 1491 established the Excess Benefit Plan as a separate, unfunded, nonqualified plan under the provisions set forth in La. R.S. 1493, and also as a qualified governmental excess benefit arrangement as defined in Section 415(m)(3) of the Internal Revenue Code.

Effective July 1, 2001, an excess benefit member who is receiving benefits from the Fund is entitled to a monthly benefit under this plan in an amount equal to the lesser of either the member's unrestricted benefit less the maximum benefit, or the amount by which the member's monthly benefit from the fund has been reduced because of the limitations defined in La. R.S. 11:1458. A retirement benefit payable under this excess benefit plan shall be paid in the form and at the time it would have been paid as a monthly pension under the Fund, except for the limitations under La. R.S. 11:1458 and Section 415 of the Internal Revenue Code.

Contributions may not be accumulated under this excess benefit plan to pay future retirement benefits. Instead, monthly contributions made by the employer are reduced by the amount necessary to pay that month's excess retirement benefits. Employer contributions made to fund the Excess Benefit Plan are not commingled with the monies of the Fund or any other qualified plan. Also, the Excess Benefit Plan may never receive a transfer of assets from the Fund.

**Louisiana Assessors' Retirement Fund
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Note 2-Summary of Significant Accounting and Financial Reporting Policies

A. Basis of Accounting

The Fund's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services. Additional contributions from ad valorem taxes and revenue sharing monies are recognized in the year collected by the tax collector. Investment purchases and sales are recorded as of their trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on the accrual basis. Benefits and refunds are recognized when due and payable.

B. Principles of Consolidation

The consolidated financial statements include the accounts of Louisiana Assessors' Retirement Fund and its wholly-owned subsidiary, Louisiana Assessors' Retirement Fund Excess Benefit Account. All significant intercompany balances have been eliminated in the consolidation.

C. Use of 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 actuarial information included in the required supplementary information as of the benefit information date and the reported amounts of additions to and deductions from plan net position during the reporting period. Actuarial valuations are used to determine the net pension liability (asset). Actual results could differ from those estimates. The Fund utilizes various investment instruments, which, by nature, are exposed to a variety of risk levels and risk types, such as interest rate, 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 Consolidated Statements of Fiduciary Net Position.

D. Cash and Cash Equivalents

Cash and cash equivalents include demand deposits in banks and temporary cash investments in money market accounts with the trust department of the investment custodian bank. The money market balances consist of government-backed pooled funds.

E. Investments

In accordance with GASB Statement No. 72 (GASB 72), investments are reported at fair value which is described as an exit price. GASB 72 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. GASB 72 established 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.

**Louisiana Assessors' Retirement Fund
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Notes to Consolidated Financial Statements
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Note 2-Summary of Significant Accounting and Financial Reporting Policies (Continued)

E. Investments (Continued)

Fair value of certain investments that do not have a readily determinable fair value is established using net asset value (or its equivalent) as a practical expedient. These investments are not categorized according to the fair value hierarchy.

In the event that inputs used to measure the fair value of an asset or liability fall into different levels in the fair value hierarchy, the overall level of the fair value hierarchy in its entirety is determined based on the lowest level of input that is significant to the entire valuation. These levels are not necessarily an indication of risk but are based upon the pricing transparency of the investment. In determining the appropriate levels, the Fund performs a detailed analysis of the assets and liabilities that are subject to GASB 72.

GASB 72 requires disclosures to be made about fair value measurements within 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 4.

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 the current exchange rate. Mortgage-backed securities are valued on the basis of estimated future principal and interest payments and are discounted at prevailing interest rates for similar instruments. Fair values of the limited partnership investments are based on valuations reported by the general partner. 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. Unrealized gains and losses are included in investment income in the Consolidated Statements of Changes in Fiduciary Net Position.

F. Property and Equipment

Property and equipment are reported at historical cost. Depreciation is computed using the straight-line method based upon useful lives of 3 to 15 years for equipment and furniture. Minor equipment and furniture acquisitions are reported as capital outlays in the period they are made.

Note 3-Contributions, Funding Status and Reserves

A. Contributions

Contributions for all members are established by statute at 8.00% of earned compensation. The contributions are deducted from the member's salary and remitted by the participating agency. Administrative costs of the Fund are financed through employer contributions. According to state statute, contributions for all employers are actuarially determined each year. The actuarially-determined employer contribution rate was 2.11% and 2.85% for the years ended September 30, 2022 and 2021, respectively. The actual employer contribution rates were 5.00% and 8.00% of members' earnings for the years ended September 30, 2022 and 2021, respectively.

The Fund also receives one-fourth of one percent of the property taxes assessed in each parish of the state, except for Orleans Parish which is one percent, as well as a state revenue sharing appropriation. According to state statute, in the event that contributions for ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement Systems' Actuarial Committee.

**Louisiana Assessors' Retirement Fund
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Notes to Consolidated Financial Statements
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Note 3-Contributions, Funding Status and Reserves (Continued)

B. Funding Status

Actuarial Methods and Assumptions

The current year actuarial assumptions utilized for this report are based on the assumptions used in the September 30, 2022 actuarial funding valuation, which (with the exception of mortality) were based on results of an actuarial experience study for the period from October 1, 2014 through September 30, 2019. All assumptions selected were determined to be reasonable and represent the Fund's expectations of future experience for the Fund. Additional information on the actuarial methods and assumptions used as of the September 30 actuarial valuation follows:

	<u>September 30, 2022</u>	<u>September 30, 2021</u>
Valuation date	September 30, 2022	September 30, 2021
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return (discount rate)	5.50%, net of pension plan investment expense, including inflation	5.50%, net of pension plan investment expense, including inflation
Inflation rate	2.10%	2.10%
Salary increases, including inflation and merit increase	5.25%	5.25%
Annuitant and beneficiary mortality	Pub-2010 Public Retirement Plans Mortality Table for General Healthy Retirees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale	Pub-2010 Public Retirement Plans Mortality Table for General Healthy Retirees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale
Active member mortality	Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale	Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale
Disabled Lives Mortality	Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale	Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale

**Louisiana Assessors' Retirement Fund
and Subsidiary
Notes to Consolidated Financial Statements
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Note 3-Contributions, Funding Status and Reserves (Continued)

B. Funding Status (Continued)

Net Pension Liability (Asset)

The Schedule of Employers' Net Pension Liability (Asset) presents information about whether the plan fiduciary net position is increasing or decreasing over time relative to total pension liability. The total pension liability was determined by an actuarial valuation as of the valuation date using assumptions and methods as described in the previous section.

The net pension liability (asset), which was calculated in accordance with GASB Statement No. 67, as of September 30, 2022 and 2021, was as follows:

	<u>2022</u>	<u>2021</u>
Total pension liability	\$ 519,649,573	\$ 507,071,744
Plan fiduciary net position	<u>453,406,301</u>	<u>539,947,818</u>
Net pension liability (asset)	<u>\$ 66,243,272</u>	<u>\$ (32,876,074)</u>
Plan fiduciary net position as a percentage of total pension liability	87.25%	106.48%

Discount Rate

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, of 2.5%, and an adjustment for the effect of rebalancing/diversification. The resulting long-term expected arithmetic nominal return was 8.37% as of September 30, 2022 and 2021.

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of September 30, 2022 and 2021, are summarized in the following table:

	Long-Term Expected Real Rate of Return	
<u>Asset Class</u>	<u>2022</u>	<u>2021</u>
Domestic equity	7.50%	7.50%
International equity	8.50%	8.50%
Domestic bonds	2.50%	2.50%
International bonds	3.50%	3.50%
Real estate	4.50%	4.50%
Alternative assets	5.87%	5.87%

**Louisiana Assessors' Retirement Fund
and Subsidiary
Notes to Consolidated Financial Statements
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Note 3-Contributions, Funding Status and Reserves (Continued)

B. Funding Status (Continued)

Discount Rate (Continued)

The projection of cash flows used to determine the discount rate assumes 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 contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on these assumptions, the Fund'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.

Sensitivity to Changes in the Discount Rate

The following presents the net pension liability (asset) of the participating employers calculated using the discount rate of 5.50% as of September 30, 2022 and 2021, respectively, as well as what the net pension liability (asset) of the participating employers would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Changes in Discount Rate		
	1% Decrease (4.50%)	Current Discount Rate (5.50%)	1% Increase (6.50%)
2022 Net pension liability	<u>\$ 125,477,096</u>	<u>\$ 66,243,272</u>	<u>\$ 15,926,827</u>
	Changes in Discount Rate		
	1% Decrease (4.50%)	Current Discount Rate (5.50%)	1% Increase (6.50%)
2021 Net pension liability (asset)	<u>\$ 25,211,653</u>	<u>\$ (32,876,074)</u>	<u>\$ (82,195,117)</u>

C. Reserve Funds

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

Annuity Savings Fund

The Annuity Savings Fund is credited with contributions made by members of the Fund. When a member terminates service, or upon death before qualifying for a benefit, the refund of the member's 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 Fund to the Annuity Reserve Fund to provide part of the benefits.

**Louisiana Assessors' Retirement Fund
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Note 3-Contributions, Funding Status and Reserves (Continued)

C. Reserve Funds (Continued)

Pension Accumulation Fund

The Pension Accumulation Fund consists of contributions paid by employers, interest earned on investments and any other income 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 Fund to fund retirement benefits for existing recipients. It is also relieved when expenditures are not covered by other accounts.

Annuity Reserve Fund

The Annuity Reserve Fund consists of the reserves for all pensions 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.

Deferred Retirement Option Plan (DROP) and Back-DROP Accounts

The DROP and Back-DROP accounts consist 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 as if the member had retired.

Funding Deposit Account

The Funding Deposit Account is credited with all surplus funds collected by the Fund in which the Board of Trustees elects to set the direct employer contribution rate higher than the minimum recommended rate. The funds may be used to reduce the unfunded accrued liability, reduce the present value of future normal costs, or to pay all or a portion of any future net direct employer contributions or to provide for cost of living increases.

The balances of the reserve funds at September 30, 2022 and 2021 were as follows:

<u>Reserve Funds</u>	<u>2022</u>	<u>2021</u>
Annuity Savings Fund	\$ 39,242,986	\$ 37,397,988
Pension Accumulation Fund	88,553,509	184,420,397
Annuity Reserve Fund	272,350,599	268,268,781
DROP and Back-DROP Accounts	4,189,575	4,295,219
Funding Deposit Account	<u>49,069,632</u>	<u>45,565,433</u>
	<u>\$ 453,406,301</u>	<u>\$ 539,947,818</u>

Note 4-Deposits and Investments

The information presented on the following pages includes disclosures of custodial, interest rate, credit and foreign currency risks in accordance with GASB 40 and is designed to inform financial statement users about investment risks that could affect the Fund's ability to meet its obligations. The tables presented classify investments by risk type, while the consolidated financial statements present investments by asset class; thus, the totals shown on the tables may not be comparable to the amounts shown for the individual asset classes on the consolidated financial statements.

**Louisiana Assessors' Retirement Fund
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Note 4-Deposits and Investments (Continued)

A. Deposits

At September 30, 2022, the carrying amount of the Fund's deposit accounts classified as cash and cash equivalents, was \$5,719,181 and the bank balances were also \$5,719,181, of which \$276,787 was protected from custodial credit risk by federal depository insurance. The remainder of the deposit balances were collateralized by a letter of credit issued by the Federal Home Loan Bank.

B. Investments

Statutes authorize the Fund to invest under the Prudent-Man Rule. The Prudent-Man Rule requires each fiduciary of a retirement system and each board of trustees acting collectively on behalf of the Fund to act with care, skill, prudence, and diligence under the circumstances prevailing that a prudent institutional investor acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

The Fund's policy regarding investments is established and amended by the Fund's Board. The Fund shall be managed at all times in accordance with Louisiana statutes and any other applicable law. The policy states that the investment of the Fund's assets shall be for the exclusive purpose of providing benefits for the participants and their beneficiaries and paying the Fund's administrative expenses. The Fund's investments shall be prudently selected and properly diversified so as to minimize the risk of large losses.

The following schedule shows the Fund's target allocation policy as of September 30, 2022 and 2021:

Asset Class	<u>2022</u>	<u>2021</u>
Equity	55.00%	55.00%
Fixed Income	30.00%	30.00%
Alternatives	<u>15.00%</u>	<u>15.00%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

The Fund invested \$385,572 and \$263,480 as of September 30, 2022 and 2021, respectively, in the Louisiana Asset Management Pool (LAMP), a local government investment pool. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with R.S. 33:2955.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP, and the value of the position in the external investment pool is the same as the net asset value of the pool shares. All of LAMP's investments are rated AAAM by Standard & Poor's.

LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government variable rate investments. The weighted average maturity for LAMP's total investments was 19 days and 53 days as of September 30, 2022 and 2021, respectively.

**Louisiana Assessors' Retirement Fund
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Notes to Consolidated Financial Statements
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Note 4-Deposits and Investments (Continued)

B. Investments (Continued)

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

C. Custodial Credit Risk

Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty to a transaction, the Fund will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Exposure to custodial credit risk arises when securities are uninsured, or are not registered in the name of the Fund, and are held by either the counterparty or the counterparty's trust department or agent but not in the Fund's name.

The investments of the Fund are held by its custodian separately from the custodian's assets in the name of the Fund and would not be adversely affected if the custodian were placed in receivership. Investments in external investment pools, mutual funds, and other pooled investments are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book-entry form. The Fund has no formal investment policy regarding custodial credit risk. The Fund was not exposed to custodial credit risk as of September 30, 2022 and 2021.

D. Interest Rate Risk

Interest rate risk is defined as the risk that changes in 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 Fund has no formal investment policy regarding interest rate risk.

As of September 30, 2022 and 2021, the Fund had the following debt investment securities and maturities:

<u>Investment Type</u>	<u>2022 Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 – 5</u>	<u>5 – 10</u>	<u>More than 10</u>
U.S. Government securities	\$ 40,908,044	\$ 1,971,340	\$ 397	\$ 7,989,147	\$ 30,947,160
Corporate bonds	61,838,610	-	32,251,815	16,370,843	13,215,952
Foreign government securities	<u>2,460,950</u>	<u>-</u>	<u>2,460,950</u>	<u>-</u>	<u>-</u>
	<u>\$ 105,207,604</u>	<u>\$ 1,971,340</u>	<u>\$ 34,713,162</u>	<u>\$ 24,359,990</u>	<u>\$ 44,163,112</u>
<u>Investment Type</u>	<u>2021 Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 – 5</u>	<u>5 – 10</u>	<u>More than 10</u>
U.S. Government securities	\$ 41,442,023	\$ -	\$ 2,102,114	\$ 11,724,527	\$ 27,615,382
Corporate bonds	77,606,504	2,750,220	36,756,895	18,427,408	19,671,981
Foreign government securities	<u>2,650,150</u>	<u>-</u>	<u>2,650,150</u>	<u>-</u>	<u>-</u>
	<u>\$ 121,698,677</u>	<u>\$ 2,750,220</u>	<u>\$ 41,509,159</u>	<u>\$ 30,151,935</u>	<u>\$ 47,287,363</u>

**Louisiana Assessors' Retirement Fund
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Note 4-Deposits and Investments (Continued)

E. Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. The Fund's investment policy states that no more than 5% of the assets assigned to an investment manager may be invested in the securities of one issuer with the exception of securities issued directly by the United States Government or any agency or instrumentality thereof. At September 30, 2022 and 2021, with the exception of United States Government securities, there were no investments with a single issuer which exceeded 5% of net position restricted for pension benefits.

F. Credit Risk

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Fund's investment policy indicates that the majority of the total fixed income portfolio shall be rated "investment grade" or higher by a nationally recognized rating agency. The Fund held investments with the following ratings as determined by Moody's Investors Service as of September 30, 2022 and 2021:

	Market Value at September 30,	
	2022	2021
Corporate Bonds		
Aa1	\$ 2,450,331	\$ 3,432,915
A1	-	2,750,220
A2	18,612,088	18,897,182
A3	8,259,459	15,208,928
Baa1	2,208,825	5,946,860
Baa2	25,397,812	28,592,749
Baa3	4,910,095	2,777,650
Total corporate bonds	\$ 61,838,610	\$ 77,606,504
Bond Mutual Funds		
A3	\$ 24,896,914	\$ 29,095,506

G. Foreign Currency Risk

Foreign currency risk is defined as the risk that changes in exchange rates will adversely affect the fair value of an investment. The Fund has no formal investment policy regarding foreign currency risk. The Fund has no exposure to foreign currency risk at September 30, 2022 and 2021.

**Louisiana Assessors' Retirement Fund
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Note 4-Deposits and Investments (Continued)

H. Fair Value Measurements

The Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles as described in Note 2(E).

The following table sets forth, by level, the investments reported at fair value as of September 30, 2022:

Investments by Fair Value Level	Total	Fair Value Measurements		
		Level 1	Level 2	Level 3
Debt Securities				
U.S. Government securities	\$ 40,908,044	\$ 3,920,224	\$ 36,987,820	\$ -
Corporate bonds	61,838,610	-	61,838,610	-
Foreign government securities	2,460,950	-	2,460,950	-
Total debt securities	<u>105,207,604</u>	<u>3,920,224</u>	<u>101,287,380</u>	<u>-</u>
Equity Securities				
Domestic stock	67,240,720	67,240,720	-	-
Domestic mutual funds	74,255,667	-	74,255,667	-
Foreign mutual funds	17,931,897	-	17,931,897	-
Foreign stock	6,925,358	6,925,358	-	-
Total equity securities	<u>166,353,642</u>	<u>74,166,078</u>	<u>92,187,564</u>	<u>-</u>
Short-term investments	<u>6,772,669</u>	<u>6,772,669</u>	<u>-</u>	<u>-</u>
External investment pool	<u>385,572</u>	<u>-</u>	<u>385,572</u>	<u>-</u>
Total Investments at Fair Value Level	<u>278,719,487</u>	<u>\$ 84,858,971</u>	<u>\$ 193,860,516</u>	<u>\$ -</u>
Investments measured at Net Asset Value (NAV)				
Bond mutual funds	24,896,914			
Domestic equity funds	44,852,755			
International equity funds	37,494,343			
Real estate funds	61,373,294			
Total Investments at NAV	<u>168,617,306</u>			
Total Investments at Fair Value	<u>\$ 447,336,793</u>			

**Louisiana Assessors' Retirement Fund
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Notes to Consolidated Financial Statements
September 30, 2022**

Note 4-Deposits and Investments (Continued)

H. Fair Value Measurements (Continued)

The unfunded commitments and redemption terms, if applicable, for investments measured at the net asset value (NAV) per share (or its equivalent) as of September 30, 2022, are presented in the following table:

<u>Investment Type</u>	<u>Fair Value 2022</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Bond mutual funds	\$ 24,896,914	\$ -	Daily	1 Day
Domestic equity funds	44,852,755	-	Monthly	10 Days
International equity funds	37,494,343	-	Daily	1 – 10 Days
Real estate funds	61,373,294	-	Quarterly	10 Days
Total Investments at NAV	<u>\$ 168,617,306</u>			

The following table sets forth, by level, the investments reported at fair value as of September 30, 2021:

Investments by Fair Value Level	Total	Fair Value Measurements		
		Level 1	Level 2	Level 3
Debt Securities				
U.S. Government securities	\$ 41,442,023	\$ 5,053,696	\$ 36,388,327	\$ -
Corporate bonds	77,606,504	-	77,606,504	-
Foreign government securities	2,650,150	-	2,650,150	-
Total debt securities	<u>121,698,677</u>	<u>5,053,696</u>	<u>116,644,981</u>	<u>-</u>
Equity Securities				
Domestic stock	105,069,703	105,069,703	-	-
Domestic mutual funds	27,174,100	-	27,174,100	-
Foreign mutual funds	35,177,064	-	35,177,064	-
Foreign stock	9,807,767	9,807,767	-	-
Total equity securities	<u>177,228,634</u>	<u>114,877,470</u>	<u>62,351,164</u>	<u>-</u>
Short-term investments	<u>11,586,160</u>	<u>11,586,160</u>	<u>-</u>	<u>-</u>
External investment pool	<u>263,480</u>	<u>-</u>	<u>263,480</u>	<u>-</u>
Total Investments at Fair Value Level	<u>310,776,951</u>	<u>\$ 131,517,326</u>	<u>\$ 179,259,625</u>	<u>\$ -</u>
Investments measured at Net Asset Value (NAV)				
Bond mutual funds	29,095,506			
Domestic equity funds	82,829,310			
International equity funds	66,100,693			
Real estate funds	48,559,471			
Total Investments at NAV	<u>226,584,980</u>			
Total Investments at Fair Value	<u>\$ 537,361,931</u>			

**Louisiana Assessors' Retirement Fund
and Subsidiary
Notes to Consolidated Financial Statements
September 30, 2022**

Note 4-Deposits and Investments (Continued)

H. Fair Value Measurements (Continued)

The unfunded commitments and redemption terms, if applicable, for investments measured at the net asset value (NAV) per share (or its equivalent) as of September 30, 2021, are presented in the following table:

<u>Investment Type</u>	<u>Fair Value 2021</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Bond mutual funds	\$ 29,095,506	\$ -	Daily	1 Day
Domestic equity funds	82,829,310	-	Monthly	10 Days
International equity funds	66,100,693	-	Daily	1 – 10 Days
Real estate funds	48,559,471	-	Quarterly	10 Days
Total Investments at NAV	<u>\$ 226,584,980</u>			

Valuation Techniques

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 and market-corroborated pricing and inputs such as yield curves and indices. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Real Estate

This type includes real estate funds that invest primarily in major property types including office, residential, retail, industrial, and hotel properties. The fair values of the investments in real estate funds have been determined using the NAV per share of the Fund's ownership interest in partners' capital. These are illiquid investments with a length of investment often over 10 years. Returns are generated by capital appreciation and income from lease agreements.

I. Money-weighted Rate of Return

For the years ended September 30, 2022 and 2021, the annual money-weighted rate of return on the Fund's investments, net of investment expense, was -15.38% and 18.28%, respectively. The money-weighted rate of return expresses performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 5-Note Receivable - Related Party

The following is a summary of the note receivable from a related party at September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Note receivable due from Louisiana Assessors' Association (LAA) in monthly installments of \$983 at an interest rate of 7.25%, collateralized by a building. Note was fully repaid by LAA during the year ended September 30, 2022.	\$ -	\$ 119,983

**Louisiana Assessors' Retirement Fund
and Subsidiary
Notes to Consolidated Financial Statements
September 30, 2022**

Note 6-Property and Equipment

The following is a summary of property and equipment at September 30, 2022 and 2021:

	<u>Balance</u> <u>October 1,</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>September 30,</u>
Furniture	\$ 58,962	\$ -	\$ -	\$ 58,962
Computer software	42,785	-	-	42,785
Less accumulated depreciation	<u>(101,747)</u>	<u>-</u>	<u>-</u>	<u>(101,747)</u>
Property and equipment, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note 7-Related Party Transactions

The Fund shares an office building, staff, equipment and other office expenses with Louisiana Assessors' Association and Louisiana Assessors' Insurance Fund, related parties. Most of the expenses, including the salaries of employees of all three entities, are paid by the Association. The Fund reimbursed the Association \$151,592 and \$133,634 for shared expenses for the years ended September 30, 2022 and 2021, respectively.

Interest earned on the note due from Louisiana Assessors' Association as described in Note 5 was \$2,170 and \$8,817 for the years ended September 30, 2022 and 2021, respectively, which are included in administrative expenses.

Note 8-Subsequent Events

The Fund evaluated all subsequent events through February 7, 2023, the date the consolidated financial statements were available to be issued. As a result, management noted no subsequent events that required adjustment to, or disclosure in, these consolidated financial statements.

Required Supplementary Information

**Louisiana Assessors' Retirement Fund
and Subsidiary**
Schedules of Changes in Net Pension Liability (Asset)
For the Nine Years Ended September 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:									
Service cost	\$ 13,746,229	\$ 13,158,138	\$ 12,344,631	\$ 11,529,081	\$ 10,296,787	\$ 9,938,825	\$ 9,581,168	\$ 8,938,003	\$ 8,445,473
Interest	27,915,397	27,363,896	26,946,871	26,751,418	26,902,647	26,397,300	25,299,167	25,247,595	24,678,438
Changes of benefit terms	-	2,376,933	-	2,221,576	-	2,075,489	-	-	1,896,120
Differences between expected and actual experience	(2,193,284)	3,155,549	(3,469,558)	(7,561,327)	(6,147,609)	(3,600,687)	2,933,747	(1,472,967)	(5,316,210)
Changes of assumptions	-	11,607,943	15,636,346	11,248,225	20,434,309	9,513,340	-	623,015	8,206,159
Benefit payments	(26,507,501)	(26,538,194)	(24,331,796)	(22,955,491)	(23,266,461)	(22,995,201)	(21,402,863)	(19,851,313)	(19,001,492)
Refunds of member contributions	(320,798)	(178,698)	(138,960)	(132,463)	(229,006)	(201,835)	(120,216)	(257,221)	(265,279)
Other	(62,214)	431,402	(236,145)	(39,927)	147,141	97,192	(365,752)	362,959	593,142
Net change in total pension liability	12,577,829	31,376,969	26,751,389	21,061,092	28,137,808	21,224,423	15,925,251	13,590,071	19,236,351
Total pension liability - beginning	<u>507,071,744</u>	<u>475,694,775</u>	<u>448,943,386</u>	<u>427,882,294</u>	<u>399,744,486</u>	<u>378,520,063</u>	<u>362,594,812</u>	<u>349,004,741</u>	<u>329,768,390</u>
Total pension liability - ending (a)	<u>\$ 519,649,573</u>	<u>\$ 507,071,744</u>	<u>\$ 475,694,775</u>	<u>\$ 448,943,386</u>	<u>\$ 427,882,294</u>	<u>\$ 399,744,486</u>	<u>\$ 378,520,063</u>	<u>\$ 362,594,812</u>	<u>\$ 349,004,741</u>
Plan Fiduciary Net Position:									
Contributions - employer	\$ 3,839,950	\$ 3,725,505	\$ 3,698,751	\$ 3,577,565	\$ 3,547,160	\$ 4,417,302	\$ 5,912,689	\$ 5,706,310	\$ 5,561,363
Contributions - member	2,397,157	3,747,974	3,694,681	3,623,498	3,548,870	3,534,872	3,508,927	3,380,177	3,292,049
Contributions - nonemployer contributing entities	15,004,105	14,936,934	14,597,293	13,847,451	13,506,509	13,232,681	18,272,818	12,680,751	12,209,395
Net investment income (loss)	(80,589,013)	83,697,209	40,855,298	16,487,917	29,285,268	41,232,072	27,531,480	(5,438,243)	25,993,336
Benefit payments	(26,507,501)	(26,538,194)	(24,331,796)	(22,955,491)	(23,266,461)	(22,995,201)	(21,402,863)	(19,851,313)	(19,001,492)
Refunds of member contributions	(320,798)	(178,698)	(138,960)	(132,463)	(229,006)	(201,835)	(120,216)	(257,221)	(265,279)
Administrative expenses	(303,203)	(291,482)	(287,142)	(285,283)	(294,926)	(352,841)	(366,487)	(365,989)	(315,204)
Other	(62,214)	431,402	(236,145)	(39,927)	147,141	97,192	(365,752)	362,959	593,142
Net change in plan fiduciary net position	(86,541,517)	79,530,650	37,851,980	14,123,267	26,244,555	38,964,242	32,970,596	(3,782,569)	28,067,310
Plan fiduciary net position - beginning	<u>539,947,818</u>	<u>460,417,168</u>	<u>422,565,188</u>	<u>408,441,921</u>	<u>382,197,366</u>	<u>343,233,124</u>	<u>310,262,528</u>	<u>314,045,097</u>	<u>285,977,787</u>
Plan fiduciary net position - ending (b)	<u>\$ 453,406,301</u>	<u>\$ 539,947,818</u>	<u>\$ 460,417,168</u>	<u>\$ 422,565,188</u>	<u>\$ 408,441,921</u>	<u>\$ 382,197,366</u>	<u>\$ 343,233,124</u>	<u>\$ 310,262,528</u>	<u>\$ 314,045,097</u>
Net pension liability (asset) - ending (a) - (b)	\$ 66,243,272	\$ (32,876,074)	\$ 15,277,607	\$ 26,378,198	\$ 19,440,373	\$ 17,547,120	\$ 35,286,939	\$ 52,332,284	\$ 34,959,644
Plan fiduciary net position as a percentage of the total pension liability	87.25%	106.48%	96.79%	94.12%	95.46%	95.61%	90.68%	85.57%	89.98%
Covered payroll	\$ 47,943,140	\$ 46,568,813	\$ 46,234,388	\$ 44,719,563	\$ 44,339,500	\$ 44,173,020	\$ 43,797,696	\$ 42,268,963	\$ 41,195,281
Net pension liability (asset) as a percentage of covered payroll	138.17%	-70.60%	33.04%	58.99%	43.84%	39.72%	80.57%	123.81%	84.86%

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

**Louisiana Assessors' Retirement Fund
and Subsidiary
Schedules of Employers' Net Pension Liability (Asset)
For the Nine Years Ended September 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability	\$ 519,649,573	\$ 507,071,744	\$ 475,694,775	\$ 448,943,386	\$ 427,882,294	\$ 399,744,486	\$ 378,520,063	\$ 362,594,812	\$ 349,004,741
Plan fiduciary net position	453,406,301	539,947,818	460,417,168	422,565,188	408,441,921	382,197,366	343,233,124	310,262,528	314,045,097
Net pension liability (asset)	<u>\$ 66,243,272</u>	<u>\$ (32,876,074)</u>	<u>\$ 15,277,607</u>	<u>\$ 26,378,198</u>	<u>\$ 19,440,373</u>	<u>\$ 17,547,120</u>	<u>\$ 35,286,939</u>	<u>\$ 52,332,284</u>	<u>\$ 34,959,644</u>
Plan fiduciary net position as a percentage of the total pension liability	87.25%	106.48%	96.79%	94.12%	95.46%	95.61%	90.68%	85.57%	89.98%
Covered payroll	\$ 47,943,140	\$ 46,568,813	\$ 46,234,388	\$ 44,719,563	\$ 44,339,500	\$ 44,173,020	\$ 43,797,696	\$ 42,268,963	\$ 41,195,281
Net pension liability (asset) as a percentage of covered payroll	138.17%	-70.60%	33.04%	58.99%	43.84%	39.72%	80.57%	123.81%	84.86%

**Schedules of Contributions
Employer and Non-Employer Contributing Entities
For the Nine Years Ended September 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution (determined as of the prior fiscal year)	\$ 16,762,854	\$ 16,558,914	\$ 14,847,493	\$ 14,449,328	\$ 15,649,526	\$ 15,338,358	\$ 16,255,078	\$ 15,652,409	\$ 16,956,209
Contributions in relation to the actuarially determined contribution [^]	17,401,262	18,662,439	18,296,044	17,425,016	17,053,669	17,649,983	24,185,507	18,387,061	17,770,758
Contribution excess	<u>\$ (638,408)</u>	<u>\$ (2,103,525)</u>	<u>\$ (3,448,551)</u>	<u>\$ (2,975,688)</u>	<u>\$ (1,404,143)</u>	<u>\$ (2,311,625)</u>	<u>\$ (7,930,429)</u>	<u>\$ (2,734,652)</u>	<u>\$ (814,549)</u>
Covered payroll	\$ 47,943,140	\$ 46,568,813	\$ 46,234,388	\$ 44,719,563	\$ 44,339,500	\$ 44,173,020	\$ 43,797,696	\$ 42,268,963	\$ 41,195,281
Contributions as a percentage of covered payroll	36.30%	40.07%	39.57%	38.97%	38.46%	39.96%	55.22%	43.50%	43.14%

[^] Includes contributions from employers and nonemployer contributing entities as well as funds allocated to the Funding Deposit Account. Does not include funds withdrawn from the Funding Deposit Account.

**Schedules of Investment Returns
For the Nine Years Ended September 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	-15.38%	18.28%	9.74%	4.04%	7.82%	12.42%	8.88%	-1.77%	9.08%

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

**Louisiana Assessors' Retirement Fund
and Subsidiary
Notes to Required Supplementary Information
For the Year Ended September 30, 2022**

A. Schedules of Changes in Net Pension Liability (Asset)

The total pension liability contained in these schedules was provided by the Fund's actuary, Curran Actuarial Consulting, Ltd. The net pension liability (asset) is measured as the total pension liability less the amount of the fiduciary net position of the Fund.

B. Schedules of Employers' Net Pension Liability (Asset)

These schedules show the percentage of the Fund's employers' net pension liability (asset) as a percentage of covered payroll. The employers' net pension liability (asset) is the liability (asset) of contributing employers to members for benefits provided through the Fund. Covered payroll is the payroll on which contributions to the Fund are based.

C. Schedules of Contributions – Employer and Non-Employer Contributing Entities

The difference between the actuarially determined employer contributions and employer contributions received and the percentage of employer contributions received to covered payroll is presented in these schedules.

D. Schedules of Investment Returns

The annual money-weighted rate of return is shown in these schedules. 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 on daily inputs with expenses measured on an accrual basis.

E. Actuarial Assumptions

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.

	<u>September 30, 2022</u>	<u>September 30, 2021</u>
Valuation date	September 30, 2022	September 30, 2021
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return (discount rate)	5.50%, net of pension plan investment expense, including inflation	5.50%, net of pension plan investment expense, including inflation
Inflation rate	2.10%	2.10%
Salary increases, including inflation and merit increase	5.25%	5.25%

**Louisiana Assessors' Retirement Fund
and Subsidiary
Notes to Required Supplementary Information
For the Year Ended September 30, 2022**

E. Actuarial Assumptions (Continued)

Annuitant and beneficiary mortality	Pub-2010 Public Retirement Plans Mortality Table for General Healthy Retirees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale	Pub-2010 Public Retirement Plans Mortality Table for General Healthy Retirees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale
Active member mortality	Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale	Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale
Disabled Lives Mortality	Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale	Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale

Other Supplementary Information

**Louisiana Assessors' Retirement Fund
and Subsidiary
Schedules of Per Diem Paid to Trustees
Years Ended September 30, 2022 and 2021**

	<u>2022</u>		<u>2021</u>	
	<u>Days</u>	<u>Amount</u>	<u>Days</u>	<u>Amount</u>
Wendy Aguiard	-	\$ -	1	\$ 75
Taylor Barras	-	-	3	225
Michael Bealer	4	300	4	300
Emmett Brown, III	4	300	2	150
Conrad Comeaux	4	300		
Rhyn Duplechain	-	-	1	75
Richard Earl	2	150	5	375
Lance Futch	3	225	-	-
Irby Gamble	7	525	6	450
Glenda Gaspard	6	450	6	450
Lucien Gauff III	2	150	-	-
Louis Hebert	7	525	5	375
Charles Hennington, Jr.	6	450	5	375
Gabe Marceaux	3	225	-	-
Phyllis Mendoza	1	75	5	375
James Stevenson, Jr.	9	675	3	225
Glenn Waguespack	10	750	5	375
Erroll Williams	1	75	-	-
Vernon Parish Assessor's Office on behalf of Michael Bealer	<u>5</u>	<u>375</u>	<u>-</u>	<u>-</u>
	<u>74</u>	<u>\$ 5,550</u>	<u>51</u>	<u>\$ 3,825</u>

**Louisiana Assessors' Retirement Fund
and Subsidiary
Schedules of Administrative Expenses
Years Ended September 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Bank charges	\$ 2,861	\$ 4,173
Board per diem	5,550	3,825
Computer supplies and expenses	5,097	581
Dues	300	350
Legal and professional fees	120,859	144,114
Miscellaneous	581	841
Office expense	501	-
Seminars	1,325	-
Shared expenses including salaries, benefits, and other office expenses	151,592	133,634
Travel	<u>14,537</u>	<u>3,964</u>
 Total administrative expenses	 <u>\$ 303,203</u>	 <u>\$ 291,482</u>

**Louisiana Assessors' Retirement Fund
and Subsidiary
Schedule of Compensation, Benefits, and Other Payments
to Agency Head or Chief Executive Officer
Year Ended September 30, 2022**

Agency Head Name: Lance Futch, President

Purpose	Amount
Salary	\$ -
Benefits - insurance	-
Benefits - retirement	-
Car allowance	-
Vehicle provided by agency	-
Per diem	225
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-



**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***

Ms. Kathy Bertrand, Executive Director,
and the Board of Trustees of
Louisiana Assessors' Retirement Fund and Subsidiary
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 consolidated financial statements of Louisiana Assessors' Retirement Fund and Subsidiary, which comprise the consolidated statements of fiduciary net position as of September 30, 2022 and 2021, and the related consolidated statements of changes in fiduciary net position for the years then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 7, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audits of the consolidated financial statements, we considered Louisiana Assessors' Retirement Fund and Subsidiary'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Louisiana Assessors' Retirement Fund and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect 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 entity'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 audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Assessors' Retirement Fund and Subsidiary's consolidated financial statements are free from 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 audits, 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 the results of that testing, and not to provide an opinion on the effectiveness of the Louisiana Assessors' Retirement Fund and Subsidiary'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 Louisiana Assessors' Retirement Fund and Subsidiary's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hawthorn, Waymouth & Carroll, L.L.P.

February 7, 2023

**Louisiana Assessors' Retirement Fund
and Subsidiary
Schedule of Findings and Responses
Year Ended September 30, 2022**

Part I. Summary of Audit Results

- 1) An unmodified opinion has been expressed on the consolidated financial statements of Louisiana Assessors' Retirement Fund and Subsidiary as of and for the year ended September 30, 2022, and the related notes to the consolidated financial statements.
- 2) No deficiencies in internal control over financial reporting that we consider to be material weaknesses were identified.
- 3) No instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* were identified.
- 4) A single audit in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* was not required.
- 5) A management letter was not issued.

Part II. Findings Related to an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

No findings were noted.

**Louisiana Assessors' Retirement Fund
and Subsidiary
Summary Schedule of Prior Year Audit Findings
Year Ended September 30, 2022**

Part I. Findings Related to an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

No findings were noted.

Part II. Management Letter

A management letter was not issued for the year ended September 30, 2021.

Louisiana Assessors' Retirement Fund and Subsidiary

Statewide Agreed-Upon Procedures Report

September 30, 2022



**Independent Accountant's Report
on Applying Statewide Agreed-upon Procedures**

To the Board of Directors of Louisiana Assessors' Retirement Fund and Subsidiary and the Louisiana Legislative Auditor:

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 fiscal period October 01, 2021 through September 30, 2022. Louisiana Assessors' Retirement Fund and Subsidiary's management is responsible for those C/C areas identified in the SAUPs.

Louisiana Assessors' Retirement Fund and Subsidiary 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 LLA's SAUPs for the fiscal period October 01, 2021 through September 30, 2022. Additionally, 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:

Written Policies and Procedures

1. Obtained and inspected the entity's written policies and procedures and observed whether they addressed each of the following categories and subcategories if applicable to public funds and the entity's operations:

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

No exceptions were found as a result of this procedure.

b) ***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.

No exceptions were found as a result of this procedure.

c) ***Disbursements***, including processing, reviewing, and approving.

No exceptions were found as a result of this procedure.

d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine completeness of all collections for each type of revenue or agency fund additions.

No exceptions were found as a result of this procedure.

- e) **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(s) rate of pay or approval and maintenance of pay rate schedules.

Entity does not have any employees; therefore, these policies and procedures are not applicable.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

No exceptions were found as a result of this procedure.

- g) **Credit Cards (and debit cards, fuel cards, P-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).

Entity does not have any debit cards, fuel cards, or P-cards; therefore, these policies and procedures are not applicable.

- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exceptions were found as a result of this procedure.

- i) **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.

Entity does not have any employees; therefore, these policies and procedures are not applicable.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Entity does not have any debt; therefore, these policies and procedures are not applicable.

- k) **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.

No exceptions were found as a result of this procedure.

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

Entity does not have any employees; therefore, these policies and procedures are not applicable.

Board or Finance Committee

2. Obtained and inspected 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:

- a) Observed 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.

No exceptions were found as a result of this procedure.

- b) For those entities reporting on the governmental accounting model, observed whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observed 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.*

No exceptions were found as a result of this procedure.

- c) For governmental entities, obtained the prior year audit report and observed 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, observed 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.

Entity does not report on the governmental accounting model; therefore, this procedure is not applicable.

Bank Reconciliations

3. Obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Asked management to identify the entity's main operating account. Selected the entity's main operating account and randomly selected four additional accounts (or all accounts if less than 5). Randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for each selected account, and observed that:

- a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

No exceptions were found as a result of this procedure.

- b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No exceptions were found as a result of this procedure.

- c) 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.

No exceptions were found as a result of this procedure.

Collections (excluding electronic funds transfers)

4. Obtained 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 selected 5 deposit sites (or all deposit sites if less than 5).

No exceptions were found as a result of this procedure. The entity has only one deposit site.

5. For each deposit site selected, obtained a listing of collection locations and management's representation that the listing is complete. Randomly selected one collection location for each deposit site, obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:

- a) Employees responsible for cash collections do not share cash drawers/registers.

No exceptions were found as a result of this procedure.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

No exceptions were found as a result of this procedure.

- c) Each employee responsible for collecting cash is not 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.

No exceptions were found as a result of this procedure.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions were found as a result of this procedure.

6. Obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observed the bond or insurance policy for theft was enforced during the fiscal period.

No exceptions were found as a result of this procedure.

7. Randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above. Obtained supporting documentation for each of the deposits and:

- a) Observed that receipts are sequentially pre-numbered.

No exceptions were found as a result of this procedure.

- b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions were found as a result of this procedure.

- c) Traced the deposit slip total to the actual deposit per the bank statement.

No exceptions were found as a result of this procedure.

- d) Observed 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).

Two of the deposits tested were not deposited within one business day of receipt at the collection location.

- e) Traced the actual deposit per the bank statement to the general ledger.

No exceptions were found as a result of this procedure.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 8. Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly selected 5 locations (or all locations if less than 5).

No exceptions were found as a result of this procedure.

- 9. For each location selected under #8 above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquired of employees about their job duties), and observed that job duties were properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exceptions were found as a result of this procedure.

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions were found as a result of this procedure.

- c) 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.

No exceptions were found as a result of this procedure.

- d) 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.

No exceptions were found as a result of this procedure.

- 10. For each location selected under #8 above, obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. Randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction, and:

- a) Observed whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

No exceptions were found as a result of this procedure.

- b) Observed whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions were found as a result of this procedure.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

These procedures are not applicable to the entity.

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.
12. 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, obtained supporting documentation, and:
 - a) Observe whether there was evidence that the monthly statement or combined statement and supporting documentation were reviewed and approved, in writing (or electronically approved), by someone other than the authorized cardholder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 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. For each transaction, observe it is supported by (1) an original itemized receipt that identified 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).

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

These procedures are not applicable to the entity.

14. 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 was complete. Randomly select 5 reimbursements, 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:
 - a) If reimbursed using a per diem, observe the approved reimbursement rate was no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) 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 policy (procedure #1h).
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. Obtained 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. Obtained management's representation that the listing is complete. Randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observed whether the contract was bid in accordance with the Louisiana Public Bid Law, if required by law.
No exceptions were found as a result of this procedure.
 - b) Observed whether the contract was approved by the governing body/board, if required by policy or law.
No exceptions were found as a result of this procedure.
 - c) If the contract was amended, observed the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms.
No exceptions were found as a result of this procedure.
 - d) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed the invoice and related payment agreed to the terms and conditions of the contract.
No exceptions were found as a result of this procedure.

Payroll and Personnel

These procedures are not applicable to the entity.

16. 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.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees or officials documented their daily attendance and leave.
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. 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, 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 or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

19. 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.

Ethics

These procedures are not applicable to the entity.

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Debt Service

These procedures are not applicable to the entity.

21. 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.
22. 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).

Fraud Notice

23. 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.

Not applicable; there were no misappropriations of public funds identified during the fiscal period.

24. Observed 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.

No exceptions were found as a result of this procedure.

Information Technology Disaster Recovery/Business Continuity

25. Performed the following procedures:
 - a) Obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquired of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observed evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

- b) Obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquired of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- c) Obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly selected 5 computers and observed while management demonstrated 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.

We performed the procedure and discussed the results with management.

Sexual Harassment

These procedures are not applicable to the entity.

- 26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
- 27. 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).
- 28. 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 it includes the applicable requirements of R.S. 42:344:
 - a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

We were engaged by Louisiana Assessors' Retirement Fund and Subsidiary 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 Louisiana Assessors' Retirement Fund and Subsidiary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement 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 result 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 LLA as a public document.

Hawthorn, Waymouth & Carroll, L.L.P.

January 11, 2023