

R E P O R T

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA

JUNE 30, 2021 AND 2020

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA

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December 30, 2021

Board of Trustees  
District Attorneys' Retirement System  
State of Louisiana  
2525 Quail Drive  
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### **Report on the Financial Statements**

We have audited the accompanying financial statements of the District Attorneys' Retirement System (the System) of the State of Louisiana as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the System's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District Attorneys' Retirement System of the State of Louisiana as of June 30, 2021 and 2020, and the respective changes in its net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of a Matter**

As disclosed in Note 10 to the financial statements, the total pension liability for the District Attorneys Retirement System of Louisiana was \$555,070,371 and \$523,180,498 at June 30, 2021 and 2020, respectively. The actuarial valuations were based on various assumptions made by the System's actuary. Because actual experience may differ from the assumptions used in the actuarial valuation, there is a risk that the total pension liability at June 30, 2021 and 2020 could be understated or overstated.

### **Other Matters**

#### *Required Supplementary Information*

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

## *Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated December 30, 2021 on our consideration of the District Attorneys' Retirement System of the State of Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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 the District Attorneys' Retirement System's internal control over financial reporting and compliance and should be considered in assessing the results of our audit.

*Duplantier, Sharpness, Hogan and Parker, LLP*

New Orleans, Louisiana

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

The Management's Discussion and Analysis of the District Attorneys' Retirement System financial performance presents a narrative overview and analysis of the System's financial activities for the year ended June 30, 2021. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the information contained in the District Attorneys' Retirement System's financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

- The District Attorneys' Retirement System's assets exceeded its liabilities at the close of fiscal year 2021 by \$537,267,140, which represents an increase from last fiscal year. The net position held in trust for pension benefits increased by \$93,313,889, or 21.02%. At the close of the fiscal year ended 2020 net position held in trust for pension benefits increased by \$8,013,205, or 1.84%, from fiscal year ended 2019.
- Contributions to the plan by members during the fiscal year ended 2021 totaled \$5,192,841, an increase of \$181,032, or 3.61%, from the prior year. During the fiscal year ended 2020 contributions by members totaled \$5,011,809, a decrease of \$20,942, or 0.42%, from fiscal year ended 2019.
- The fair value of investments as of June 30, 2021 is \$529,742,494 which is a net increase of \$85,957,437, or 19.37%. The fair value of investments as of June 30, 2020 was \$443,785,057, which was a net increase of \$11,449,260, or 2.65%, from fiscal year ended 2019.
- The rate of return on the System's investments was 23.0% based on the market value. This is higher than the prior year's 3.15% market rate of return. The rate of return on the System's investments for the year ended June 30, 2019 was 4.48%.
- Pension benefits paid to retirees and beneficiaries during the fiscal year ended 2021 was \$21,552,166, an increase by \$1,957,516, or 9.99%. This increase is due to an increase in the number of retirees and their benefit amounts. Pension benefits paid to retirees and beneficiaries during the fiscal year 2020 increased by \$1,465,156, or 8.08%, from fiscal year ended 2019.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- Statement of Fiduciary Net Position,
- Statement of Changes in Fiduciary Net Position, and
- Notes to the Financial Statements.

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

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The statement of fiduciary net position report the System's assets, liabilities, and resultant net position - restricted for pension benefits. It discloses the financial position of the System as of June 30, 2021.

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

FINANCIAL ANALYSIS OF THE SYSTEM

The District Attorneys' Retirement System provides benefits to all eligible employees of the Louisiana Judicial Districts in the State of Louisiana. Employee contributions and earnings on investments fund these benefits.

	Statement of Fiduciary Net Position		
	<u>June 30,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Cash and investments	\$ 532,185,460	\$ 445,863,265	\$ 434,130,934
Receivables	5,061,111	3,005,284	1,791,237
Prepaid expense	21,000	21,000	21,000
Total assets	537,267,571	448,889,549	435,943,171
Total Liabilities	431	4,936,298	3,125
Net Position - Restricted for Pension Benefits	\$ 537,267,140	\$ 443,953,251	\$ 435,940,046

	Statement of Changes in Fiduciary Net Position		
	<u>June 30,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Additions:			
Contributions	\$ 18,021,981	\$ 17,401,078	\$ 15,198,401
Net investment income	101,070,291	13,623,812	18,780,081
Other additions	958,304	823,946	767,313
Total additions	120,050,576	31,848,836	34,745,795
Deductions	26,736,687	23,835,631	21,190,743
Increase in Plan Net Position	\$ 93,313,889	\$ 8,013,205	\$ 13,555,052

Fiduciary net position increased by \$93,313,889, or 21.02%. The net position is restricted in use to provide monthly retirement allowances to members who contributed to the System as employees and their beneficiaries and administrative expenses. The increase in fiduciary net position was a result of the investment and contribution income exceeding the benefits paid.

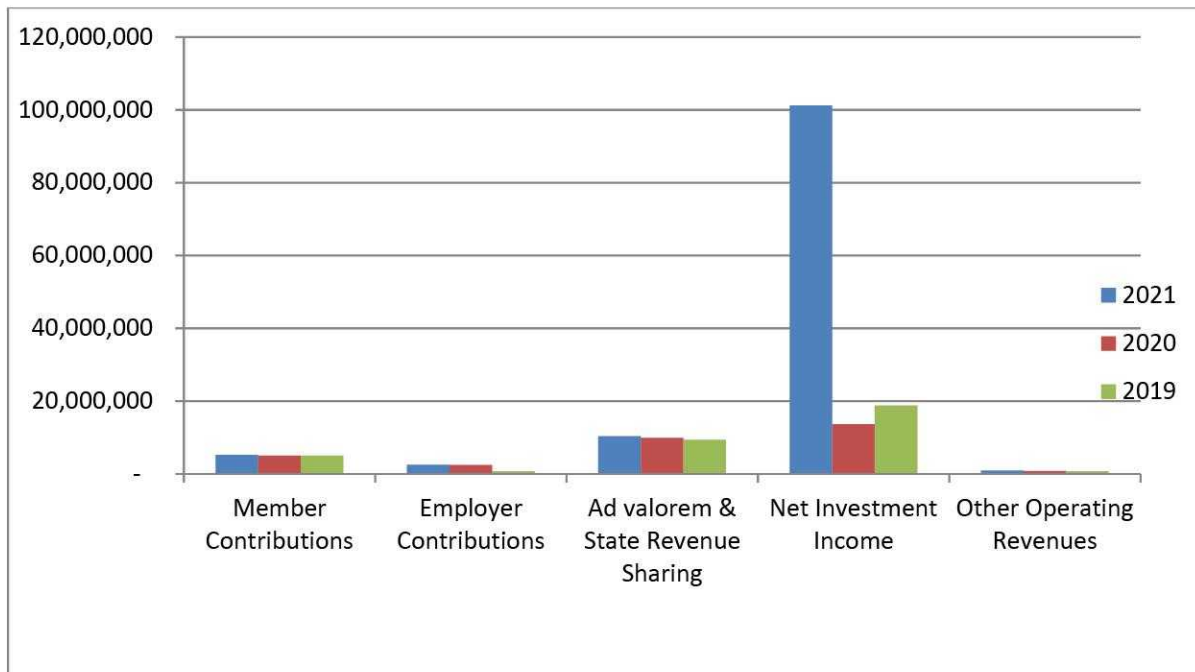
DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

FINANCIAL ANALYSIS OF THE SYSTEM (Continued)

Additions to Fiduciary Net Position

Additions to the System's fiduciary net position were derived from member and employer contributions, ad valorem taxes and state revenue sharing funds, and investment income. The System experienced a net investment income of \$101,070,291 as compared to a net investment income of \$13,623,812 in the previous year. Net investment income was \$18,780,081 for the year ended June 30, 2019.

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Member contributions	\$ 5,192,841	\$ 5,011,809	\$ 5,032,751
Employer contributions	2,511,625	2,492,875	775,650
Ad valorem & state revenue sharing	10,317,515	9,896,394	9,390,000
Net investment income	101,070,291	13,623,673	18,780,081
Other additions	958,304	823,946	767,313
Total	<u>\$ 120,050,576</u>	<u>\$ 31,848,697</u>	<u>\$ 34,745,795</u>





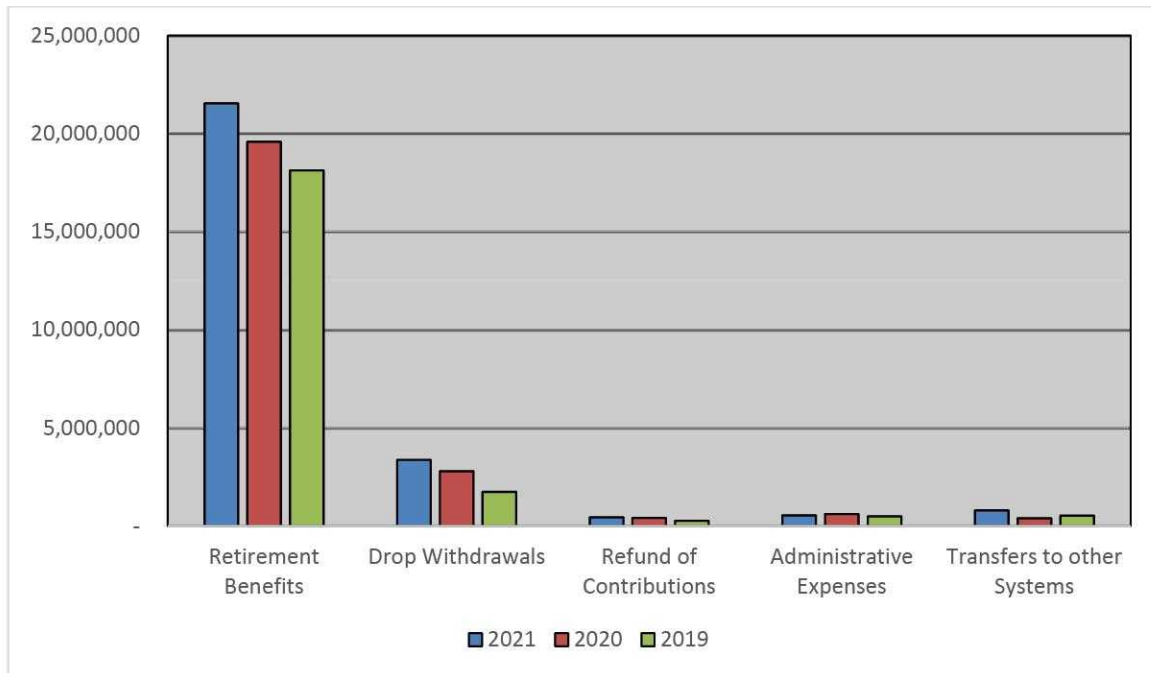
DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

FINANCIAL ANALYSIS OF THE SYSTEM (Continued)

Deductions from Fiduciary Net Assets

Deductions from fiduciary net assets include retirement, death, and survivor benefits; administrative expenses; and transfers to other systems. Deductions from plan net position totaled \$26,736,687 in fiscal year 2021. Benefit payments during fiscal year ended June 30, 2021 and 2020 were \$21,552,166 and \$19,594,650, respectively. The increase in benefits is due largely to an increase in the number of retirees and newer retirees earning higher benefit amounts than previous retirees.

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Retirement benefits	\$ 21,552,166	\$ 19,594,650	\$ 18,129,494
DROP withdrawals	3,379,787	2,803,775	1,747,982
Refunds of contributions	448,108	421,866	272,696
Administrative expenses	550,758	614,687	503,990
Transfers to other systems	805,868	400,653	536,581
Total	<u>\$ 26,736,687</u>	<u>\$ 23,835,631</u>	<u>\$ 21,190,743</u>



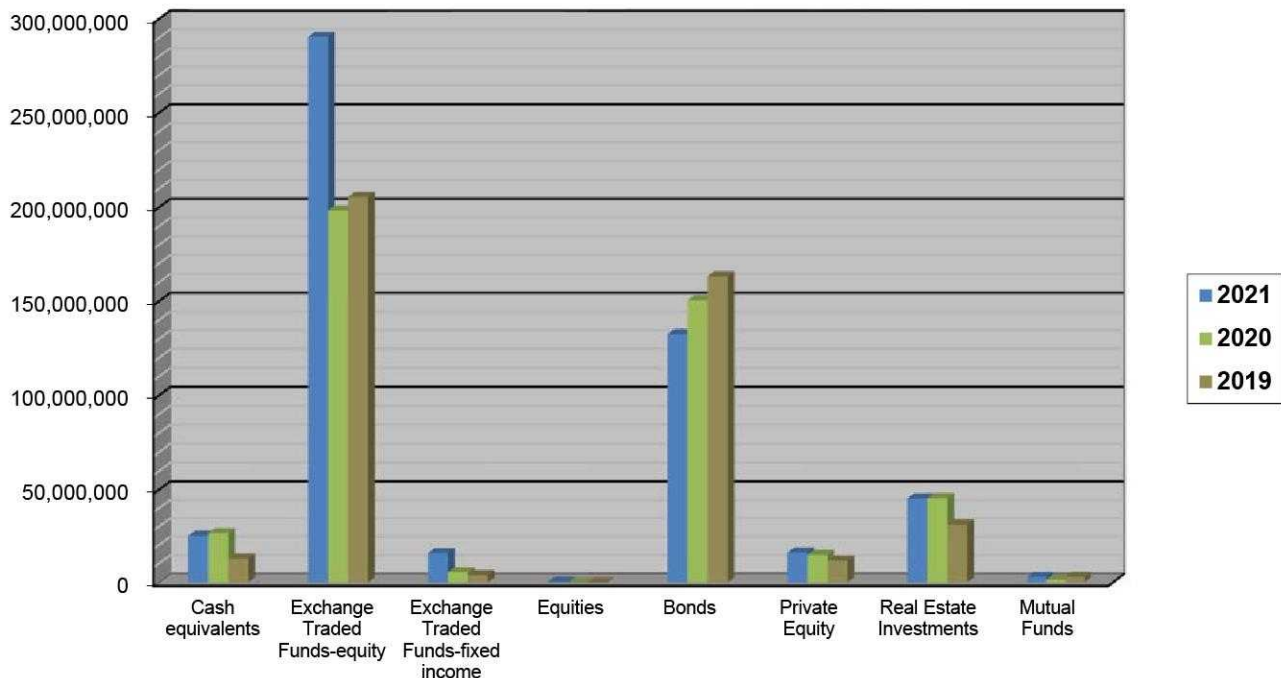
DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

FINANCIAL ANALYSIS OF THE SYSTEM (Continued)

Investments

The District Attorneys' Retirement System is responsible for the prudent management of funds held in trust for the exclusive benefits of its members' pension benefits. Funds are invested to achieve maximum returns without exposing retirement assets to unacceptable risks. Total investments and cash equivalents at June 30, 2021 were \$529,742,494 as compared to \$443,785,057 at June 30, 2020, which is an increase of \$85,957,437 or 19.37%. The major factor contributing to this increase was the increase in the financial markets in 2021 compared to 2020. The System's investments in various markets at the end of the 2021 and 2020 and 2019 fiscal years are detailed in the following table:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Cash equivalents	\$ 25,291,302	\$ 26,728,459	\$ 12,898,985
Exchange traded funds - equity	290,737,128	198,600,289	205,721,737
Exchange traded funds - fixed income	15,889,110	5,575,230	4,026,500
Bonds	132,806,379	150,776,606	163,469,182
Equities	338,499	-	-
Private equity	16,240,307	14,948,869	11,879,964
Real estate investments	45,495,951	45,659,105	31,355,102
Mutual Funds	2,943,818	1,496,499	2,984,327
Total	<u>\$ 529,742,494</u>	<u>\$ 443,785,057</u>	<u>\$ 432,335,797</u>



DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

Requests for Information

Questions concerning any of the information provided or requests for additional financial information should be addressed to Kristi Spinosa, Director, District Attorneys' Retirement System, 2525 Quail Drive, Baton Rouge, Louisiana 70808, (225) 267-4824.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
STATEMENTS OF FIDUCIARY NET POSITION  
JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS:		
Cash	\$ 2,442,966	\$ 2,078,208
Receivables:		
Employer contributions	199,322	183,757
Member contributions	398,642	370,325
Ad valorem & revenue sharing	125,173	46,333
Accrued interest and dividends	4,337,974	2,404,869
Total	<u>5,061,111</u>	<u>3,005,284</u>
Prepaid expense:		
Prepaid rent	21,000	21,000
Total	<u>21,000</u>	<u>21,000</u>
Investments (at fair value):		
Cash equivalents	25,291,302	26,728,459
Bonds:		
Treasury notes	9,249,745	12,250,370
Mortgage backed securities	9,807,962	14,431,369
Municipal	51,689,880	54,550,128
Corporate	62,058,792	69,544,739
Equities	338,499	-
Private equity	16,240,307	14,948,869
Exchange traded funds - equity	290,737,128	198,600,289
Exchange traded funds - fixed income	15,889,110	5,575,230
Real estate	45,495,951	45,659,105
Mutual Funds	2,943,818	1,496,499
Total investments	<u>529,742,494</u>	<u>443,785,057</u>
Total assets	<u>537,267,571</u>	<u>448,889,549</u>
LIABILITIES:		
Investments Payable	431	4,936,298
Total liabilities	<u>431</u>	<u>4,936,298</u>
NET POSITION - RESTRICTED FOR PENSION BENEFITS	<u>\$ 537,267,140</u>	<u>\$ 443,953,251</u>

See accompanying notes.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ADDITIONS:		
Contributions:		
Members	\$ 5,192,841	\$ 5,011,809
Employer	2,511,625	2,492,875
Ad valorem taxes	10,103,552	9,680,993
State revenue sharing funds	213,963	215,401
Total contributions	<u>18,021,981</u>	<u>17,401,078</u>
Investment income:		
Interest and dividend income	8,974,386	11,296,736
Alternative Investment income	4,414,396	2,606,854
Net appreciation in fair value of investments	88,432,319	423,498
Less investment expense	(750,810)	(703,276)
Net investment income	<u>101,070,291</u>	<u>13,623,812</u>
Other additions:		
Transfers from other retirement systems	958,304	820,160
Miscellaneous income	-	3,786
Total other additions	<u>958,304</u>	<u>823,946</u>
Total additions	<u>120,050,576</u>	<u>31,848,836</u>
DEDUCTIONS:		
Benefits	21,552,166	19,594,650
DROP withdrawal	3,379,787	2,803,775
Refund of contributions	448,108	421,866
Transfers to other retirement systems	805,868	400,653
Administrative expenses	550,758	614,687
Total deductions	<u>26,736,687</u>	<u>23,835,631</u>
NET INCREASE IN PLAN NET POSITION	93,313,889	8,013,205
NET POSITION - RESTRICTED FOR PENSION BENEFITS:		
Beginning of year	<u>443,953,251</u>	<u>435,940,046</u>
END OF YEAR	<u>\$ 537,267,140</u>	<u>\$ 443,953,251</u>

See accompanying notes.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

The District Attorneys' Retirement System (System) was created on August 1, 1956 by Act 56 of the 1956 session of the Louisiana Legislature for the purpose of providing retirement allowances and other benefits for district attorneys and assistant district attorneys in each parish, and employees of this System and the Louisiana District Attorneys' Association. The System is administered by a Board of Trustees. Benefits, including normal retirement, early retirement, disability retirements, and death benefits, are provided as specified in the plan.

The System is governed by a Board of Trustees composed of seven elected members and two legislators who serve as ex-officio members, all of whom are voting members. The Board consists of a Chairman; six active, participating district attorneys; and one retired district attorney participating in the System. The chairmen of the Louisiana Senate Finance and House Retirement Committee serve as ex-officio members. The Chairman may be either an active or retired district attorney, elected by the members of the System for a term of five years. Reelection is permissible. The Board members serve three-year staggered terms. All members of the Board of Trustees must complete legislatively required hours of training.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements are prepared in accordance with the standards established by the Governmental Accounting Standards Board (GASB). These financial statements include the requirements of GASB Statement Number 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments and Related Standards*. GASB 34 requires the inclusion of a management discussion and analysis as supplementary information.

Basis of Accounting:

The System's financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Interest income is recognized when earned.

Ad valorem taxes and revenue sharing monies are recognized in the year appropriated by the legislature.

Expenditures are recognized in the period incurred.

The Fund reports under the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans*. GASB No. 67 established standards of financial reporting for defined benefit pension plans. Significant changes included specifying the approach of contributing entities to measure pension liabilities of benefits provided through the pension plan, increased the note disclosure requirements, and provided for additional required supplementary information schedules.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Method Used to Value Investments:

As required by GASB Statement No. 72, *Fair Value Measurement and Application*, the System's investments are reported at fair value. This statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. This statement establishes a hierarchy of inputs to valuation techniques used to measure fair value. That hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs - other than quoted prices - included within Level 1 that are observable for the asset or liability, whether directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage backed security. This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. These disclosures are organized by type of asset or liability. GASB 72 also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent). These disclosures are located in Note 5.

Fair value of short-term investments approximates cost. Fair value of securities traded on a national or international exchange including mutual funds and exchange-traded funds are calculated using the last reported sales price at current exchange rates. Fair value of investments in limited partnerships and limited liability companies are calculated as the System's percentage of ownership of the partners' capital reported by the partnership or limited liability company. Fair value of real estate investment trusts is calculated based on the System's share of income and expenses as reported by the trust. Because of inherent uncertainties in estimating fair values, it is at least reasonably possible that the estimates will change in the near term.

2. PLAN DESCRIPTION:

The District Attorneys' Retirement System State of Louisiana is the administrator of a cost-sharing, multiple employer defined benefit pension plan. The System was established on the first day of August, nineteen hundred and fifty-six and was placed under the management of the Board of Trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys, assistant district attorneys in each parish, and employees of this retirement system and the Louisiana District Attorneys' Association. The total number of participating employers was 109 for each of the years ended June 30, 2021 and 2020.

All persons who are district attorneys in the State of Louisiana, assistant district attorneys in any parish of the State of Louisiana, or employed by this retirement system and the Louisiana District Attorneys' Association, except for elected or appointed officials who have retired from

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

2. PLAN DESCRIPTION: (Continued)

service under any publicly funded retirement system within the state and who are currently receiving benefits, shall become members as a condition of their employment; provided, however, that in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the Louisiana District Attorneys' Retirement System Board of Trustees. At June 30, 2021 and 2020, the statewide retirement system membership consists of:

	<u>2021</u>	<u>2020</u>
Inactive plan members or beneficiaries		
currently receiving benefits	424	386
Inactive plan members entitled to but		
not yet receiving benefits	398	417
Active plan members	726	731
Total Participants	1,548	1,534

Benefits:

Members who joined the System before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have 10 or more years of creditable service and are at least age 62, or if they have 18 or more years of service and are at least age 60, or if they have 23 or more years of service and are at least age 55, or if they have 30 years of service regardless of age. The normal retirement benefit is equal to 3% of the member's average final compensation for each year of creditable service. Members are eligible for early retirement at age 60 if they have at least 10 years of creditable service or at age 55 with at least 18 years of creditable service. Members who retire prior to age 60 with less than 23 years of service credit, receive a retirement benefit reduced 3% for each year of age below 60. Members who retire prior to age 62 who have less than 18 years of service receive a retirement benefit reduced 3% for each year of age below 62. Retirement benefits may not exceed 100% of final average compensation.

Members who joined the System after July 1, 1990, or who elected to be covered by the new provisions, are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5% of the member's final average compensation multiplied by years of membership service. A member is eligible for an early retirement benefit if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation.



DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
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2. PLAN DESCRIPTION: (Continued)

Benefits: (Continued)

Disability benefits are awarded to active contributing members with at least 10 years of service who are found to be totally disabled as a result of injuries incurred while in active service. The member receives a benefit equal to 3% (3.5% for members covered under the new retirement benefit provisions) of his average final compensation multiplied by the lesser of his actual service (not to be less than 15 years) or projected continued service to age 60.

Upon the death of a member with less than 5 years of creditable service, his accumulated contributions and interest thereon are paid to his surviving spouse, if he is married, or to his designated beneficiary, if he is not married. Upon the death of any active, contributing member with five or more years of service or any member with 23 years of service who has not retired, automatic Option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with the option factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children are paid 80% of the member's accrued retirement benefit divided into equal shares. If a member has no surviving spouse or children, his accumulated contributions and interest are paid to his designated beneficiary. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions with interest.

Upon withdrawal from service, members not entitled to a retirement allowance are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued rights in the System.

Cost-of-Living:

The Board of Trustees is authorized to grant retired members and surviving spouses of members who have retired an annual cost-of-living increase of 3% of their original benefit, (not to exceed \$60 per month) and all retired members and surviving spouses who are 65 years of age and older a 2% increase in their original benefit. In lieu of other cost-of-living increases the board may grant an increase to retirees in the form of "Xx(A&B)" where "A" is equal to the number of years of credited service accrued at retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1. In order for the board to grant any of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
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2. PLAN DESCRIPTION: (Continued)

BACK-DROP AND DROP:

In lieu of receiving a service retirement allowance, any member who has more years of service than are required for a normal retirement may elect to receive a Back-Deferred Retirement Option Program (Back-DROP) benefit.

The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement, the member's maximum monthly retirement benefit is based upon his service, final average compensation, and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In lieu of receiving the lump-sum payment, the member may leave the funds on deposit with the System in an interest-bearing account.

Prior to January 1, 2009, eligible members could elect to participate in the Deferred Retirement Option Program (DROP) for up to three years in lieu of terminating employment and accepting a service benefit. During participation in the DROP, employer contributions were payable and employee contributions were reduced to ½ of 1%. The monthly retirement benefits that would have been payable to the member were paid into a DROP account, which did not earn interest while the member was participating in the DROP. Upon termination of participation, the participant in the plan received, at his option, a lump-sum from the account equal to the payments into the account or systematic disbursements from his account in any manner approved by the Board of Trustees. The monthly benefits that were being paid into the DROP would then be paid to the retiree. All amounts which remain credited to the individual's sub-account after termination of participation in the plan were invested in liquid money market funds. Interest was credited thereon as actually earned.

3. CONTRIBUTIONS AND RESERVES:

Contributions:

The System is financed by employee contributions established by state statute at 8% of salary for active members at June 30, 2021 and 2020. In addition, the System receives revenue sharing funds as appropriated by the legislature and ad valorem taxes as determined by the Public Retirement Systems' Actuarial Committee. According to state statute, in the event that the contributions from ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contributions, the employer is required to make direct contributions as determined by the Public Retirement Systems' Actuarial Committee. The actuarially determined employer contribution was 8.99% and 3.38% for the years ended June 30, 2021 and 2020, respectively.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
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3. CONTRIBUTIONS AND RESERVES: (Continued)

Contributions: (Continued)

The actual employer contribution was 4.0% for each of the years ended June 30, 2021 and 2020.

Administrative costs of the fund are financed through ad valorem taxes and state revenue sharing monies.

Reserves:

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

A) Pension Reserve:

The Pension Reserve consists of the reserves for all pensions, excluding cost-of-living increases, granted to members and is the reserve from which such pensions and annuities are paid. Survivors of deceased beneficiaries also receive benefits from this reserve. The Pension Reserve balance as of June 30, 2021 and 2020 was \$256,735,369 and \$223,490,502, respectively.

B) Annuity Savings:

The Annuity Savings is credited with contributions made by members of the System. When a member terminates his service, or upon his death before qualifying for a benefit, the refund of his contributions is made from this reserve. When a member retires, the amount of his accumulated contributions is transferred to the Pension Reserve to provide part of the benefits. The Annuity Savings balance as of June 30, 2021 and 2020 was \$59,261,428 and \$60,640,415, respectively.

C) Pension Accumulation:

The Pension Accumulation consists of contributions paid by employers, interest earned on investments and any other income not covered by other accounts. This reserve is charged annually with an amount, determined by the actuary, to be transferred to the Pension Reserve to fund retirement benefits for existing recipients. It is also relieved when expenditures are not covered by other accounts. The Pension Accumulation balance as of June 30, 2021 and 2020 was \$214,274,979 and \$152,952,347, respectively.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
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3. CONTRIBUTIONS AND RESERVES: (Continued)

Reserves: (Continued)

D) Back-Deferred Retirement Option Plan and Deferred Retirement Option Plan:

The Back-Deferred Retirement Option Plan (Back-DROP) and Deferred Retirement Option Plan (DROP) Accounts consist of the reserves for all members who upon eligibility elect to deposit into the Back DROP or DROP account retirement benefits. A participant may receive a lump sum payment or systematic disbursements approved by the Board of Trustees of their Back DROP or DROP funds. The Back-DROP account balance as of June 30, 2021 was \$6,995,364 and \$6,869,987, respectively.

4. DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS:

Following are the components of the System's deposits, cash equivalents, and investments at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash (bank balance)	\$ 2,427,757	\$ 2,051,501
Cash equivalents	25,291,302	26,728,459
Investments	504,451,192	417,056,598
Total	<u>\$ 532,170,251</u>	<u>\$ 445,836,558</u>

Deposits:

The System's bank deposits were fully covered by federal depository insurance and pledged securities held in joint custody.

Cash Equivalents:

At June 30, 2021 and 2020, cash equivalents in the amount of \$16,485,096 and \$17,435,236, respectively, were held by a sub-custodian, managed by a separate money manager and are in the name of the System's custodian department.

At June 30, 2021 and 2020, cash equivalents in the amount of \$8,806,206 and \$9,293,223, respectively, consist of government pooled investments. The funds are managed by the Louisiana Asset Management Pool (LAMP), held by a custodial bank, and are in the name of the System. All of LAMP's investments are AAAM rated by S&P.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

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STATE OF LOUISIANA  
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JUNE 30, 2021 AND 2020

4. DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS: (Continued)

Cash Equivalents: (Continued)

The investments in LAMP are stated at fair value based on quoted market rates. 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 value of the pool shares.

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.

Investments:

State statutes authorize the System to invest under the Prudent-Man Rule. The Prudent-Man Rule shall require each fiduciary of a retirement system and each board of trustees acting collectively on behalf of the system 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 System shall not invest more than 65% of the total portfolio in equity investments, as a result of legislation enacted during the 2004 regular session. At June 30, 2021 and 2020, the System was in compliance with this legislation.

Concentration of Credit Risk:

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of the System's investment in a single issuer. The System's investment policy states that no more than 5% (of cost) of the assets assigned to an investment manager may be invested in the securities of one issuer. This restriction applies to active investment management programs and does not apply to Index Funds or Exchange Traded Funds as they are diversified investment pools by definition and practice. At June 30, 2021, there were no investments which exceeded 5% of net assets available for benefits or 5% of the assets assigned to an investment manager.

Credit Risk:

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Following are the credit ratings of the System's investments in long-term debt securities at June 30, 2021 and 2020.

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4. DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS: (Continued)

Credit Risk: (Continued)

The System's investment policy regarding credit risk requires each investment manager to closely monitor the investment credit ratings and to report any concerns to the investment consultant and the Board.

June 30, 2021

	<u>Fair Value</u>	Treasury notes and Mortgage-Backed <u>Securities</u>	Municipal <u>Bonds</u>	Corporate <u>Bonds</u>
AAA	\$ 5,644,448	\$ -	\$ 5,644,448	\$ -
AA+	6,802,003	2,691,223	3,455,484	655,296
AA	14,603,310	-	14,328,457	274,853
AA-	8,992,750	-	8,346,502	646,248
A+	6,252,535	-	5,280,839	971,696
A	3,790,993	-	2,089,640	1,701,353
A-	6,824,976	-	1,589,850	5,235,126
BBB+	6,648,201	-	1,372,713	5,275,488
BBB	4,714,958	-	-	4,714,958
BBB-	326,737	-	-	326,737
Not Rated	68,205,468	16,366,484	9,581,947	42,257,037
	<u>\$ 132,806,379</u>	<u>\$ 19,057,707</u>	<u>\$ 51,689,880</u>	<u>\$ 62,058,792</u>

June 30, 2020

	<u>Fair Value</u>	Treasury notes and Mortgage-Backed <u>Securities</u>	Municipal <u>Bonds</u>	Corporate <u>Bonds</u>
AAA	\$ 6,642,476	\$ -	\$ 6,012,815	\$ 629,661
AA+	12,021,675	7,737,023	3,771,313	513,339
AA	14,925,887	-	14,743,713	182,174
AA-	11,784,655	-	9,897,305	1,887,350
A+	4,951,331	-	3,314,976	1,636,355
A	8,399,003	-	4,241,715	4,157,288
A-	6,438,373	-	1,549,245	4,889,128
BBB+	3,917,412	-	1,345,074	2,572,338
BBB	1,050,832	-	-	1,050,832
BBB-	177,988	-	-	177,988
Not Rated	80,466,974	18,944,716	9,673,972	51,848,286
	<u>\$ 150,776,606</u>	<u>\$ 26,681,739</u>	<u>\$ 54,550,128</u>	<u>\$ 69,544,739</u>

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
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NOTES TO FINANCIAL STATEMENTS  
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4. DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS: (Continued)

Credit Risk: (Continued)

The System invests in an exchange traded bond fund with a balance of \$15,889,110 and \$5,575,230 at June 30, 2021 and 2020, respectively. The bond fund's credit quality rating had a range of AAA – BBB as of June 30, 2021 and 2020.

Custodial Credit Risk:

Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The System is not exposed to custodial credit risk for investments in the amount of \$513,257,398 and \$426,349,821 at June 30, 2021 and 2020, respectively.

The System's policy to mitigate the custodial credit risk is to obtain the custodian's audited financial statements, SSAE 16 (formerly SAS 70) report and supplemental information as well as documentation outlining SIPC and supplemental insurance coverage. This information is reviewed by the investment consultant.

The System had \$16,485,096 and \$17,435,236 as of June 30, 2021 and 2020, respectively, in cash equivalents, which is exposed to custodial credit risk since the investment is held in the name of the System's custodian's trust department.

Interest Rate Risk:

Interest rate risk is defined as the risk that changes in the interest rates will adversely affect the fair value of an investment.

The System's policy regarding interest rate risk requires each investment manager to closely monitor the maturities and interest rates of investments and to report any concerns to the investment consultant and the Board.

The System had the following investments in long-term debt securities and maturities in years:

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STATE OF LOUISIANA  
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4. DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS: (Continued)

Interest Rate Risk: (Continued)

<u>June 30, 2021</u>		<u>In Years</u>			
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Greater than 10</u>
Treasury Bonds and Mortgage-Backed Securities	\$ 19,057,707	\$ 5,293,727	\$ -	\$ 2,448,950	\$ 11,315,030
Municipal Bonds	51,689,880	2,070,024	32,419,490	-	17,200,366
Corporate Bonds	62,058,792	20,863,630	28,308,584	12,886,578	-
	<u>\$ 132,806,379</u>	<u>\$ 28,227,381</u>	<u>\$ 60,728,074</u>	<u>\$ 15,335,528</u>	<u>\$ 28,515,396</u>

<u>June 30, 2020</u>		<u>In Years</u>			
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Greater than 10</u>
Treasury Bonds and Mortgage-Backed Securities	\$ 26,681,739	\$ 2,997,990	\$ 5,088,300	\$ 5,142,255	\$ 13,453,194
Municipal Bonds	54,550,128	479,754	34,238,979	13,399,073	6,432,322
Corporate Bonds	69,544,739	251,647	50,012,189	7,444,789	11,836,114
	<u>\$ 150,776,606</u>	<u>\$ 3,729,391</u>	<u>\$ 89,339,468</u>	<u>\$ 25,986,117</u>	<u>\$ 31,721,630</u>

The System also invests in an exchange traded bond fund with a balance of \$15,889,110 and \$5,575,230 at June 30, 2021 and 2020, respectively. The average portfolio duration of the fund ranged from 2.73 to 7.50 years at June 30, 2021. The average portfolio duration of the fund ranged from 2.75 to 24.33 years at June 30, 2020.

The System invests in collateralized mortgage obligations. These securities are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates.

Money-Weighted Rate of Return:

For the years ended June 30, 2021 and 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 23.00% and 3.15%, respectively. The money-weighted return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Commitments:

The System committed to invest \$8,000,000 in a direct lending private equity fund of which \$4,783,158 is the remaining commitment as of June 30, 2021. This investment is reported as a corporate bond in the statement of net fiduciary position.



DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
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JUNE 30, 2021 AND 2020

5. FAIR VALUE DISCLOSURES:

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The System has the following recurring fair value measurements as of June 30, 2021 and 2020:

	6/30/2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Cash Equivalents	\$ 25,291,302	\$ 25,291,302	\$ -	\$ -
Fixed Income Investments:				
Treasury notes	9,249,745	9,249,745	-	-
Mortgage backed securities	9,807,962	-	9,807,962	-
Municipal bonds	51,689,880	-	51,689,880	-
Corporate bonds	62,058,792	-	62,058,792	-
Exchange traded funds	15,889,110	15,889,110	-	-
Total Fixed Income Investments	148,695,489	25,138,855	123,556,634	-
Equity Securities:				
Common stocks	338,499	338,499	-	-
Exchange traded funds	290,737,128	290,737,128	-	-
Mutual funds	2,943,818	2,943,818	-	-
Total Equity Securities	294,019,445	294,019,445	-	-
Total Investments at Fair Value Level	468,006,236	\$ 344,449,602	\$ 123,556,634	\$ -
Investments measured at the Net Asset Value (NAV)				
Private equity	16,240,307			
Real estate investments	45,495,951			
Total Investments at NAV	61,736,258			
Total Investments	\$ 529,742,494			

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

5. FAIR VALUE DISCLOSURES: (Continued)

	6/30/2020	Fair Value Measurements Using		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Cash Equivalents	\$ 26,728,459	\$ 26,728,459	\$ -	\$ -
Fixed Income Investments:				
Treasury notes	12,250,370	12,250,370	-	-
Mortgage backed securities	14,431,369	-	14,431,369	-
Municipal bonds	54,550,128	-	54,550,128	-
Corporate bonds	69,544,739	-	69,544,739	-
Exchange traded funds	5,575,230	5,575,230	-	-
Total Fixed Income Investments	156,351,836	17,825,600	138,526,236	-
Equity Securities:				
Exchange traded funds	198,600,289	198,600,289	-	-
Mutual funds	1,496,499	-	1,496,499	-
Total Equity Securities	200,096,788	198,600,289	1,496,499	-
Total Investments at Fair Value Level	383,177,083	\$ 243,154,348	\$ 140,022,735	\$ -
Investments measured at the Net Asset Value (NAV)				
Private equity	14,948,869			
Real estate investments	45,659,105			
Total Investments at NAV	60,607,974			
Total Investments	\$ 443,785,057			

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

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5. FAIR VALUE DISCLOSURES: (Continued)

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

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Investments measured at the NAV				
Alternative assets:				
Private equities	\$ 16,240,307	\$ 4,137,792	n/a	n/a
Real estate	<u>45,495,951</u>	<u>-</u>	n/a	90 days
Total Investments measured at the NAV	<u>\$ 61,736,258</u>	<u>\$ 4,137,792</u>		

The unfunded commitments and redemption terms for investments measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2020 are presented in the following table.

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Investments measured at the NAV				
Alternative assets:				
Private equities	\$ 14,948,869	\$ 4,862,316	n/a	n/a
Real estate	<u>45,659,105</u>	<u>-</u>	n/a	90 days
Total Investments measured at the NAV	<u>\$ 60,607,974</u>	<u>\$ 4,862,316</u>		

Private Equity:

Private equity is an asset class consisting of equity securities and debt in limited partnerships that are not publicly traded on a stock exchange. Private equity funds employ a combination of strategies to earn superior risk-adjusted returns. The fair values of the investments in this type have been determined using the net asset value (NAV) per share (or equivalent) of the System's ownership interest in partners' capital. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated approximately 7 to 15 years from the commencement of the fund.

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5. FAIR VALUE DISCLOSURES: (Continued)

Real Estate Investments:

Real estate is an asset class consisting of real estate investment trusts (REIT) and commercial real estate funds that are not publicly traded on an exchange. These investments employ a strategy of investing in commercial real estate such as storage units, hotels and other properties. The fair values of the investments in this type have been determined using the net asset value (NAV) per share (or equivalent) of the System's ownership of shares or percentage of each fund.

6. PRIVATE EQUITY:

The System committed to invest \$5,000,000 in three Louisiana Partnerships. One partnership, Louisiana Ventures, L.P., was transferred during the year ended June 30, 2019 to Louisiana Ventures LP Liquidating Trust. The fair value of the Louisiana partnerships as of June 30, 2021 and 2020 was \$4,885,622 and \$5,811,451, respectively.

Remaining commitments as of June 30, 2021 were as follows:

	<u>Committed</u>	<u>Contributed</u>	<u>Unfunded Commitment</u>
Louisiana Partnerships:			
Louisiana Fund I	1,000,000	1,000,000	-
Louisiana Fund II	2,000,000	1,900,000	100,000
Louisiana Ventures LT	2,000,000	2,000,000	-
	<u>3,000,000</u>	<u>2,900,000</u>	<u>100,000</u>

The System committed to invest \$12,000,000 in three partnerships. The fair value of the three partnerships as of June 30, 2021 and 2020 was \$10,844,806 and \$8,382,618, respectively.

Remaining commitments as of June 30, 2021 were as follows:

	<u>Committed</u>	<u>Contributed</u>	<u>Unfunded Commitment</u>
Other Partnerships:			
Themelios Ventures	2,000,000	2,000,000	-
Cotton Creek II	5,000,000	4,691,469	308,531
Cotton Creek III	5,000,000	2,466,528	2,533,472
	<u>12,000,000</u>	<u>9,157,997</u>	<u>2,842,003</u>

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6. PRIVATE EQUITY: (Continued)

During the year ended June 30, 2020 the System committed to invest \$2,000,000 in TCW Direct Lending partnership with \$804,211 capital invested as of June 30, 2021. The future commitment due to the fund is \$1,195,789. The fair value of the fund is \$509,879 and \$754,800 at June 30, 2021 and 2020, respectively.

7. REAL ESTATE INVESTMENTS:

The System invested in a real estate investment trust for the year ending June 30, 2021 and 2020. The fair value of the investment is calculated based on the estimated value of the company's assets less the estimated value of the company's liabilities divided by the number of shares of common stock outstanding. The company also engages an independent third-party valuation firm to perform a review of the estimated fair values of assets and liabilities. The fair market value of the System's investment in the real estate investment trust was \$2,850,095 and \$3,013,249 at June 30, 2021 and 2020, respectively.

The System committed to invest \$43,000,000 in three real estate funds. The fair value of the real estate funds for each of the years ended June 30, 2021 and 2020 was \$42,645,856.

One fund had a 2021 expected exit strategy, but that exit was not executed due to an eviction moratorium put in place as a result of the COVID-19 pandemic which had a negative effect on the fund's performance during 2021. The other real estate funds provide for redemptions at the funds' sole discretion. In the event the funds elect to exercise its redemption rights the transaction will close within 90 days from written notice.

Remaining commitments as of June 30, 2021 were as follows:

	<u>Committed</u>	<u>Contributed</u>	<u>Unfunded Commitment</u>
Encore GP Fund	5,000,000	5,000,000	-
Rastegar Mutli Yield Co.	15,000,000	15,000,000	-
Rastegar Holding Co	23,000,000	23,000,000	-
	<u>43,000,000</u>	<u>43,000,000</u>	<u>-</u>

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

8. USE OF ESTIMATES:

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

9. OFFICE LEASING:

The System has a 10-year lease for office space which began July 1, 2019 with a monthly rent of \$6,000. Total rent expense for each of the years ended June 30, 2021 and 2020 was \$72,000.

Minimum future rental payments under the lease is as follows:

<u>Year ended</u> <u>June 30th</u>	<u>Amount</u>
2022	\$ 72,000
2023	72,000
2024	72,000
2025	72,000
2026	72,000
Thereafter	216,000
Total minimum future rental payments	<u>\$ 576,000</u>

10. NET PENSION LIABILITY OF EMPLOYERS:

The components of the net pension liability of the plan's employers determined in accordance with GASB No. 67 as of June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Total Pension Liability	\$ 555,070,371	\$ 523,180,498
Plan Fiduciary Net Position	<u>537,267,140</u>	<u>443,953,251</u>
Employers' Net Pension Liability	<u>\$ 17,803,231</u>	<u>\$ 79,227,247</u>
Plan Fiduciary Net Position as a % of the Total Pension Liability	96.79%	84.86%

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
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10. NET PENSION LIABILITY OF EMPLOYERS: (Continued)

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

The actuarial assumptions used in the June 30, 2021 and 2020 valuations (excluding mortality) was based on the results of an experience study for the period July 1, 2014 through June 30, 2019. The actuarial assumptions used in the June 30, 2021 and 2020 valuation were based on the assumptions used in the June 30, 2021 and 2020 actuarial funding valuation.

Information on the actuarial valuation and assumptions is as follows:

Valuation date	June 30, 2021 and 2020
Actuarial cost method	Entry Age Normal Cost
Investment rate of return	6.10% and 6.25% per annum, respectively
Inflation Rate	2.20% and 2.30% per annum, respectively
Mortality	For current employees mortality rates are based on the Pub-2010 table for General Above-Median Employees multiplied by 115% for males and females, each with full generational projection using the MP2019 scale. Annuitants, survivors, and disabled retirees are modeled on the same tables and scales.
Salary increases	5.00% for both years

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
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10. NET PENSION LIABILITY OF EMPLOYERS: (Continued)

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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. The long-term geometric expected rate of return was 8.25% and 8.50% as of June 30, 2021 and 2020, respectively.

Best estimates of real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	Long-Term Target Asset <u>Allocation</u>	<u>Rates of Return</u>	
		<u>Real</u>	<u>Nominal</u>
Equities	57.11%	6.43%	
Fixed Income	30.19%	0.94%	
Alternatives	12.67%	0.89%	
Cash	0.03%	0.00%	
System Total			5.80%
Inflation			<u>2.45%</u>
Expected Arithmetic Nominal Return			<u>8.25%</u>

Best estimates of real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	Long-Term Target Asset <u>Allocation</u>	<u>Rates of Return</u>	
		<u>Real</u>	<u>Nominal</u>
Equities	48.28%	5.54%	
Fixed Income	24.54%	1.09%	
Alternatives	26.77%	1.87%	
Cash	0.42%	0.00%	
System Total			6.11%
Inflation			<u>2.39%</u>
Expected Arithmetic Nominal Return			<u>8.50%</u>

The discount rate used to measure the total pension liability was 6.10% and 6.25% at June 30, 2021 and 2020, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contribution from participating employers and non-employer contributing entities will



DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

10. NET PENSION LIABILITY OF EMPLOYERS: (Continued)

be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In accordance with GASB 67, regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the following presents the net pension liability of the participating employers calculated using the discount rate of 6.10% as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, 5.10% or one percentage point higher, 7.10% than the current rate at June 30, 2021.

	Changes in Discount Rate		
	2021		
	Current Discount		
	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
	5.10%	6.10%	7.10%
Net Pension Liability/(Asset)	<u>\$ 87,292,843</u>	<u>\$ 17,803,231</u>	<u>\$ (40,414,237)</u>

For the year ended June 30, 2020, the net pension liability of the participating employers was calculated using the discount rate of 6.25%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.25% or one percentage point higher 7.25% than the current rate at June 30, 2020.

	Changes in Discount Rate		
	2020		
	Current Discount		
	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
	5.25%	6.25%	7.25%
Net Pension Liability	<u>\$ 144,724,006</u>	<u>\$ 79,227,247</u>	<u>\$ 24,344,035</u>

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

11. TRANSACTIONS WITH RELATED ORGANIZATION:

The System shares certain common functions and costs with the Louisiana District Attorney's Association (LDAA). The LDAA provides office space, office equipment, administrative and accounting services to the System. The System's lease agreement with LDAA is for monthly rent in the amount of \$6,000 (Note 9). The System has an MOU with LDAA for the costs associated with the shared services in the amount of \$1,000 per month. During each of the years ended June 30, 2021 and 2020, the System incurred rental expense of \$72,000 and shared services expense of \$12,000 associated with the LDAA. Each entity has a separate board of Trustees.

12. RECLASSIFICATIONS:

Certain amounts in 2020 have been reclassified to conform to the 2021 presentation. These reclassifications have no effect on the net position of the System.

13. RISK AND UNCERTAINTIES:

In March 2020, the World Health Organization declared the outbreak of novel coronavirus disease ("COVID-19") as a pandemic. This matter may negatively impact the results of operations and financial position. The related financial impact cannot be reasonably estimated at this time.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
FOR THE EIGHT YEARS ENDED JUNE 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Pension Liability				
Service cost	\$ 12,592,761	\$ 12,992,534	\$ 12,944,169	\$ 12,205,873
Interest	32,714,581	30,555,884	29,754,249	28,539,171
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	3,382,766	4,404,409	(9,338,975)	207,379
Changes of assumptions	8,259,455	29,494,313	-	12,292,550
Benefit payments	(24,931,953)	(22,398,425)	(19,877,476)	(19,474,451)
Refunds of member contributions	(448,108)	(421,866)	(272,696)	(368,351)
Other	320,371	443,288	336,893	1,586,019
Net change in total pension liability	<u>31,889,873</u>	<u>55,070,137</u>	<u>13,546,164</u>	<u>34,988,190</u>
Total pension liability - beginning	523,180,498	468,110,361	454,564,197	419,576,007
Total pension liability - ending (a)	<u>\$ 555,070,371</u>	<u>\$ 523,180,498</u>	<u>\$ 468,110,361</u>	<u>\$ 454,564,197</u>
Plan Fiduciary Net Position				
Contributions - member	\$ 5,024,906	\$ 4,991,814	\$ 4,926,590	\$ 4,973,945
Contributions - employer	2,511,625	2,492,875	775,650	-
Contributions - non-employer contributing entities	10,317,515	9,896,394	9,390,000	8,739,447
Net investment income	101,070,291	13,623,812	18,780,081	34,802,927
Benefit payments	(24,931,953)	(22,398,425)	(19,877,476)	(19,474,451)
Refunds of member contributions	(448,108)	(421,866)	(272,696)	(368,351)
Administrative expenses	(550,758)	(614,687)	(503,990)	(478,367)
Other	320,371	443,288	336,893	1,586,019
Net change in plan fiduciary net position	<u>93,313,889</u>	<u>8,013,205</u>	<u>13,555,052</u>	<u>29,781,169</u>
Plan fiduciary net position - beginning	443,953,251	435,940,046	422,384,994	392,603,825
Plan fiduciary net position - ending (b)	<u>\$ 537,267,140</u>	<u>\$ 443,953,251</u>	<u>\$ 435,940,046</u>	<u>\$ 422,384,994</u>
Net pension liability - ending (a) - (b)	<u>\$ 17,803,231</u>	<u>\$ 79,227,247</u>	<u>\$ 32,170,315</u>	<u>\$ 32,179,203</u>
Plan fiduciary net position as a percentage of total pension liability	96.79%	84.86%	93.13%	92.92%
Covered payroll	\$ 62,790,625	\$ 62,321,875	\$ 62,052,000	\$ 62,174,313
Net pension liability as a percentage of covered payroll	28.35%	127.13%	51.84%	51.76%

(Continued)

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
FOR THE EIGHT YEARS ENDED JUNE 30, 2021

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability				
Service cost	\$ 11,645,505	\$ 11,303,932	\$ 11,530,918	\$ 10,855,750
Interest	27,456,268	26,307,692	26,425,694	25,710,047
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(1,796,724)	(1,986,736)	(2,281,483)	(8,973,206)
Changes of assumptions	11,300,225	-	(6,366,162)	7,220,453
Benefit payments	(18,789,893)	(20,733,190)	(14,149,837)	(12,053,372)
Refunds of member contributions	(599,683)	(562,626)	(648,617)	(382,621)
Other	477,132	1,113,277	(591,375)	185,003
Net change in total pension liability	<u>29,692,830</u>	<u>15,442,349</u>	<u>13,919,138</u>	<u>22,562,054</u>
Total pension liability - beginning	<u>389,883,177</u>	<u>374,440,828</u>	<u>360,521,690</u>	<u>337,959,636</u>
Total pension liability - ending (a)	<u>\$ 419,576,007</u>	<u>\$ 389,883,177</u>	<u>\$ 374,440,828</u>	<u>\$ 360,521,690</u>
Plan Fiduciary Net Position				
Contributions - member	\$ 4,865,302	\$ 4,847,187	\$ 4,800,295	\$ 5,630,420
Contributions - employer	-	2,125,900	4,109,229	4,682,271
Contributions - non-employer contributing entities	8,219,395	8,657,954	8,314,617	8,120,371
Net investment income	28,228,802	6,734,928	9,060,366	49,586,276
Benefit payments	(18,789,893)	(20,733,190)	(14,149,837)	(12,053,372)
Refunds of member contributions	(599,683)	(562,626)	(648,617)	(382,621)
Administrative expenses	(539,682)	(495,267)	(367,794)	(314,495)
Other	477,132	1,113,277	(591,375)	185,003
Net change in plan fiduciary net position	<u>21,861,373</u>	<u>1,688,163</u>	<u>10,526,884</u>	<u>55,453,853</u>
Plan fiduciary net position - beginning	<u>370,742,452</u>	<u>369,054,289</u>	<u>358,527,405</u>	<u>303,073,552</u>
Plan fiduciary net position - ending (b)	<u>\$ 392,603,825</u>	<u>\$ 370,742,452</u>	<u>\$ 369,054,289</u>	<u>\$ 358,527,405</u>
Net pension liability - ending (a) - (b)	<u>\$ 26,972,182</u>	<u>\$ 19,140,725</u>	<u>\$ 5,386,539</u>	<u>\$ 1,994,285</u>
Plan fiduciary net position as a percentage of total pension liability	93.57%	95.09%	98.56%	99.45%
Covered payroll	\$ 60,816,275	\$ 60,740,000	\$ 58,703,271	\$ 57,747,897
Net pension liability as a percentage of covered payroll	44.35%	31.51%	9.18%	3.45%

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

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
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REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY  
FOR THE EIGHT YEARS ENDED JUNE 30, 2021

Fiscal Year Ended	Total Pension Liability	Plan Fiduciary Net Postion	Employers' Net Pension Liability	Plan Fiduciary Net Position as a Percentage of Total Pension Liability	Covered Payroll	Employers' Net Pension Liability as a Percentage of Covered Payroll
2021	\$ 555,070,371	\$ 537,267,140	\$ 17,803,231	96.79%	\$ 62,790,625	28.35%
2020	523,180,498	443,953,251	79,227,247	84.86%	62,321,876	127.13%
2019	468,110,361	435,940,046	32,170,315	93.13%	62,052,000	51.84%
2018	454,564,197	422,384,994	32,179,203	92.92%	62,174,313	51.76%
2017	419,576,007	392,603,825	26,972,182	93.57%	60,816,275	44.35%
2016	389,883,177	370,742,452	19,140,725	95.09%	60,740,000	31.51%
2015	374,440,828	369,054,289	5,386,539	98.56%	58,703,271	9.18%
2014	360,521,690	358,527,405	1,994,285	99.45%	57,747,897	3.45%

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

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
EMPLOYER AND NON-EMPLOYER CONTRIBUTING ENTITIES  
FOR THE EIGHT YEARS ENDED JUNE 30, 2021

<u>Fiscal Year Ended</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Liability</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2021	\$ 12,308,352	\$ 12,829,140	\$ (520,788)	\$ 62,790,625	20.43%
2020	12,105,048	12,389,269	(284,221)	62,321,875	19.88%
2019	10,173,810	10,165,650	8,160	62,052,000	16.38%
2018	8,978,608	8,739,447	239,161	62,174,313	14.06%
2017	8,035,045	8,219,395	(184,350)	60,816,275	13.52%
2016	8,645,340	10,783,854	(2,138,514)	60,740,000	17.75%
2015	12,807,925	12,423,846	384,079	58,703,271	21.16%
2014	12,426,112	13,750,791	(1,324,679)	57,747,897	23.81%

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

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF INVESTMENT RETURNS  
FOR THE EIGHT YEARS ENDED JUNE 30, 2021

<u>Fiscal Year End</u>	<u>Annual Money-Weighted Rate of Return*</u>
2021	23.00%
2020	3.15%
2019	4.48%
2018	8.93%
2017	7.20%
2016	1.40%
2015	2.41%
2014	17.01%

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

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

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2021 AND 2020

1. SCHEDULE OF CHANGES IN NET PENSION LIABILITY:

The total pension liability contained in this schedule was provided by the System's actuary, G. S. Curran and Company, Inc. The new pension liability is measured as the total pension liability less the amount of the fiduciary net position of the fund.

2. SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY:

The schedule of employers' net pension liability shows the percentage of the System's employers' net pension liability as a percentage of covered employee payroll. The employers' net pension liability is the liability of contributing employers to members for benefits provided through the System. Covered employee payroll is the payroll of all employees that are provided with benefits through the System.

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

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

4. SCHEDULE OF INVESTMENT RETURNS:

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

5. ACTUARIAL ASSUMPTIONS:

The information presented in the required supplementary schedules was used in the actuarial valuation for purposes of determining the actuarially determined contribution rate. The assumptions and methods used for the actuarial valuation were recommended by the actuary and adopted by the Board. Additional information on the assumptions and methods used as of the latest actuarial valuation are disclosed in the notes to the financial statements Note 10, Net Pension Liability of Employers.



DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2021 AND 2020

6. CHANGES IN ACTUARIAL ASSUMPTIONS:

For the year ended June 30, 2021, there were changes noted to the inflation rate, investment rate of return, salary increases and mortality rate. Other changes over the past eight years are as follows:

Valuation Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Inflation Rate	2.20%	2.30%	2.40%	2.40%
Investment rate of Return	6.10%	6.25%	6.50%	6.50%
Salary Increases	5.00%	5.00%	5.50%	5.50%
Mortality Rate - Active Members	Pub -2010 mortality table multiplied by 115% for males and females using the appropriate MP-2019 improvement scale.	Pub -2010 mortality table multiplied by 115% for males and females using the appropriate MP-2019 improvement scale.	RP-2000 Set back 1 year for females	RP-2000 Set back 1 year for females
Mortality Rate - Annuitant and Beneficiary	Pub -2010 mortality table multiplied by 115% for males and females using the appropriate MP-2019 improvement scale.	Pub -2010 mortality table multiplied by 115% for males and females using the appropriate MP-2019 improvement scale.	RP-2000 projected to 2032	RP-2000 projected to 2032
Mortality Rate - Disabled	Pub -2010 mortality table multiplied by 115% for males and females using the appropriate MP-2019 improvement scale.	Pub -2010 mortality table multiplied by 115% for males and females using the appropriate MP-2019 improvement scale.	RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females	RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2021 AND 2020

6. CHANGES IN ACTUARIAL ASSUMPTIONS: (continued)

Valuation Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Inflation Rate	2.50%	2.50%	2.50%	2.75%
Investment rate of Return	6.75%	7.00%	7.00%	7.25%
Salary Increases	5.50%	5.50%	5.50%	6.25%
Mortality Rate - Active Members	RP-2000 Set back 1 year for females	RP-2000 Set back 1 year for females	RP-2000 Set back 1 year for females	RP-2000 Set back 3 years for males and 1 year for females
Mortality Rate - Annuitant and Beneficiary	RP-2000 projected to 2032	RP-2000 projected to 2032	RP-2000 projected to 2032	RP-2000 Set back 3 years for males and 1 year for females
Mortality Rate - Disabled	RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females	RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females	RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females	RP-2000 Disabled Lives Mortality Table

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF ADMINISTRATIVE EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Actuarial fees	\$ 79,010	\$ 79,060
Accounting and Auditing	70,644	59,656
Bank charges	9,836	9,182
Computer services	17,975	18,661
Dues	300	735
Expense of board meetings	-	1,587
Equipment leasing and maintenance	-	452
Insurance	20,170	22,711
Legal	4,554	13,058
Miscellaneous	4,810	9,085
Office furnishings	2,803	15,907
Office supplies and printing	92	500
Per diem	2,925	3,000
Postage	2,429	2,526
Rent	72,000	74,500
Registration fees	305	1,200
Salaries and fringe benefits	224,165	247,957
Shared services - LDAA	12,000	12,000
Surety bond	16,472	15,724
Telephone	5,769	6,290
Travel	4,499	20,896
	<hr/>	<hr/>
Total administrative expenses	<u>\$ 550,758</u>	<u>\$ 614,687</u>

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF PER DIEM AND TRAVEL EXPENSES TO TRUSTEES  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

June 30, 2021

<u>Trustee</u>	A M O U N T S   P A I D		
	<u>Per Diem</u>	<u>Travel</u>	<u>Total</u>
Don Burkett	\$ 375	\$ 618	\$ 993
Anthony Falterman	450	328	778
Dale Lee	450	-	450
Todd Neesom	375	-	375
Reed Walters	375	-	375
S. Andrew Shealy	450	-	450
Scott Perrilloux	450	-	450
	\$ 2,925	\$ 946	\$ 3,871

June 30, 2020

<u>Trustee</u>	A M O U N T S   P A I D		
	<u>Per Diem</u>	<u>Travel</u>	<u>Total</u>
David Burton	\$ 75	\$ 316	\$ 391
Don Burkett	375	1,253	1,628
Anthony Falterman	450	436	886
Dale Lee	450	-	450
Todd Neesom	375	-	375
Reed Walters	450	-	450
S. Andrew Shealy	450	250	700
Scott Perrilloux	375	-	375
	\$ 3,000	\$ 2,255	\$ 5,255

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
 STATE OF LOUISIANA  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
 TO AGENCY HEAD  
FOR THE YEAR ENDED JUNE 30, 2021

<u>Kristi Spinosa, Executive Director</u>	<u>June 30, 2021</u>
Salary	\$ 132,232
Benefits - insurance	7,469
Benefits - retirement	10,579
Travel	1,669
Registration fees	305
Mobile Phone	1,841
Total	<u>\$ 154,095</u>



# Duplantier Hrapmann Hogan & Maher, LLP

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

December 30, 2021

Board of Trustees  
District Attorneys' Retirement System  
State of Louisiana  
2525 Quail Drive  
Baton Rouge, Louisiana 70808-9042

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the District Attorneys' Retirement System of the State of Louisiana as of and for the year ended June 30, 2021 and the related notes to the financial statements and have issued our report thereon dated December 30, 2021.

### Internal Control Over Financial Reporting

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

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A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

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

We have communicated an other matter to management in a separate letter dated December 30, 2021.

### **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 entity'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 entity's internal control over compliance. Accordingly, this communication is not suitable for any other purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Duplantier, Sharpner, Hogan and Oakes, LLP*

New Orleans, Louisiana

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2021

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of the District Attorneys' Retirement System of the State of Louisiana for the year ended June 30, 2021 was unmodified.
  
2. Internal Control
  - Material weaknesses: None noted.
  
  - Significant deficiency: None noted.
  
3. Compliance and Other Matters
  - Noncompliance material to financial statements: None noted.



DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2021

FINDINGS REQUIRED TO BE REPORTED UNDER GOVERNMENTAL AUDITING  
STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA: (Continued)

STATUS OF PRIOR YEAR'S FINDINGS:

2020-01 Investments:

During the prior year the following findings regarding investments were noted during the audit:

- a. The System's investment policy is vague in the area of risk such as interest rate risk, custodian risk, and credit risk.
- b. Several proposed journal entries were provided to adjust investment values, record investment receivables and investment income in addition to re-class entries to properly report investment transactions

The System updated their investment policy in the area of interest rate risk, custodial risk and credit risk. The System has improved in recording investments transactions.



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December 30, 2021

Board of Trustees  
District Attorneys' Retirement System  
State of Louisiana  
2525 Quail Drive  
Baton Rouge, Louisiana 70808-9042

In planning and performing our audit of the financial statements of the District Attorneys' Retirement System of Louisiana as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered District Attorneys' Retirement System's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

During our audit we became aware of the following weakness in internal controls other than significant deficiencies or material weaknesses that are opportunities for strengthening internal controls and operating efficiency.

During the audit we tested investment values and investment income. Although most investment transactions were posted timely in the general ledger several alternative investment values did not agree to manager statements at year-end since the manager statement transactions were not recorded by the custodian. As such, proposed journal entries were provided to adjust investment values and investment income. Transactions for alternative investments should be recorded by the custodian when investment manager statements become available. Not recording these transactions could result in inaccurate financial reporting. We recommend the System ensure all transactions surrounding alternative investments are reported in the custodian statements.

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December 30, 2021

We will review the status of this comment during our next audit engagement. We have already discussed this comment with various System personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This letter does not affect our report dated December 30, 2021 on the June 30, 2021 financial statements of the District Attorney's Retirement System of Louisiana.

This communication is intended solely for the information and use of management, the District Attorneys' Retirement System of Louisiana and the Louisiana Legislative Auditor, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

DUPLANTIER, HRAPMANN, HOGAN AND MAHER, LLP



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Michelle H. Cunningham, CPA

Partner

MHC/ct