

ANNUAL FINANCIAL REPORT
PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM
OF LOUISIANA
BATON ROUGE, LOUISIANA
DECEMBER 31, 2025 AND 2024

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

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DECEMBER 31, 2025 AND 2024

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Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Parochial Employees' Retirement System of Louisiana (the System), as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Parochial Employees' Retirement System of Louisiana's basic financial statements as listed in the index to annual financial report.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Parochial Employees' Retirement System as of December 31, 2025 and 2024, and the respective changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Emphasis of Matter

As disclosed in Note 4 to the financial statements, the total pension liability for the Parochial Employees' Retirement System was \$5,314,897,933 and \$5,103,465,936 for Plan A and \$492,474,505 and \$470,768,606 for Plan B, respectively, as of December 31, 2025 and 2024. The actuarial valuations were based on various assumptions made by the System's actuary. Because actual experience may differ from the assumptions used in the actuarial valuation, there is a risk that the total pension liability at December 31, 2025 and 2024 could be understated or overstated.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2026, on our consideration of the Parochial Employees' Retirement System of Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance of the Parochial Employees' Retirement System.

Duplantier, Chapman, Hogan and Baker, LLP

Metairie, Louisiana

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

The Management's Discussion and Analysis of the Parochial Employees' Retirement System's financial performance presents a narrative overview and analysis of the Parochial Employees' Retirement System's financial activities for the year ended December 31, 2025. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the information contained in the Parochial Employees' Retirement System's financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS:

- Parochial Employees' Retirement System's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of fiscal year 2025 by \$6,321,950,751, which represents an increase from last fiscal year. The net position restricted for pension benefits increased by \$630,084,055 or 11.07%. The increase is primarily due to favorable investment returns during 2025.
- Contributions to the System by members and employers totaled \$180,511,644, an increase of \$7,111,626 or 4.10% over the prior year.
- The net appreciation in the fair value of investments was \$649,420,071 for 2025, compared to net appreciation of \$517,194,531 in 2024, an increase of 25.57%.
- The rate of return on the System's investments was 13.52% for Plan A and Plan B based on the market value. This represents an increase from the 2024 results in both plans.
- Pension benefits including DROP paid to retirees and beneficiaries increased by \$14,529,917 or 5.19% as a result of the increase in the number of retirees and the larger benefit amounts generally paid to newer retirees.
- Administrative expenses totaled \$3,000,408, an increase of \$203,360 or 7.27%.
- The cost of administering the System per member during 2025 was \$72 per individual. This figure is derived by dividing total administrative expenses by the sum of active and retired employees, survivors, and terminated employees eligible for a refund or benefit.

OVERVIEW OF THE FINANCIAL STATEMENTS:

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

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

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

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS: (Continued)

The statement of fiduciary net position reports the System's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and resultant net position restricted for pension benefits. It discloses the financial position of the System as of December 31, 2025 and 2024.

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

FINANCIAL ANALYSIS OF THE FUND:

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

	Condensed Statements of Fiduciary Net Position		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Cash and investments	\$ 6,295,507,945	\$ 5,672,035,398	\$ 5,178,096,979
Receivables	32,465,475	47,345,612	44,416,857
Capital assets & right-of-use assets, net	<u>614,009</u>	<u>805,480</u>	<u>570,449</u>
Total assets	6,328,587,429	5,720,186,490	5,223,084,285
Deferred outflows of resources	307,082	108,422	112,170
Total liabilities	6,879,232	28,336,211	29,322,764
Deferred inflows of resources	<u>64,528</u>	<u>92,005</u>	<u>143,118</u>
Net Position Restricted for Pension Benefits	<u>\$ 6,321,950,751</u>	<u>\$ 5,691,866,696</u>	<u>\$ 5,193,730,573</u>

Fiduciary net position increased by \$630,084,055 or 11.07% (\$6,321,950,751 compared to \$5,691,866,696). Assets are restricted to provide monthly retirement allowances to members who contributed to the System as employees and their beneficiaries. The increase in fiduciary net position in 2025 was due primarily to favorable market returns during 2025.

	Condensed Statements of Changes in Fiduciary Net Position		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Additions:			
Contributions	\$ 193,132,727	\$ 185,650,581	\$ 173,584,838
Net investment income	746,622,922	602,582,883	636,143,878
Other	<u>5,383,123</u>	<u>8,477,338</u>	<u>5,281,062</u>
Total	945,138,772	796,710,802	815,009,778
Total deductions	<u>(315,054,717)</u>	<u>(298,574,679)</u>	<u>(286,071,566)</u>
Increase in Fiduciary Net Position	<u>\$ 630,084,055</u>	<u>\$ 498,136,123</u>	<u>\$ 528,938,212</u>

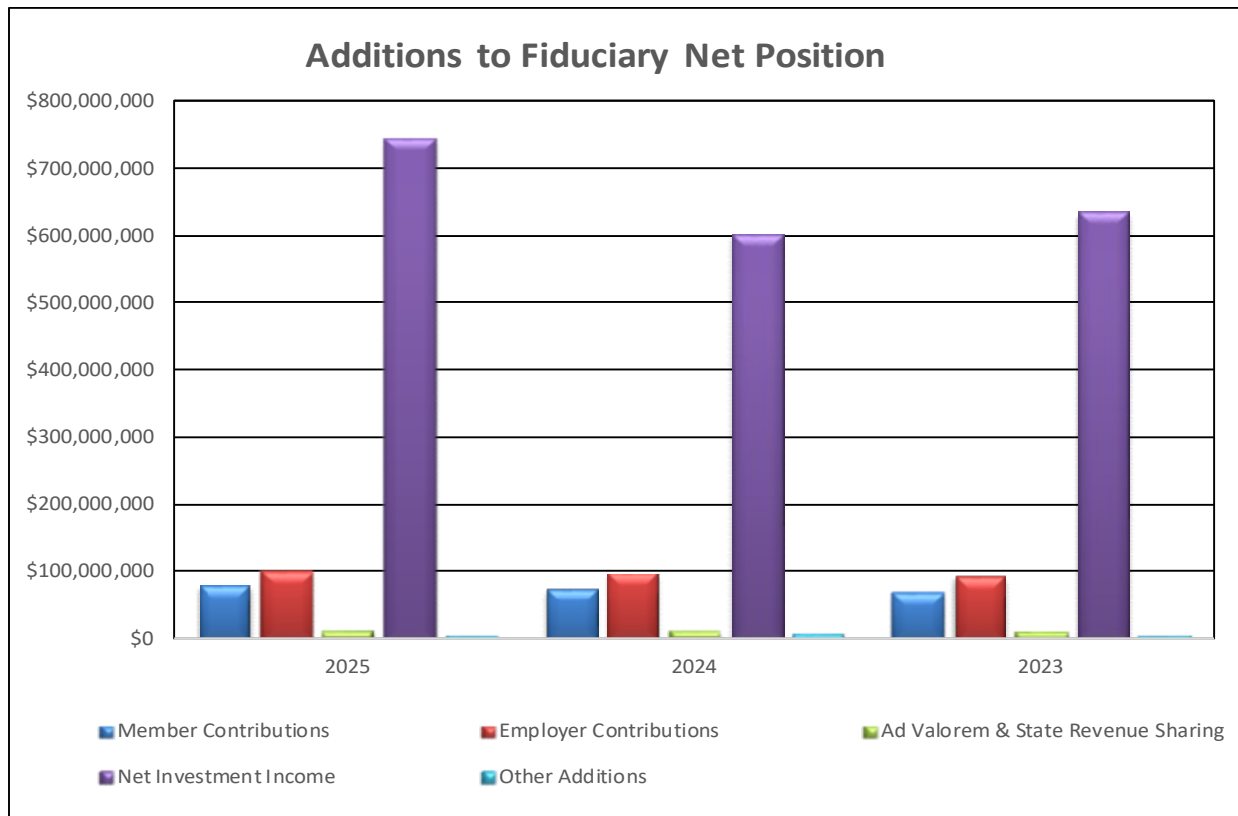
PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

FINANCIAL ANALYSIS OF THE FUND: (Continued)

Additions to Fiduciary Net Position:

Additions to the System's fiduciary net position were derived from member and employer contributions and net investment income. During the year ended December 31, 2025, member contributions increased by \$5,030,015 or 6.74% and employer contributions increased by \$2,081,611 or 2.11%. During the year ended December 31, 2024, member contributions increased by \$5,488,411 or 7.94% and employer contributions increased by \$5,982,877 or 6.45%. During the year ended December 31, 2025, the System experienced net investment income of \$746,622,922 compared to net investment income of \$602,582,883 in 2024. During the year ended December 31, 2024, the System experienced net investment income of \$602,582,883 compared to a net investment income of \$636,143,878 in 2023.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Member Contributions	\$ 79,660,071	\$ 74,630,056	\$ 69,141,645
Employer Contributions	100,851,573	98,769,962	92,787,085
Ad Valorem & State Revenue Sharing	12,621,083	12,250,563	11,656,108
Net Investment Income	746,622,922	602,582,883	636,143,878
Other Additions	5,383,123	8,477,338	5,281,062
Total	<u>\$ 945,138,772</u>	<u>\$ 796,710,802</u>	<u>\$ 815,009,778</u>



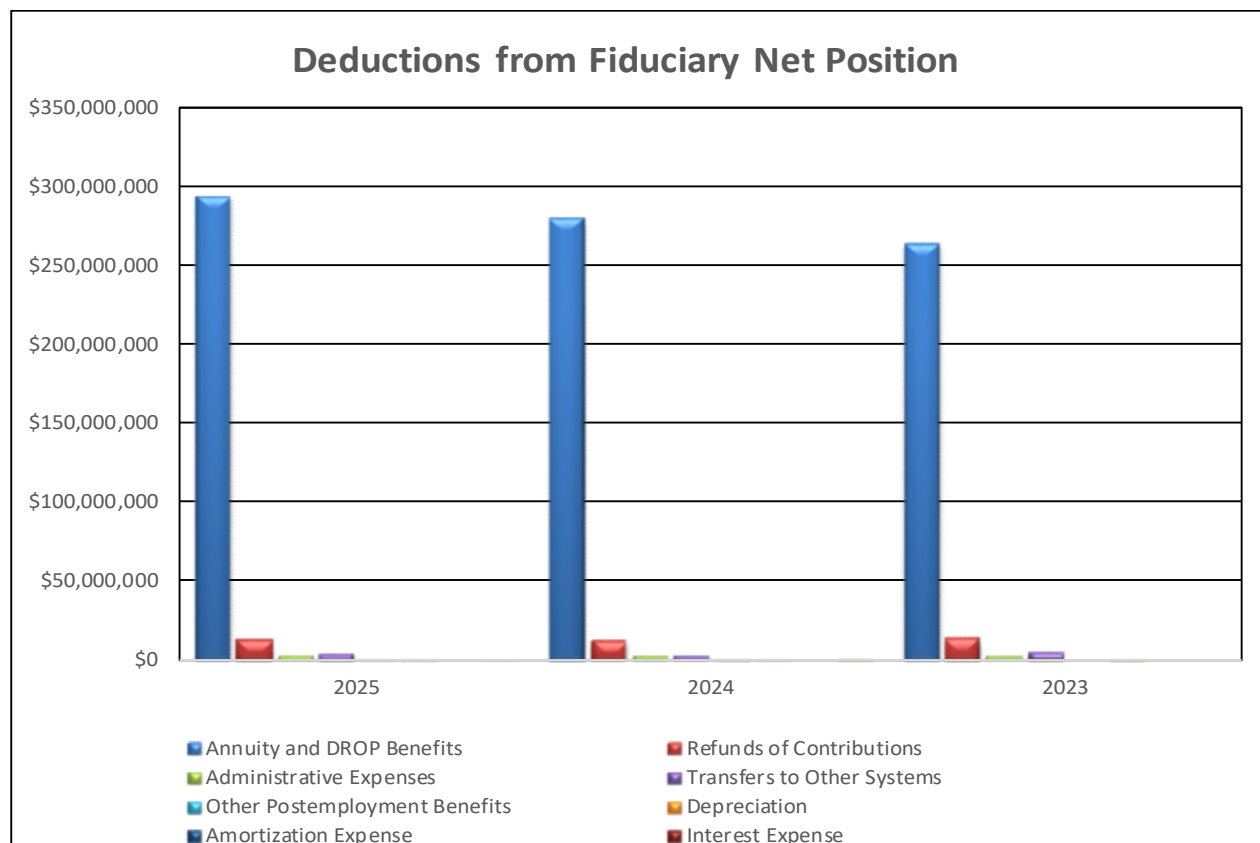
PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

FINANCIAL ANALYSIS OF THE FUND: (Continued)

Deductions from Fiduciary Net Position:

Deductions from fiduciary net position include mainly retirement, death and survivor benefits and administrative expenses. Deductions from fiduciary net position totaled \$315,054,717 in fiscal year 2025, an increase of \$16,480,038 or 5.52%. Annuity benefits including DROP increased by \$14,529,917 as a result of the increase in the number of retirees and the larger benefit amounts generally paid to newer retirees. Deductions from fiduciary net position totaled \$298,574,679 in fiscal year 2024, an increase of \$12,503,113 or 4.37%. Annuity benefits, including DROP, increased by \$15,713,472 as a result of the increase in the number of retirees and the larger benefit amounts generally paid to newer retirees.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Annuity and DROP Benefits	\$ 294,338,464	\$ 279,808,547	\$ 264,095,075
Refunds of Contributions	13,399,093	12,646,160	14,201,432
Administrative Expenses	3,000,408	2,797,048	2,375,641
Transfers to Other Systems	4,207,200	3,259,205	5,379,805
Other post employment benefits expense	85,649	29,365	-
Depreciation and amortization expense	23,903	31,782	19,613
Interest Expense	-	2,572	-
Total	<u>\$ 315,054,717</u>	<u>\$ 298,574,679</u>	<u>\$ 286,071,566</u>



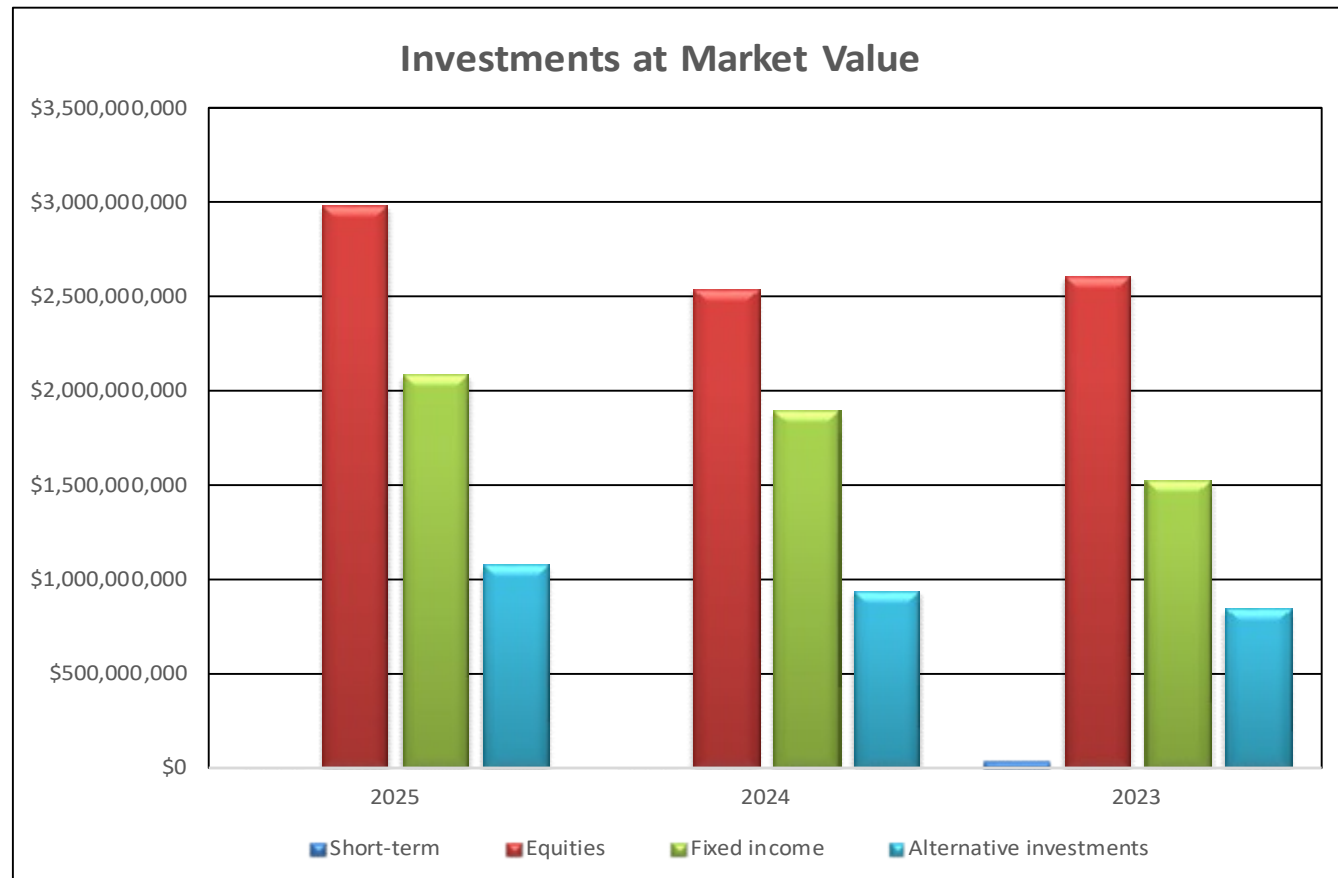
PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

FINANCIAL ANALYSIS OF THE FUND: (Continued)

Investments:

Parochial Employees' Retirement System is responsible for the prudent management of funds held in trust for the exclusive benefits of their members' pension benefits. Funds are invested to achieve maximum returns without exposing retirement assets to unacceptable risks. Total fair value of investments at December 31, 2025 was \$6,155,577,551 as compared to \$5,383,118,739 at December 31, 2024, which is an increase of \$772,458,812 or 14.35%. Total fair value of investments at December 31, 2024 was \$5,383,118,739 as compared to \$5,021,907,875 at December 31, 2023, which is an increase of \$361,210,864 or 7.19%. The System's investments in various markets at the end of the 2025, 2024, and 2023 fiscal years are indicated in the following table:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Short-term	\$ -	\$ -	\$ 34,871,240
Equities	2,990,249,107	2,546,144,521	2,615,719,302
Fixed income	2,088,196,471	1,895,155,956	1,528,684,562
Alternative investments	1,077,131,973	941,818,262	842,632,771
Total	<u>\$ 6,155,577,551</u>	<u>\$ 5,383,118,739</u>	<u>\$ 5,021,907,875</u>



PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

REQUESTS FOR INFORMATION:

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

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PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
STATEMENTS OF FIDUCIARY NET POSITION
DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS:		
Cash	139,930,394	288,916,659
Receivables:		
Contribution receivables	17,973,089	29,685,251
Accrued interest and dividends on investments	768,901	2,980,015
Investment receivables	1,245,760	2,467,725
Ad valorem and state revenue sharing receivable	12,457,887	12,194,316
Other current assets	19,838	18,305
Total receivables	32,465,475	47,345,612
Investments, at fair value:		
Equities	2,990,249,107	2,546,144,521
Fixed income	2,088,196,471	1,895,155,956
Alternative investments	1,077,131,973	941,818,262
Total investments	6,155,577,551	5,383,118,739
Capital assets (net of accumulated depreciation)	614,009	616,584
Right-of-use subscription asset (net of accumulated amortization)	-	188,896
Total assets	6,328,587,429	5,720,186,490
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows of resources related to OPEB	307,082	108,422
LIABILITIES:		
Accounts payable	3,959,368	2,829,666
Benefits payable	-	23,374,317
Refunds payable	1,246,430	909,205
Investment payable	770,373	381,929
OPEB payable	903,061	638,514
Subscription payable	-	202,580
Total liabilities	6,879,232	28,336,211
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows of resources related to OPEB	64,528	92,005
NET POSITION - RESTRICTED FOR PENSION BENEFITS	6,321,950,751	5,691,866,696

See accompanying notes.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ADDITIONS:		
Contributions:		
Member contributions	\$ 79,660,071	\$ 74,630,056
Employer contributions	100,851,573	98,769,962
Ad valorem taxes and revenue sharing funds	12,621,083	12,250,563
Total contributions	<u>193,132,727</u>	<u>185,650,581</u>
INVESTMENT INCOME:		
Net appreciation in the fair value of investments	649,420,071	517,194,531
Dividends, interest, and other recurring income	141,615,592	118,853,600
Miscellaneous investment income	279,629	11,944
Total	<u>791,315,292</u>	<u>636,060,075</u>
Less - investment expense:		
Custodial fee	319,640	319,996
Money manager fees	25,135,868	21,591,559
Other investment expense	18,937,039	11,233,127
Investment consulting	299,823	332,510
Total	<u>44,692,370</u>	<u>33,477,192</u>
Net investment income	<u>746,622,922</u>	<u>602,582,883</u>
Other additions:		
Interest - transfers, refund payback	2,023,741	3,165,584
Transfers in from other systems	3,319,658	5,300,407
Miscellaneous income	39,724	11,347
Total other additions	<u>5,383,123</u>	<u>8,477,338</u>
Total	<u>945,138,772</u>	<u>796,710,802</u>
DEDUCTIONS:		
Retirement, disability, and survivor annuity benefits	272,158,544	258,118,009
DROP benefits	22,179,920	21,690,538
Refund of contributions	13,399,093	12,646,160
Transfers to other systems	4,207,200	3,259,205
Administrative expenses	3,000,408	2,797,048
OPEB expense	85,649	29,365
Depreciation and amortization expense	23,903	31,782
Interest expense	-	2,572
Total deductions	<u>315,054,717</u>	<u>298,574,679</u>
NET INCREASE	630,084,055	498,136,123
NET POSITION RESTRICTED FOR PENSION BENEFITS:		
Beginning of year	5,691,866,696	5,193,730,573
END OF YEAR	<u>\$ 6,321,950,751</u>	<u>\$ 5,691,866,696</u>

See accompanying notes.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

DESCRIPTION OF ORGANIZATION:

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

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

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

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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

Basis of Accounting:

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

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

Expenses are recognized in the period incurred.

Method Used to Value Investments:

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

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

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Method Used to Value Investments: (Continued)

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

Capital and Right-of-Use Assets:

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

Right-of-use assets are recorded for information technology subscription contracts in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The right-of-use asset is initially measured at the amount of the related subscription liability, adjusted for payments made at or before the commencement of the subscription term, and increased by certain initial direct costs. Subsequently, the right-of-use asset is amortized on a straight-line basis over the term of the subscription contract.

Subscription-Based Information Technology Liabilities:

Subscription-based information technology liabilities are recognized at the commencement of the contract for agreements that have a term exceeding one year and where the cumulative future payments on the agreements exceed \$100,000. The System measures the subscription-based information technology liabilities at the present value of payments expected to be made during the contract term. Subsequently, the contract liabilities are reduced by the principal portion of payments made. The System monitors changes in circumstances that would require a remeasurement of its contracts and will remeasure the contract asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription-based information technology liabilities.

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

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Estimates: (Continued)

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

Deferred Outflows of Resources and Deferred Inflows of Resources:

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

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

New Accounting Standards:

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, *Compensated Absences*, which became effective for the year ended December 31, 2024. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The System has analyzed the provisions of GASB Statement No. 101, *Compensated Absences*, and while compensated absences do exist, the effect of not recognizing the compensated absences is not materially different from the results that would have been obtained had the liability been recognized.

In December 2023, the Governmental Accounting Standards Board (GASB) issued Statement No. 102, *Certain Risk Disclosures*, which became effective for the year ended December 31, 2025. The objective of this Statement is to provide users of governmental financial statements with

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

New Accounting Standards: (Continued)

information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or accessing accountability. The implementation of the Standard did not require any changes to the System's financial reporting requirements.

2. PLAN DESCRIPTION:

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

The System provides retirement benefits to employees of taxing districts of a parish, or any branch or section of a parish, within the state which does not have their own retirement system and which elect to become members of the System. For the years ended December 31, 2025 and 2024, there were 216 and 220 contributing employers in Plan A, and 53 and 53 in Plan B, respectively.

Statewide retirement membership consisted of:

<u>2025</u>	<u>PLAN A</u>	<u>PLAN B</u>	<u>TOTAL</u>
Inactive plan members or beneficiaries receiving benefits	8,883	1,221	10,104
Inactive plan members entitled to but not yet receiving benefits	11,837	2,527	14,364
Active members	<u>14,528</u>	<u>2,408</u>	<u>16,936</u>
TOTAL PARTICIPATING AS OF VALUATION DATE	<u>35,248</u>	<u>6,156</u>	<u>41,404</u>
 <u>2024</u>	 <u>PLAN A</u>	 <u>PLAN B</u>	 <u>TOTAL</u>
Inactive plan members or beneficiaries receiving benefits	8,638	1,170	9,808
Inactive plan members entitled to but not yet receiving benefits	11,288	2,403	13,691
Active members	<u>14,162</u>	<u>2,377</u>	<u>16,539</u>
TOTAL PARTICIPATING AS OF VALUATION DATE	<u>34,088</u>	<u>5,950</u>	<u>40,038</u>

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

2. PLAN DESCRIPTION: (Continued)

Eligibility Requirements:

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

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

Retirement Benefits:

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

2. PLAN DESCRIPTION: (Continued)

Retirement Benefits: (Continued)

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

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

Survivor Benefits:

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

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

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

DROP Benefits:

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

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

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

2. PLAN DESCRIPTION: (Continued)

DROP Benefits: (Continued)

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

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

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

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

Disability Benefits:

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

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

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

2. PLAN DESCRIPTION: (Continued)

Cost of Living Increases:

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

3. CONTRIBUTIONS AND RESERVES:

Contributions:

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

According to state statute, contributions for all employers are actuarially determined each year. For the years ended December 31, 2025 and 2024, the actuarially determined contribution rate was 7.52% and 7.34%, respectively, of member's compensation for Plan A and 5.74% and 5.50%, respectively, of member's compensation for Plan B. The actual contribution rate for each of the fiscal years ending December 31, 2025 and 2024 was 11.00% and 11.50%, respectively, for Plan A and 7.00% and 7.50%, respectively, for Plan B.

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

Administrative costs of the System are financed through employer contributions.

Reserves:

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

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

3. CONTRIBUTIONS AND RESERVES: (Continued)

Reserves: (Continued)

a. Annuity Savings:

The Annuity Savings was created by state law and is credited with contributions made by the members of the System. When a member terminates his service, or upon his death before qualifying for a benefit, the refund of his contributions is made from this reserve. If a member dies and there is a survivor who is eligible for a benefit, the amount of the member's accumulated contributions is transferred from the Annuity Savings to the Annuity Reserve. When a member retires, the amount of his accumulated contributions is transferred to Annuity Reserve to fund part of the benefits. Plan A's Annuity Savings balance was \$583,939,094 and \$560,468,470 for December 31, 2025 and 2024, respectively. The balance for Plan B was \$32,349,111 and \$31,262,663 as of December 31, 2025 and 2024, respectively.

b. Pension Accumulation Reserve:

The Pension Accumulation Reserve was created by state law and consists of contributions paid by employers, interest earned on investments, administrative expenses, and any other income or expense not covered by other accounts. This reserve account is charged annually with an amount, determined by the actuary, to be transferred to the Annuity Reserve to fund retirement benefits for existing recipients. It is also relieved when expenditures are not covered by the other accounts. The Pension Accumulation Reserve for Plan A as of December 31, 2025 and 2024 was \$2,405,118,883 and \$1,984,984,103, respectively. The balance for Plan B was \$295,063,551 and \$252,375,513 as of December 31, 2025 and 2024, respectively.

c. Annuity Reserve:

The Annuity Reserve was created by state law and consists of the reserves for all pensions, excluding cost of living increases, granted to retired members and is the reserve account from which such pensions and annuities are paid. Survivors of deceased beneficiaries also receive benefits from this reserve account. The Annuity Reserve as of December 31, 2025 and 2024 for Plan A was \$2,582,653,944 and \$2,493,747,650, respectively. The balance for Plan B was \$201,233,803 and \$188,967,103 as of December 31, 2025 and 2024, respectively.

d. Deferred Retirement Option Account:

The Deferred Retirement Option account was created by state law and consists of the reserves for all members who upon retirement eligibility elect to deposit into this account an amount equal to the member's monthly benefit if he/she had retired. A member can only participate in the program for three years, and upon termination may receive his/her benefits

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

3. CONTRIBUTIONS AND RESERVES: (Continued)

Reserves: (Continued)

d. Deferred Retirement Option Account: (Continued)

in a lump sum payment or a true annuity. The Deferred Retirement Option balance for Plan A as of December 31, 2025 and 2024 was \$70,105,897 and \$69,081,544, respectively. The balance for Plan B as of December 31, 2025 and 2024 was \$6,887,486 and \$6,661,682, respectively.

e. Funding Deposit Account:

The Funding Deposit Account was created by state law and consists of excess contributions collected by the System. The excess funds earn interest at the Board approved actuarial valuation rate and are credited to the fund at least once a year. These funds are due to the System freezing the employer rate at a higher rate than actuarially required. The excess funds can be used for the following purposes: (1) reduce the unfunded accrued liability, (2) reduce the future normal costs, and/or (3) pay all or a portion of any future net direct employer contributions (4) to provide funding for a cost-of-living increase. The board did not grant a cost-of-living increase for the calendar year beginning January 1, 2024. In accordance with a motion authorized by the Board of Trustees, \$48,342,048 and \$3,715,429 in funds were withdrawn from the Funding Deposit Account, for Plan A and Plan B, respectively, in order to fund a cost-of-living increase for retirees age 62 and older effective January 1, 2025. The Funding Deposit Account balance for Plan A as of December 31, 2025 and 2024 was \$133,691,645 and \$95,746,952, respectively. The balance for Plan B as of December 31, 2025 and 2024 was \$10,907,337 and \$8,571,016, respectively.

4. NET PENSION LIABILITY (ASSET) OF EMPLOYERS:

The components of the net pension liability of the System's employers for Plan A and Plan B determined in accordance with GASB No. 67 as of December 31, 2025 and 2024 are as follows:

	<u>PLAN A</u>		<u>PLAN B</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Total Pension Liability	\$ 5,314,897,933	\$ 5,103,465,936	\$ 492,474,505	\$ 470,768,606
Plan Fiduciary Net Position	<u>5,775,509,463</u>	<u>5,204,028,719</u>	<u>546,441,288</u>	<u>487,837,977</u>
Employers' Net Pension Liability (Asset)	<u>\$ (460,611,530)</u>	<u>\$ (100,562,783)</u>	<u>\$ (53,966,783)</u>	<u>\$ (17,069,371)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	108.67%	101.97%	110.96%	103.63%

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

4. NET PENSION LIABILITY (ASSET) 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 December 31, 2025 and 2024 valuations were based on the assumptions used in the December 31, 2025 and 2024 actuarial funding valuations, which were based on results of an actuarial experience study for the period of January 1, 2018 through December 31, 2022. The required Schedules of Employers' Net Pension Liability (Asset) located in required supplementary information following the Notes to the Financial Statements presents multi-year trend information regarding whether the Plan's fiduciary net positions are increasing or decreasing over time relative to the total pension liability. The total pension liability as of December 31, 2025 and 2024 is based on actuarial valuations for the same period, updated using generally accepted actuarial procedures.

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

Valuation date	December 31, 2025	December 31, 2024
Actuarial cost method	Entry Age Normal Cost	Entry Age Normal Cost
Investment rate of return	6.40%, net of pension plan investment expense, including inflation	6.40%, net of pension plan investment expense, including inflation
Expected remaining service lives	4 years – Plan A, and 3 years – Plan B	4 years
Inflation rate	2.30%	2.30%
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP2021 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2021 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2021 scale for disabled annuitants.	Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP2021 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2021 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2021 scale for disabled annuitants.
Salary increases	4.75% – Plan A, and 4.25% – Plan B	4.75% – Plan A, and 4.25% – Plan B

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% for each of the years ended December 31, 2025 and 2024, and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.30% and 7.13% for the years ended December 31, 2025 and 2024, respectively.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2025 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed Income	29%	0.88%
Equity	50%	2.95%
Alternatives	18%	0.90%
Real Assets	3%	0.17%
Totals	100%	4.90%
Inflation		2.40%
Expected Arithmetic Nominal Return		7.30%

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed Income	37%	1.08%
Equity	47%	2.82%
Alternatives	15%	0.76%
Real Assets	1%	0.07%
Totals	100%	4.73%
Inflation		2.40%
Expected Arithmetic Nominal Return		7.13%

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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

The discount rate used to measure the total pension liability was 6.40% for each of the years ended December 31, 2025 and 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In accordance with GASB 67, regarding the disclosure of the sensitivity of the net pension liability (asset) to changes in the discount rate, the following presents the net pension liability of the participating employers calculated as of December 31, 2025 and 2024 using the discount rate of 6.40%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.40%), or one percentage point higher (7.40%), than the current rate.

Changes in the discount rate for the years ended December 31, 2025 and 2024 for Plan A are as follows:

	PLAN A		
	Current		
	1% Decrease 5.40%	Discount Rate 6.40%	1% Increase 7.40%
Net Pension Liability (Asset) - December 31, 2025	\$ 180,317,334	\$ (460,611,530)	\$ (998,540,610)
	5.40%	6.40%	7.40%
Net Pension Liability (Asset) - December 31, 2024	\$ 513,204,265	\$ (100,562,783)	\$ (615,748,803)

Changes in the discount rate for the years ended December 31, 2025 and 2024 for Plan B are as follows:

	PLAN B		
	Current		
	1% Decrease 5.40%	Discount Rate 6.40%	1% Increase 7.40%
Net Pension Liability (Asset) - December 31, 2025	\$ 8,203,388	\$ (53,966,783)	\$ (106,017,518)
	5.40%	6.40%	7.40%
Net Pension Liability (Asset) - December 31, 2024	\$ 42,547,197	\$ (17,069,371)	\$ (66,989,555)

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

5. CAPITAL AND RIGHT-OF-USE ASSETS:

The following is a summary of capital and right-of-use assets and depreciation and amortization activity for the years ended December 31, 2025 and 2024 is noted below:

<u>2025</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets:				
Land	\$ 120,618	\$ -	\$ -	\$ 120,618
Building and improvements	821,815	21,328	-	843,143
Office equipment and furniture	260,665	-	21,034	239,631
Less: accumulated depreciation	<u>(586,514)</u>	<u>(23,903)</u>	<u>(21,034)</u>	<u>(589,383)</u>
Total capital assets	616,584	(2,575)	-	614,009
Right-of-use assets:				
Right-of-use subscription asset	200,008	-	200,008	-
Less: accumulated amortization	<u>(11,112)</u>	<u>-</u>	<u>(11,112)</u>	<u>-</u>
Total right-of-use assets	<u>188,896</u>	<u>-</u>	<u>188,896</u>	<u>-</u>
	<u>\$ 805,480</u>	<u>\$ (2,575)</u>	<u>\$ 188,896</u>	<u>\$ 614,009</u>
<u>2024</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets:				
Land	\$ 120,618	\$ -	\$ -	\$ 120,618
Building and improvements	755,010	66,805	-	821,815
Office equipment and furniture	260,665	-	-	260,665
Less: accumulated depreciation	<u>(565,844)</u>	<u>(20,670)</u>	<u>-</u>	<u>(586,514)</u>
Total capital assets	570,449	46,135	-	616,584
Right-of-use assets:				
Right-of-use subscription asset	-	200,008	-	200,008
Less: accumulated amortization	<u>-</u>	<u>(11,112)</u>	<u>-</u>	<u>(11,112)</u>
Total right-of-use assets	<u>-</u>	<u>188,896</u>	<u>-</u>	<u>188,896</u>
	<u>\$ 570,449</u>	<u>\$ 235,031</u>	<u>\$ -</u>	<u>\$ 805,480</u>

Depreciation expense for the year ended December 31, 2025 and 2024 was \$23,903 and \$20,670, respectively. Amortization expense for the year ended December 31, 2025 and 2024 was \$-0- and \$11,112, respectively.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

6. INVESTMENTS AT FAIR VALUE:

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The System has the following recurring fair value measurements as of December 31, 2025 and 2024, respectively:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	December 31, 2025			
Investments by Fair Value Level:				
Fixed Income Investments:				
Asset backed securities	\$ -	\$ -	\$ -	\$ -
Total fixed income investments	-	-	-	-
Equity Securities:	1,024,185,524	1,024,185,524	-	-
Total Investments at Fair Value Level	<u>\$ 1,024,185,524</u>	<u>\$ 1,024,185,524</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at the Net Asset Value (NAV):				
Fixed income fund	\$ 2,088,196,471			
Equity funds	1,966,063,583			
Alternative Investments:				
Hedge funds	337,360,520			
Real asset funds	171,537,987			
Real estate funds	251,684,797			
Private equity funds	316,548,669			
Total investments at NAV	<u>\$ 5,131,392,027</u>			
Total investments at fair value	<u>\$ 6,155,577,551</u>			
Investment Derivatives:				
Foreign currency future receivables	\$ 1,044,085	\$ 1,044,085	\$ -	\$ -
Foreign currency future payables	(71,650)	(71,650)	-	-
Total Investment Derivatives	<u>\$ 972,435</u>	<u>\$ 972,435</u>	<u>\$ -</u>	<u>\$ -</u>

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

6. INVESTMENTS AT FAIR VALUE: (Continued)

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	December 31, 2024			
Investments by Fair Value Level:				
Fixed Income Investments:				
Asset backed securities	\$ 234,637,350	\$ -	\$ 234,637,350	\$ -
Total fixed income securities	<u>234,637,350</u>	<u>-</u>	<u>234,637,350</u>	<u>-</u>
Equity Securities:	<u>1,049,230,071</u>	<u>1,049,230,071</u>	<u>-</u>	<u>-</u>
Total Investments at Fair Value Level	<u>\$ 1,283,867,421</u>	<u>\$ 1,049,230,071</u>	<u>\$ 234,637,350</u>	<u>\$ -</u>
Investments measured at the Net Asset Value (NAV):				
Fixed income funds	\$ 1,660,518,606			
Equity funds	1,496,914,450			
Alternative investments				
Hedge funds	284,935,044			
Real asset funds	134,320,188			
Real estate funds	258,806,705			
Private equity funds	<u>263,756,325</u>			
Total investments at NAV	<u>4,099,251,318</u>			
Total investments at fair value	<u>\$ 5,383,118,739</u>			
Investment Derivatives:				
Foreign currency future receivables	\$ 2,411,821	\$ 2,411,821	\$ -	\$ -
Foreign currency future payables	<u>(38,425)</u>	<u>(38,425)</u>	<u>-</u>	<u>-</u>
Total Investment Derivatives	<u>\$ 2,373,396</u>	<u>\$ 2,373,396</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

6. INVESTMENTS AT FAIR VALUE: (Continued)

The unfunded commitments and redemption terms for investments measured at the net asset value (NAV) per share or its equivalent as of December 31, 2025 is presented on the following table:

	Net Asset Value December 31, 2025	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investments measured at the NAV:				
Fixed Income Funds	\$ 2,088,196,471	\$ -	N/A for ArrowMark Credit Fund & Daily / Monthly / Quarterly for other funds	1 - 90 Days
Equity Funds	1,966,063,583	-	Daily / Monthly/ Bi-monthly	1 - 30 Days
Alternative investments:				
Hedge Funds	337,360,520	-	Monthly	45 Days
Real Asset Funds	171,537,987	-	Quarterly for Blackstone Infrastructure, PRISA II & TA Core Property / N/A for closed end funds	30 - 90 Days
Real Estate Funds	251,684,797	22,066,500	N/A	N/A
Private Equity Funds	316,548,669	333,566,019	N/A	N/A
Total Investments at NAV	<u>\$ 5,131,392,027</u>	<u>\$ 355,632,519</u>		

The unfunded commitments and redemption terms for investments measured at the net asset value (NAV) per share or its equivalent as of December 31, 2024 is presented on the following table:

	Net Asset Value December 31, 2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investments measured at the NAV:				
Fixed Income Funds	\$ 1,660,518,606	\$ -	N/A for ArrowMark Credit Fund & Daily / Monthly / Quarterly for other funds	1 - 90 Days
Equity Funds	1,496,914,450	-	Daily / Monthly	1 - 30 Days
Alternative investments:				
Hedge Funds	284,935,044	6,702,324	Monthly	45 Days
Real Asset Funds	134,320,188	615,955	Quarterly for PRISA II Fund & TA Core Property / N/A for closed end funds	30 Days
Real Estate Funds	258,806,705	23,066,500	N/A	N/A
Private Equity Funds	263,756,325	397,731,019	N/A	N/A
Total Investments at NAV	<u>\$ 4,099,251,318</u>	<u>\$ 428,115,798</u>		

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

6. INVESTMENTS AT FAIR VALUE: (Continued)

Equity Funds:

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

Fixed Income Funds:

The eight fixed income funds the System invests in fall into one of two broad strategies within the fixed income allocation of the portfolio. Three of the managers fall into the High Quality group. These funds focus primarily on investment grade bonds issued by public and privately owned companies domiciled in the United States, and benchmarked to the Barclays Aggregate Bond and/or Barclays Credit Indexes. The other five funds focus on investments in below investment grade sectors of the bond and fixed income markets including securitized issues, bonds, and bank loans, including private transactions with banking institutions. These funds are in the Return Seeking part of the fixed income allocation. These funds can also invest in securities across the globe.

Alternative Investments:

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

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

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
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6. INVESTMENTS AT FAIR VALUE: (Continued)

Alternative Investments: (Continued)

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

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

7. REQUIRED SUPPLEMENTARY SCHEDULE INFORMATION:

The information in the Required Supplementary Schedules on pages 48 through 65 is designed to provide information about the System's progress made in accumulating sufficient assets to pay benefits.

8. DEPOSITS AND INVESTMENTS:

The following are the components of the Plan' deposits and investments at December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Deposits (bank balance)	\$ 141,261,388	\$ 289,571,155
Investments	6,155,577,551	5,383,118,739
	<u>\$ 6,296,838,939</u>	<u>\$ 5,672,689,894</u>

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

8. DEPOSITS AND INVESTMENTS: (Continued)

The System maintains cash balances deposited in financial institutions. During the years ended December 31, 2025 and 2024, the System's bank deposits were fully covered by federal depository insurance or pledged collateral.

Investments:

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

Concentration of Credit Risk:

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

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

	<u>2025</u>	<u>2024</u>
Equities	38%-56%	38%-56%
Fixed income	30%-44%	30%-44%
Alternative investments	0%-20%	0%-20%

At December 31, 2025 and 2024, the components of the System's investment portfolio fell within the allowable ranges.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

8. DEPOSITS AND INVESTMENTS: (Continued)

Concentration of Credit Risk: (Continued)

The System had the following investments that represent 5% or more of the net position as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
<u>Stock Index Funds</u>		
Arrowstreet International Equity - ACWI ex US Fund	\$ 358,985,833	\$ -
LSV Large Cap Value	627,434,557	524,159,145
Loomis Large Cap Growth	616,048,193	532,734,179
<u>Fixed Income Funds</u>		
Loomis Sayles Fixed Fund	-	280,768,986
Golden Tree	-	276,674,435
<u>Hedge Funds</u>		
Aksia Opportunistic Fund LP	337,360,520	284,935,044
<u>Private Equity Funds</u>		
HarbourVest PERSLA PE Fund L.P.	316,508,557	-

Credit Risk:

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

The following table provides credit rating information for the PERS' bond holdings at December 31, 2025 and 2024.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
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DECEMBER 31, 2025 AND 2024

8. DEPOSITS AND INVESTMENTS: (Continued)

Credit Risk: (Continued)

	<u>2025</u>		<u>2024</u>
	Asset Backed		Asset Backed
	<u>Securities</u>		<u>Securities</u>
A	\$ -	A	\$ 1,850,348
A-	-	A-	996,823
A+	-	A+	-
AA	-	AA	367,253
AA-	-	AA-	400,633
AA+	-	AA+	41,695,207
AAA	-	AAA	5,316,201
B	-	B	814,311
B-	-	B-	2,246,166
B+	-	B+	2,745,861
BB	-	BB	7,389,371
BB-	-	BB-	12,854,340
BB+	-	BB+	-
BBB	-	BBB	3,464,952
BBB-	-	BBB-	16,937,649
BBB+	-	BBB+	1,248,218
CC	-	CC	1,459,356
CCC	-	CCC	-
D	-	D	1,386,995
Not rated	-	Not rated	133,463,666
	<u>\$ -</u>		<u>\$ 234,637,350</u>

Interest Rate Risk:

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

The following table shows the PERS' fixed income investments and maturities in actively managed accounts at December 31, 2025.

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
Asset Backed Securities	\$ -	\$ -	\$ -	\$ -	\$ -
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
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8. DEPOSITS AND INVESTMENTS: (Continued)

Interest Rate Risk: (Continued)

The following table shows the PERS' fixed income investments and maturities in actively managed accounts at December 31, 2024.

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
Asset Backed Securities	\$ 234,637,350	\$ 1,439,453	\$ 6,236,993	\$ 41,674,127	\$ 185,286,777
Total	<u>\$ 234,637,350</u>	<u>\$ 1,439,453</u>	<u>\$ 6,236,993</u>	<u>\$ 41,674,127</u>	<u>\$ 185,286,777</u>

Fixed Income Funds:

The System also invests in fixed income funds in the amount \$2,088,196,471 and \$1,660,518,606 for the years ended December 31, 2025 and 2024, respectively, as follows:

- a. The System invested in Loomis Sayles Core Plus Full Discretion Fund. The fair market value of the fund was of \$271,308,912 and \$280,768,986 for the years ended December 31, 2025 and 2024, respectively. The Fund will invest at least 90% of the market value of its assets in fixed income securities. It may invest up to 10% of the market value of its assets in securities rated below investment grade, but it primarily invests in investment grade fixed income securities. The average credit quality of the Fund is A3 according to Moody's Investors Services. The average portfolio duration of the Loomis Sayles Core Plus Full Discretion Fund was 6.10 years.
- b. The System invested in Brandywine Global Opportunistic Fixed Income Fund. The fair market value of the fund was \$283,559,030 and \$264,631,988 for the years ended December 31, 2025 and 2024, respectively. The objective of the Global Opportunistic Fixed Income portfolio is to generate outsized long-term return and alpha. The strategy only invests in investment-grade U.S. dollar-denominated fixed income securities. The Fund had an average credit quality rating of AA according to Standard & Poor's rating service. The average portfolio duration of the Brandywine Global Opportunistic Fixed Income Fund was 4.38 years.
- c. The System invested in the Prudential Private Place Bond Separate Account (PRIVEST). The fair market value of the investment was \$240,247,229 and \$201,382,200 for the years ended December 31, 2025 and 2024, respectively. The objective of PRIVEST is to achieve a long-term total return greater than public bond portfolios of comparable credit quality and duration by primarily investing in privately placed corporate debt securities, with credit qualities ranging primarily from AA to B. The account had an average credit quality rating

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

8. DEPOSITS AND INVESTMENTS: (Continued)

Fixed Income Funds: (Continued)

of BBB+ according to Standard & Poor's rating service. The average portfolio duration of PRIVEST was 5.92 years.

- d. The System invested in Partners Group Magnolia Fund. The fair market value of the fund was \$215,288,468 and \$200,669,311 for the years ended December 31, 2025 and 2024, respectively. The purpose of Partners Group Magnolia Fund is to directly and indirectly invest in Private Credit Investments, Broadly Syndicated Loans, Royalty Investments, and securities. The Fund normally will invest at least 50% of its net assets in senior direct lending investments. The portfolio of the fund was 100% unrated by a nationally recognized statistical rating organization (NRSRO). The average portfolio duration of the Partners Group Magnolia Fund was 6.75 years.
- e. The System invested in Golden Tree Multi-Sector Cayman, Ltd. The fair market value of the investment was \$273,265,460 and \$276,674,435 for the years ended December 31, 2025 and 2024, respectively. The objective of the Golden Tree Fixed Income portfolio is to achieve attractive risk adjusted returns by investing across a broad universe of credit-related investments, including, but not limited to, bank debt, high yield bonds, and Structured Products. The Fund seeks to generate mid to high single digit net returns across market cycles by investing in securities which meet the System's disciplined investment process and by allocating dynamically across sectors based on the most attractive risk-adjusted returns. The Fund had an average credit quality rating of BB according to the Standard & Poor's rating service. The average portfolio duration of the Golden Tree Fixed Income Fund was 1.40 years.
- f. The System invested in ArrowMark Credit Fund, LP. The fair market value of the investment was \$243,612,031 and \$208,952,883 for the years ended December 31, 2025 and 2024, respectively. The objective of the ArrowMark Credit Fund is to generate returns through income generation and, secondarily, capital appreciation by holding a diversified portfolio of regulatory capital relief/significant risk transfer transactions. Eligible investments include Regulatory Capital Relief Investments, foreign currency, cash, cash equivalents, Short-Duration Investments, and derivatives for currency hedging. The Fund had an average credit quality rating of BBB- according to the Standard & Poor's rating service. The average portfolio duration of the ArrowMark Credit Fund was 0.23 years.
- g. The System invested in T. Rowe Price Trust. The fair market value of the investment was \$292,289,242 and \$227,438,803 at December 31, 2025 and 2024, respectively. The objective of the T. Rowe Price Trust is to seek to provide high current income and capital appreciation. The T. Rowe Price Trust will normally invest at least 80% of its net assets

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

8. DEPOSITS AND INVESTMENTS: (Continued)

Fixed Income Funds: (Continued)

in debt securities issued by governments, government agencies, organizations or companies located in emerging market countries. The T. Rowe Price Trust had an average credit quality rating of BBB- according to the Standard & Poor's rating service. The average portfolio duration of the T. Rowe Price Trust was 5.34 years.

- h. The System invested in DoubleLine Income Portfolio Fund. The fair market value of the fund was \$268,626,099 and \$-0- for the years ended December 31, 2025 and 2024, respectively. The objective of DoubleLine Income Portfolio Fund is to seek and maximize current income and total return over a multi-year full market cycle. The Fund may invest in mortgage related and other asset-based securities that directly or indirectly represent a participation in, or are secured by and payable from, loans on real property. The average credit quality of the DoubleLine Income Portfolio Fund is BBB+ according to Moody's Investors Services. The average portfolio duration of the DoubleLine Income Portfolio Fund was 2.70 years.

Custodial Credit Risk:

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

The System has no formal policy regarding custodial credit risk. The System is not exposed to custodial credit risk at December 31, 2025 and 2024.

Foreign Currency Risk:

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

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

The System invests in various foreign holdings which are traded in the United States and denominated in U.S. dollars. However, the System is indirectly exposed to foreign currency risk through investment in various foreign equities and foreign fixed income funds and other foreign securities, through foreign currency exchange. The foreign currency hedge is designed to offset this risk. See note 11 for derivative investments. The System's foreign currency hedge is exposed to foreign currency risk through holdings in foreign cash as of December 31, 2025 and 2024 as follows:

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

8. DEPOSITS AND INVESTMENTS: (Continued)

Foreign Currency Risk: (Continued)

<u>Currency</u>	<u>2025</u>	<u>2024</u>
Norwegian Krone	\$ (58,953)	\$ (160,108)
Swedish Krone	(416,938)	(190,572)
Total	<u>\$ (475,891)</u>	<u>\$ (350,680)</u>

Money-Weighted Rate of Return:

For the years ended December 31, 2025 and 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, for Plan A was 13.34% and 11.56% and for Plan B was 13.87% and 11.56%, respectively. The money-weighted return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

9. TAX QUALIFICATION:

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

10. OTHER POST-EMPLOYMENT BENEFITS:

Substantially all System employees become eligible for post-employment health care and life insurance benefits if they reach normal retirement age while working for the System. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the System. At December 31, 2025 and 2024, five and four retirees, respectively, were receiving post-employment benefits.

Plan Description:

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

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

10. OTHER POST-EMPLOYMENT BENEFITS: (Continued)

Benefits Provided:

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

Contributions:

The contribution requirements of plan members and the System are established and may be amended by LRS 42:801-883. The OPEB Plan is currently funded on a pay-as-you-go basis through a combination of retiree and System contributions. Employees do not contribute to their post-employment benefits cost until they become retirees and begin receiving post-employment benefits. The retirees contribute to the cost of their post-employment benefits based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. Employee premiums for these benefits totaled \$21,258 and \$13,756 for the years ended December 31, 2025 and 2024, respectively. Employer contributions to the OPEB Plan from the System were \$50,964 and \$30,292 for the years ended December 31, 2025 and 2024, respectively.

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

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

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

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

10. OTHER POST-EMPLOYMENT BENEFITS: (Continued)

Contributions: (Continued)

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

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

At December 31, 2025 and 2024, the System reported a total OPEB liability of \$903,061 and \$638,514, respectively. The total OPEB liability was measured as of July 1, 2025 and 2024, respectively, and was determined by an actuarial valuation as of that date.

For the years ended December 31, 2025 and 2024, the System recognized OPEB expense of \$85,649 and \$29,365, respectively. As of December 31, 2025 and 2024, the System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>2025</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 25,189	\$ 51,695
Changes in proportion	-	-
Difference in expected and actual experience	271,264	12,833
Difference in expected and actual payments	-	-
Employer contributions subsequent to the measurement date	10,629	-
Total	<u>\$ 307,082</u>	<u>\$ 64,528</u>
	<u>2024</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 43,575	\$ 63,131
Changes in proportion	-	-
Difference in expected and actual experience	56,540	28,874
Difference in expected and actual payments	-	-
Employer contributions subsequent to the measurement date	8,307	-
Total	<u>\$ 108,422</u>	<u>\$ 92,005</u>

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

10. OTHER POST-EMPLOYMENT BENEFITS: (Continued)

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

Deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date of \$10,629 will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (benefit) as follows:

Year Ended December 31	Amount
2026	\$ 45,101
2027	81,327
2028	61,205
2029	44,292
	\$ 231,925

Actuarial Methods and Assumptions:

The total OPEB liability in the July 1, 2025 and 2024 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	July 1, 2025	July 1, 2024
Inflation	2.4%	2.4%
Salary Increases	Consistent with the pension valuation assumptions	Consistent with the pension valuation assumptions
Investment Rate of Return	5.20%, based on the S&P Municipal Bond 20-Year High Grade Rate Index	3.93%, based on the S&P Municipal Bond 20-Year High Grade Rate Index
Healthcare Cost Trend	8.25% - 4.50%	8.50% - 4.50%
Mortality Rates	For healthy lives the PubG-2010 Employee Table, projected on a fully generational basis by Mortality Improvement Scale MP-2021. For existing disabled lives, the RP-2000 Disabled Retiree Mortality Table, not projected with mortality improvement.	For healthy lives the PubG-2010 Employee Table, projected on a fully generational basis by Mortality Improvement Scale MP-2021. For existing disabled lives, the RP-2000 Disabled Retiree Mortality Table, not projected with mortality improvement.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

10. OTHER POST-EMPLOYMENT BENEFITS: (Continued)

Actuarial Methods and Assumptions: (Continued)

The actuarial assumptions used in the July 1, 2025 and 2024 valuation were based on the results of actuarial experience studies performed for the Statewide Retirement Systems. The assumptions used in the July 1, 2025 and 2024 actuarial valuations are based on a review of plan experience from July 1, 2021 through June 30, 2024.

Discount Rate:

The discount rate used to measure the total OPEB liability at December 31, 2025 and 2024 was 5.20% and 3.93%, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at contractually required rates. Based on this assumption and as the OPEB Plan is unfunded, the OPEB plan's fiduciary net position was not projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was determined using a discount rate that reflects the 20-year tax-exempt municipal bond yield or index rate.

The discount rate used to measure the total OPEB liability was increased to 5.20% in the July 1, 2025 valuation from 3.93% as of July 1, 2024.

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

The following presents the System's total OPEB liability, as well as what the System's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate as of December 31, 2025 and 2024:

	<u>2025</u>		
	1.0% Decrease (4.20%)	Discount Rate (5.20%)	1.0% Increase (6.20%)
System's total OPEB liability	<u>\$ 1,020,356</u>	<u>\$ 903,061</u>	<u>\$ 806,174</u>
	<u>2024</u>		
	1.0% Decrease (2.93%)	Discount Rate (3.93%)	1.0% Increase (4.93%)
System's total OPEB liability	<u>\$ 729,104</u>	<u>\$ 638,514</u>	<u>\$ 563,060</u>

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

10. OTHER POST-EMPLOYMENT BENEFITS: (Continued)

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

The following presents the System's total OPEB liability, as well as what the System's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates as of December 31, 2025 and 2024:

	<u>2025</u>		
	1.0%	Healthcare	1.0%
	Decrease	Cost Trend	Increase
		Rate	
System's total OPEB liability	<u>\$ 806,086</u>	<u>\$ 903,061</u>	<u>\$1,021,060</u>

	<u>2024</u>		
	1.0%	Healthcare	1.0%
	Decrease	Cost Trend	Increase
		Rate	
System's total OPEB liability	<u>\$ 559,404</u>	<u>\$ 638,514</u>	<u>\$ 735,440</u>

Payables to the OPEB Plan:

The System reported \$-0- for outstanding contributions to the OPEB plan required for each of the years ended December 31, 2025 and 2024.

11. DERIVATIVES:

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

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

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

11. DERIVATIVES: (Continued)

Futures contracts are standardized, exchange-traded contracts to purchase or sell a specific financial instrument at a predetermined price. Gains and losses on futures contracts are settled daily based on a notional (underlying) principal value and do not involve an actual transfer of the specific instrument. The exchange assumes the risk that the counterparty will not pay and generally requires margin payments to minimize such risk. Futures are used primarily as a tool to increase or decrease market exposure to various asset classes. At December 31, 2025 and 2024, the System has the following derivative instruments categorized as investment derivative instruments:

2025:	<u>Changes in Fair Value</u>		<u>Fair Value</u>		<u>Notional Amount</u>
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	
Investment derivatives:					
Foreign Currency	Net app/(depr)	\$ 73,056	Investments	\$ (71,650)	\$ 4,126,669
Futures			payable		
Foreign Currency	Net app/(depr)	\$ (4,597,028)	Investments	\$ 1,044,085	\$ (701,110,301)
Futures			receivable		
2024:	<u>Changes in Fair Value</u>		<u>Fair Value</u>		<u>Notional Amount</u>
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	
Investment derivatives:					
Foreign Currency	Net app/(depr)	\$ (112,320)	Investments	\$ (38,425)	\$ 3,537,945
Futures			payable		
Foreign Currency	Net app/(depr)	\$ 14,827,269	Investments	\$ 2,411,821	\$ (576,895,179)
Futures			receivable		

Credit Risk:

All futures contracts held by the System at December 31, 2025 and 2024 were exchange-traded, thereby minimizing counterparty credit risk through the use of a futures clearing merchant. The clearing merchant acts as an intermediary who contracts with the buyer and seller to facilitate trades. The National Securities Clearing Corporation (NSCC), a subsidiary of the Depository Trust Clearing Corporation (DTCC), oversees the responsibilities and laws governing the clearing merchants.

Foreign Currency Risk:

The System's futures contracts are denominated in U.S. dollars. Although denominated in U.S. dollars, the System's futures contracts are indirectly exposed to foreign currency risk, at December 31, 2025 and 2024, due to currency fluctuations in exchanges rates.

Interest Rate Risk:

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

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

12. SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS:

The System entered into a subscription-based information technology arrangement (SBITA) on November 1, 2024 and recognized a liability and an intangible right-of-use asset for software as required by GASB 96 - *Subscription-based information technology arrangement (SBITA)*. In year ended December 31, 2025, the System signed an addendum which allowed them to cancel the arrangement after one year. The value of the SBITA asset as fiscal years ended December 31, 2025 and 2024 was \$-0- and \$200,008, respectively, less accumulated amortization of \$-0- and \$11,112 respectively. During the fiscal years ended December 31, 2025 and 2024 amortization expense was \$-0- and \$11,112, respectively; and interest expense of \$-0- and \$2,572, respectively, was recognized for this arrangement.

The System used the weighted average federal prime rate at commencement of the arrangement to discount the annual payments. The weighted average federal prime rate at commencement of the agreement was 7.81%.

There are no remaining principal and interest payments for the information technology subscription liability.

13. CONCENTRATIONS AND CONSTRAINTS:

In accordance with Governmental Accounting Standards Board Statement No. 102, *Certain Risk Disclosures*, the System has evaluated known concentrations and constraints that could significantly affect the ability to continue providing benefits or meet financial obligations. Based on this evaluation, management does not expect these factors to have a significant negative impact within 12 months of the issuance of these financial statements.

Known Concentrations:

As of December 31, 2025, the System is exposed to the following concentration risks:

Geographic Concentration: All participating employers operate within the State of Louisiana. The System is therefore subject to risks associated with statewide economic downturns, natural disasters, or legislative actions affecting public finance.

Known Constraints:

As of December 31, 2025, the System is subject to the following legal and operational constraints:

Statutory Funding Structure: Under Louisiana Revised Statute 11:1901, contribution rates and benefit provisions are determined by statute and actuarial recommendations. Any changes require legislative action, which may limit the System's ability to respond swiftly to financial or demographic fluctuations.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

13. CONCENTRATIONS AND CONSTRAINTS:

Known Constraints: (Continued)

Plan Design: The System is legally structured as a cost-sharing, multiple-employer defined benefit plan with separate subplans (Plan A and Plan B), each governed by specific statutory rules. These plan design parameters may limit the System's flexibility in modifying benefits or funding policies.

Investment Custodian: The System maintains a custodial relationship with a single financial institution for the majority of its investment assets. A disruption in that institution's services could temporarily delay access to funds or reporting capabilities.

Management regularly monitors these risks and believes that current governance, actuarial funding methods, and investment diversification strategies mitigate the impact of such concentrations and constraints.

REQUIRED SUPPLEMENTARY INFORMATION

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PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) - PLAN A
FOR THE TEN YEARS ENDED DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total Pension Liability:					
Service cost	\$ 130,734,673	\$ 122,341,528	\$ 114,063,454	\$ 113,895,933	\$ 113,295,392
Interest	326,023,645	309,695,929	297,266,551	287,635,641	280,311,929
Changes of benefit terms	-	48,342,048	-	40,477,032	-
Differences between expected and actual experience	39,249,082	41,723,576	60,152,417	(34,966,590)	(32,358,618)
Changes of assumptions	-	-	(22,131,205)	-	-
Benefit payments	(273,065,662)	(260,176,666)	(246,657,509)	(237,601,587)	(229,559,984)
Refunds of member contributions	(12,803,926)	(11,998,174)	(13,634,283)	(14,426,798)	(14,043,544)
Other	1,294,185	5,717,916	(184,528)	(1,062,960)	1,689,076
Net change in total pension liability	211,431,997	255,646,157	188,874,897	153,950,671	119,334,251
Total pension liability - beginning	<u>5,103,465,936</u>	<u>4,847,819,779</u>	<u>4,658,944,882</u>	<u>4,504,994,211</u>	<u>4,385,659,960</u>
Total pension liability - ending (a)	<u>\$ 5,314,897,933</u>	<u>\$ 5,103,465,936</u>	<u>\$ 4,847,819,779</u>	<u>\$ 4,658,944,882</u>	<u>\$ 4,504,994,211</u>
Plan Fiduciary Net Position:					
Contributions - employer	\$ 91,272,633	\$ 89,252,251	\$ 83,470,506	\$ 78,108,350	\$ 82,274,839
Contributions - member	75,561,558	70,132,466	65,285,791	61,063,549	60,596,263
Contributions - nonemployer contributing entities	10,787,174	10,442,108	9,895,101	9,318,063	8,272,216
Net investment income (loss)	681,093,762	550,553,132	582,321,522	(595,615,733)	507,357,899
Benefit payments	(273,065,662)	(260,176,666)	(246,657,509)	(237,601,587)	(229,559,984)
Refunds of member contributions	(12,803,926)	(11,998,174)	(13,634,283)	(14,426,798)	(14,043,544)
Administrative expenses	(2,658,980)	(2,441,871)	(2,014,861)	(1,754,688)	(1,550,486)
Other	1,294,185	5,717,916	(184,528)	(1,062,960)	1,689,076
Net change in plan fiduciary net position	571,480,744	451,481,162	478,481,739	(701,971,804)	415,036,279
Plan fiduciary net position - beginning	<u>5,204,028,719</u>	<u>4,752,547,557</u>	<u>4,274,065,818</u>	<u>4,976,037,622</u>	<u>4,561,001,343</u>
Plan fiduciary net position - ending (b)	<u>\$ 5,775,509,463</u>	<u>\$ 5,204,028,719</u>	<u>\$ 4,752,547,557</u>	<u>\$ 4,274,065,818</u>	<u>\$ 4,976,037,622</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ (460,611,530)</u>	<u>\$ (100,562,783)</u>	<u>\$ 95,272,222</u>	<u>\$ 384,879,064</u>	<u>\$ (471,043,411)</u>
Plan fiduciary net position as a percentage of total pension liability	108.67%	101.97%	98.03%	91.74%	110.46%
Covered payroll	\$ 829,751,209	\$ 776,106,530	\$ 725,830,487	\$ 679,203,043	\$ 671,631,339
Net pension liability as a percentage of covered payroll	N/A	N/A	13.13%	56.67%	N/A

(Continued)

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) - PLAN A
FOR THE TEN YEARS ENDED DECEMBER 31, 2025

(Continued)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Pension Liability:					
Service cost	\$ 105,864,756	\$ 103,278,431	\$ 103,162,285	\$ 96,851,197	\$ 93,628,785
Interest	266,019,266	258,973,110	253,635,577	246,511,966	237,294,449
Changes of benefit terms	34,252,925	-	-	26,860,777	-
Differences between expected and actual experience	56,919,551	(39,482,931)	(4,746,111)	(40,626,421)	(12,667,455)
Changes of assumptions	49,131,750	-	82,069,583	98,842,690	-
Benefit payments	(214,886,274)	(199,534,313)	(191,685,061)	(186,762,347)	(175,282,523)
Refunds of member contributions	(10,631,201)	(12,208,207)	(11,486,631)	(11,051,467)	(11,028,687)
Other	2,493,151	673,568	(948,890)	4,300,899	101,867
Net change in total pension liability	289,163,924	111,699,658	230,000,752	234,927,294	132,046,436
Total pension liability - beginning	<u>4,096,496,036</u>	<u>3,984,796,378</u>	<u>3,754,795,626</u>	<u>3,519,868,332</u>	<u>3,387,821,896</u>
Total pension liability - ending (a)	<u>\$ 4,385,659,960</u>	<u>\$ 4,096,496,036</u>	<u>\$ 3,984,796,378</u>	<u>\$ 3,754,795,626</u>	<u>\$ 3,519,868,332</u>
Plan Fiduciary Net Position:					
Contributions - employer	\$ 81,854,501	\$ 72,984,730	\$ 69,015,634	\$ 77,029,442	\$ 77,431,442
Contributions - member	60,430,089	57,299,760	54,385,489	55,665,016	53,518,453
Contributions - nonemployer contributing entities	8,407,288	8,092,294	7,641,523	7,434,422	7,386,897
Net investment income (loss)	543,135,978	625,015,609	(213,305,699)	569,914,523	238,615,848
Benefit payments	(214,886,274)	(199,534,313)	(191,685,061)	(186,762,347)	(175,282,523)
Refunds of member contributions	(10,631,201)	(12,208,207)	(11,486,631)	(11,051,467)	(11,028,687)
Administrative expenses	(1,590,764)	(1,495,334)	(1,676,178)	(1,427,221)	(1,419,415)
Other	2,493,151	673,568	(948,890)	4,300,899	101,867
Net change in plan fiduciary net position	469,212,768	550,828,107	(288,059,813)	515,103,267	189,323,882
Plan fiduciary net position - beginning	<u>4,091,788,575</u>	<u>3,540,960,468</u>	<u>3,829,020,281</u>	<u>3,313,917,014</u>	<u>3,124,593,132</u>
Plan fiduciary net position - ending (b)	<u>\$ 4,561,001,343</u>	<u>\$ 4,091,788,575</u>	<u>\$ 3,540,960,468</u>	<u>\$ 3,829,020,281</u>	<u>\$ 3,313,917,014</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ (175,341,383)</u>	<u>\$ 4,707,461</u>	<u>\$ 443,835,910</u>	<u>\$ (74,224,655)</u>	<u>\$ 205,951,318</u>
Plan fiduciary net position as a percentage of total pension liability	104.00%	99.89%	88.86%	101.98%	94.15%
Covered payroll	\$ 668,200,008	\$ 634,649,826	\$ 600,135,948	\$ 616,235,536	\$ 595,626,477
Net pension liability as a percentage of covered payroll	N/A	0.74%	73.96%	N/A	34.58%

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) - PLAN B
FOR THE TEN YEARS ENDED DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total Pension Liability:					
Service cost	\$ 13,210,411	\$ 12,494,601	\$ 11,973,438	\$ 11,876,996	\$ 11,712,615
Interest	30,286,461	28,455,193	26,738,181	25,373,290	24,600,213
Changes of benefit terms	-	3,715,429	-	3,005,685	-
Differences between expected and actual experience	53,901	4,371,105	4,328,021	(1,089,498)	(7,918,349)
Changes of assumptions	-	-	2,335,533	-	-
Benefit payments	(21,272,802)	(19,631,881)	(17,437,566)	(17,382,938)	(15,466,949)
Refunds of member contributions	(595,167)	(647,986)	(567,149)	(785,357)	(856,758)
Other	23,095	(173,967)	280,195	26,310	1,455,833
Net change in total pension liability	21,705,899	28,582,494	27,650,653	21,024,488	13,526,605
Total pension liability - beginning	470,768,606	442,186,112	414,535,459	393,510,971	379,984,366
Total pension liability - ending (a)	<u>\$ 492,474,505</u>	<u>\$ 470,768,606</u>	<u>\$ 442,186,112</u>	<u>\$ 414,535,459</u>	<u>\$ 393,510,971</u>
Plan Fiduciary Net Position:					
Contributions - employer	\$ 9,578,940	\$ 9,517,711	\$ 9,316,579	\$ 8,747,104	\$ 8,566,347
Contributions - member	3,957,156	4,171,774	3,628,722	3,472,402	3,392,465
Contributions - nonemployer contributing entities	1,833,909	1,808,455	1,761,007	1,593,729	1,467,409
Net investment income (loss)	65,529,160	52,029,751	53,822,356	(54,035,320)	45,442,074
Benefit payments	(21,272,802)	(19,631,881)	(17,437,566)	(17,382,938)	(15,466,949)
Refunds of member contributions	(595,167)	(647,986)	(567,149)	(785,357)	(856,758)
Administrative expenses	(450,980)	(418,896)	(347,671)	(301,427)	(265,342)
Other	23,095	(173,967)	280,195	26,310	1,455,833
Net change in plan fiduciary net position	58,603,311	46,654,961	50,456,473	(58,665,497)	43,735,079
Plan fiduciary net position - beginning	487,837,977	441,183,016	390,726,543	449,392,040	405,656,961
Plan fiduciary net position - ending (b)	<u>\$ 546,441,288</u>	<u>\$ 487,837,977</u>	<u>\$ 441,183,016</u>	<u>\$ 390,726,543</u>	<u>\$ 449,392,040</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ (53,966,783)</u>	<u>\$ (17,069,371)</u>	<u>\$ 1,003,096</u>	<u>\$ 23,808,916</u>	<u>\$ (55,881,069)</u>
Plan fiduciary net position as a percentage of total pension liability	110.96%	103.63%	99.77%	94.26%	114.20%
Covered payroll	\$ 136,842,000	\$ 126,902,813	\$ 124,221,053	\$ 116,628,053	\$ 114,217,960
Net pension liability as a percentage of covered payroll	N/A	N/A	0.81%	20.41%	N/A

(Continued)

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) - PLAN B
FOR THE TEN YEARS ENDED DECEMBER 31, 2025

(Continued)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Pension Liability:					
Service cost	\$ 11,056,703	\$ 10,519,268	\$ 10,443,125	\$ 9,844,786	\$ 9,633,861
Interest	23,167,008	22,000,199	21,460,208	20,549,184	19,404,284
Changes of benefit terms	2,496,450	-	-	1,753,159	-
Differences between expected and actual experience	1,980,949	285,479	(2,945,913)	(6,450,008)	(2,340,186)
Changes of assumptions	4,489,680	-	4,117,485	8,837,618	-
Benefit payments	(14,671,169)	(13,117,620)	(11,972,193)	(10,958,480)	(10,155,817)
Refunds of member contributions	(726,412)	(556,488)	(681,290)	(588,797)	(543,481)
Other	(1,467,384)	(289,548)	1,350,992	1,310,623	(159,841)
Net change in total pension liability	<u>26,325,825</u>	<u>18,841,290</u>	<u>21,772,414</u>	<u>24,298,085</u>	<u>15,838,820</u>
Total pension liability - beginning	<u>353,658,541</u>	<u>334,817,251</u>	<u>313,044,837</u>	<u>288,746,752</u>	<u>272,907,932</u>
Total pension liability - ending (a)	<u>\$ 379,984,366</u>	<u>\$ 353,658,541</u>	<u>\$ 334,817,251</u>	<u>\$ 313,044,837</u>	<u>\$ 288,746,752</u>
Plan Fiduciary Net Position:					
Contributions - employer	\$ 8,589,896	\$ 8,331,425	\$ 7,846,175	\$ 8,096,586	\$ 7,943,831
Contributions - member	3,300,858	3,180,013	3,047,834	2,920,617	2,874,226
Contributions - nonemployer contributing entities	1,515,833	1,394,483	1,311,932	1,269,869	1,209,345
Net investment income (loss)	48,501,333	54,407,447	(18,484,521)	48,062,503	19,716,857
Benefit payments	(14,671,169)	(13,117,620)	(11,972,193)	(10,958,480)	(10,155,817)
Refunds of member contributions	(726,412)	(556,488)	(681,290)	(588,797)	(543,481)
Administrative expenses	(279,166)	(257,297)	(245,050)	(242,065)	(232,496)
Other	(1,467,384)	(289,548)	1,350,992	1,310,624	(159,841)
Net change in plan fiduciary net position	<u>44,763,789</u>	<u>53,092,415</u>	<u>(17,826,121)</u>	<u>49,870,857</u>	<u>20,652,624</u>
Plan fiduciary net position - beginning	<u>360,893,172</u>	<u>307,800,757</u>	<u>325,626,878</u>	<u>275,756,021</u>	<u>255,103,397</u>
Plan fiduciary net position - ending (b)	<u>\$ 405,656,961</u>	<u>\$ 360,893,172</u>	<u>\$ 307,800,757</u>	<u>\$ 325,626,878</u>	<u>\$ 275,756,021</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ (25,672,595)</u>	<u>\$ (7,234,631)</u>	<u>\$ 27,016,494</u>	<u>\$ (12,582,041)</u>	<u>\$ 12,990,731</u>
Plan fiduciary net position as a percentage of total pension liability	106.76%	102.05%	91.93%	104.02%	95.50%
Covered payroll	\$ 114,531,947	\$ 111,085,667	\$ 104,615,667	\$ 101,207,325	\$ 99,297,888
Net pension liability as a percentage of covered payroll	N/A	N/A	25.82%	N/A	13.08%

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY (ASSET) - PLAN A
FOR THE TEN YEARS ENDED DECEMBER 31, 2025

	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of Total Pension Liability	Covered Payroll	Employers' Net Pension Liability as a Percentage of Covered Payroll
2016	\$ 3,519,868,332	\$ 3,313,917,014	\$ 205,951,318	94.15%	\$ 595,626,477	34.58%
2017	\$ 3,754,795,626	\$ 3,829,020,281	\$ (74,224,655)	101.98%	\$ 616,235,536	N/A
2018	\$ 3,984,796,378	\$ 3,540,960,468	\$ 443,835,910	88.86%	\$ 600,135,948	73.96%
2019	\$ 4,096,496,036	\$ 4,091,788,575	\$ 4,707,461	99.89%	\$ 634,649,826	0.74%
2020	\$ 4,385,659,960	\$ 4,561,001,343	\$ (175,341,383)	104.00%	\$ 668,200,008	N/A
2021	\$ 4,504,994,211	\$ 4,976,037,622	\$ (471,043,411)	110.46%	\$ 671,631,339	N/A
2022	\$ 4,658,944,882	\$ 4,274,065,818	\$ 384,879,064	91.74%	\$ 679,203,043	56.67%
2023	\$ 4,847,819,779	\$ 4,752,547,557	\$ 95,272,222	98.03%	\$ 725,830,487	13.13%
2024	\$ 5,103,465,936	\$ 5,204,028,719	\$ (100,562,783)	101.97%	\$ 776,106,530	N/A
2025	\$ 5,314,897,933	\$ 5,775,509,463	\$ (460,611,530)	108.67%	\$ 829,751,209	N/A

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY (ASSET) - PLAN B
FOR THE TEN YEARS ENDED DECEMBER 31, 2025

	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of Total Pension Liability	Covered Payroll	Employers' Net Pension Liability as a Percentage of Covered Payroll
2016	\$ 288,746,752	\$ 275,756,021	\$ 12,990,731	95.50%	\$ 99,297,888	13.08%
2017	\$ 313,044,837	\$ 325,626,878	\$ (12,582,041)	104.02%	\$ 101,207,325	N/A
2018	\$ 334,817,251	\$ 307,800,757	\$ 27,016,494	91.93%	\$ 104,615,667	25.82%
2019	\$ 353,658,541	\$ 360,893,172	\$ (7,234,631)	102.05%	\$ 111,085,667	N/A
2020	\$ 379,984,366	\$ 405,656,961	\$ (25,672,595)	106.76%	\$ 114,531,947	N/A
2021	\$ 393,510,971	\$ 449,392,040	\$ (55,881,069)	114.20%	\$ 114,217,960	N/A
2022	\$ 414,535,459	\$ 390,726,543	\$ 23,808,916	94.26%	\$ 116,628,053	20.41%
2023	\$ 442,186,112	\$ 441,183,016	\$ 1,003,096	99.77%	\$ 124,221,053	0.81%
2024	\$ 470,768,606	\$ 487,837,977	\$ (17,069,371)	103.63%	\$ 126,902,813	N/A
2025	\$ 492,474,505	\$ 546,441,288	\$ (53,966,783)	110.96%	\$ 136,842,000	N/A

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
EMPLOYER AND NON-EMPLOYER CONTRIBUTING ENTITIES - PLAN A
FOR THE TEN YEARS ENDED DECEMBER 31, 2025

<u>Date</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution *</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2016	\$ 70,025,994	\$ 84,818,339	\$ (14,792,345)	\$ 595,626,477	14.24%
2017	\$ 72,215,108	\$ 84,463,864	\$ (12,248,756)	\$ 616,235,536	13.71%
2018	\$ 63,069,363	\$ 76,657,157	\$ (13,587,794)	\$ 600,135,948	12.77%
2019	\$ 71,254,127	\$ 81,077,024	\$ (9,822,897)	\$ 634,649,826	12.78%
2020	\$ 90,257,666	\$ 90,261,789	\$ (4,123)	\$ 668,200,008	13.51%
2021	\$ 82,755,906	\$ 90,547,055	\$ (7,791,149)	\$ 671,631,339	13.48%
2022	\$ 79,768,930	\$ 87,426,413	\$ (7,657,483)	\$ 679,203,043	12.87%
2023	\$ 60,689,282	\$ 93,365,607	\$ (32,676,325)	\$ 725,830,487	12.86%
2024	\$ 68,863,004	\$ 99,694,359	\$ (30,831,355)	\$ 776,106,530	12.85%
2025	\$ 71,349,744	\$ 102,059,807	\$ (30,710,063)	\$ 829,751,209	12.30%

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

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
EMPLOYER AND NON-EMPLOYER CONTRIBUTING ENTITIES - PLAN B
FOR THE TEN YEARS ENDED DECEMBER 31, 2025

<u>Date</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution *</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2016	\$ 8,421,102	\$ 9,153,176	\$ (732,074)	\$ 99,297,888	9.22%
2017	\$ 8,602,151	\$ 9,366,455	\$ (764,304)	\$ 101,207,325	9.25%
2018	\$ 8,348,365	\$ 9,158,107	\$ (809,742)	\$ 104,615,667	8.75%
2019	\$ 9,115,505	\$ 9,725,908	\$ (610,403)	\$ 111,085,667	8.76%
2020	\$ 10,067,512	\$ 10,105,729	\$ (38,217)	\$ 114,531,947	8.82%
2021	\$ 10,087,266	\$ 10,033,756	\$ 53,510	\$ 114,217,960	8.78%
2022	\$ 9,614,669	\$ 10,340,833	\$ (726,164)	\$ 116,628,053	8.87%
2023	\$ 7,917,754	\$ 11,077,586	\$ (3,159,832)	\$ 124,221,053	8.92%
2024	\$ 8,491,993	\$ 11,326,166	\$ (2,834,173)	\$ 126,902,813	8.93%
2025	\$ 9,422,405	\$ 11,412,849	\$ (1,990,444)	\$ 136,842,000	8.34%

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

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
FOR THE TEN YEARS ENDED DECEMBER 31, 2025

<u>Fiscal Year End</u>	<u>Annual Money-Weighted Rate of Return*</u>	
	<u>Plan A</u>	<u>Plan B</u>
2016	4.67%	8.84%
2017	13.86%	18.02%
2018	-5.63%	-5.58%
2019	17.91%	17.86%
2020	13.47%	13.66%
2021	11.28%	11.53%
2022	-11.92%	-11.92%
2023	13.58%	13.58%
2024	11.56%	11.56%
2025	13.34%	13.87%

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

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
FOR THE EIGHT YEARS ENDED DECEMBER 31, 2025

<u>Fiscal</u> <u>Year*</u>	<u>System's</u> <u>Beginning</u> <u>Total OPEB</u> <u>Liability</u>	<u>Service</u> <u>Cost</u>	<u>Interest</u>	<u>Differences</u> <u>between</u> <u>Expected</u> <u>and Actual</u> <u>Experience</u>	<u>Changes in</u> <u>Assumptions</u>	<u>Changes in</u> <u>Proportion</u>	<u>Differences</u> <u>between</u> <u>Expected</u> <u>and Actual</u> <u>Payments</u>	<u>Contributions</u>	<u>System's</u> <u>Ending</u> <u>Total OPEB</u> <u>Liability</u>
2018	\$ 835,880	\$ 27,370	\$ 26,800	\$ (8,672)	\$ (20,324)	\$ 5,542	\$ (17,142)	\$ (8,163)	\$ 841,291
2019	841,291	25,744	25,657	(202,536)	(86,896)	-	-	(12,211)	591,049
2020	591,049	17,196	16,717	12,624	866	-	-	(18,286)	620,166
2021	620,166	17,401	16,721	735	41,623	-	-	(18,035)	678,611
2022	678,611	20,435	15,081	(76,997)	(168,347)	-	-	(14,602)	454,181
2023	454,181	12,813	18,857	79,005	32,966	-	-	(12,010)	585,812
2024	585,812	14,420	24,358	13,048	21,988	-	-	(21,112)	638,514
2025	638,514	18,753	24,956	295,611	(29,856)	-	-	(44,917)	903,061

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

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

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE SYSTEM'S OPEB CONTRIBUTIONS
FOR THE EIGHT YEARS ENDED DECEMBER 31, 2025

<u>Fiscal Year*</u>	<u>Actuarially Estimated Contributions</u>	<u>System's Actual Contributions</u>	<u>Contributions Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>	<u>Total OPEB Liability as a Percentage of Covered Payroll</u>
2018	\$ 8,163	\$ 12,096	\$ (3,933)	\$ 311,604	3.88%	269.99%
2019	11,016	12,211	(1,195)	680,389	1.79%	86.87%
2020	18,286	25,825	(7,539)	813,406	3.17%	76.24%
2021	18,035	25,310	(7,275)	852,271	2.97%	79.62%
2022	14,602	15,628	(1,026)	963,212	1.62%	47.15%
2023	12,010	12,010	-	1,194,046	1.01%	49.06%
2024	21,820	21,820	-	1,244,404	1.75%	51.31%
2025	43,413	44,917	(1,504)	1,233,600	3.64%	73.21%

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

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

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025 AND 2024

1. SCHEDULE OF CHANGES IN NET PENSION LIABILITY:

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

2. SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY:

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

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

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

4. SCHEDULE OF INVESTMENT RETURNS:

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

5. ACTUARIAL ASSUMPTIONS – NET PENSION LIABILITY (ASSET):

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 4, Net Pension Liability (Asset) of Employers.

6. SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY:

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

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

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025 AND 2024

7. SCHEDULE OF OPEB CONTRIBUTIONS:

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

8. CHANGES IN ACTUARIAL ASSUMPTIONS:

Pension Plan:

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

Valuation Date	Investment Rate of Return	Expected Remaining Services Lives	Inflation Rate	Mortality Rate - Annuitant and Beneficiary	Mortality Rate - Employees	Mortality Rate - Disabled Annuitants	Salary Increases
December 31, 2025	6.40%	4 years for Plan A 3 years for Plan B	2.30%	Pub-2010 Public Ret Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP2021 scale	Pub-2010 Public Ret Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2021 scale	Pub-2010 Public Ret Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2021 scale	4.75% for Plan A, and 4.25% for Plan B
December 31, 2024	6.40%	4 years	2.30%	Pub-2010 Public Ret Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP2021 scale	Pub-2010 Public Ret Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2021 scale	Pub-2010 Public Ret Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2021 scale	4.75% for Plan A, and 4.25% for Plan B
December 31, 2023	6.40%	4 years	2.30%	Pub-2010 Public Ret Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP2021 scale	Pub-2010 Public Ret Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2021 scale	Pub-2010 Public Ret Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2021 scale	4.75% for Plan A, and 4.25% for Plan B
December 31, 2022	6.40%	4 years	2.30%	Pub-2010 Public Ret Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP2018 scale	Pub-2010 Public Ret Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale	Pub-2010 Public Ret Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale	4.75% for Plan A, and 4.25% for Plan B
December 31, 2021	6.40%	4 years	2.30%	Pub-2010 Public Ret Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP2018 scale	Pub-2010 Public Ret Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale	Pub-2010 Public Ret Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale	4.75% for Plan A, and 4.25% for Plan B
December 31, 2020	6.40%	4 years	2.30%	Pub-2010 Public Ret Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP2018 scale	Pub-2010 Public Ret Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale	Pub-2010 Public Ret Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale	4.75% for Plan A, and 4.25% for Plan B
December 31, 2019	6.50%	4 years	2.40%	Pub-2010 Public Ret Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP2018 scale	Pub-2010 Public Ret Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale	Pub-2010 Public Ret Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale	4.75% for Plan A, and 4.25% for Plan B
December 31, 2018	6.50%	4 years	2.40%	Pub-2010 Public Ret Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP2018 scale	Pub-2010 Public Ret Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale	Pub-2010 Public Ret Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale	4.75% for Plan A, and 4.25% for Plan B
December 31, 2017	6.75%	4 years	2.50%	RP-2000 Healthy Annuitant Sex Distinct Tables projected to 2031 using Scale AA set back 1 year for females	RP-2000 Employee table set back 4 years for males and 3 years for females	RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females	5.25%
December 31, 2016	7.00%	4 years	2.50%	RP-2000 Healthy Annuitant Sex Distinct Tables projected to 2031 using Scale AA set back 1 year for females	RP-2000 Employee table set back 4 years for males and 3 years for females	RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females	5.25%

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025 AND 2024

8. CHANGES IN ACTUARIAL ASSUMPTIONS: (Continued)

OPEB Plan:

The discount rate changed from 3.93% as of July 1, 2024 to 5.20% as of July 1, 2025 for the State of Louisiana Postemployment Benefit Plan.

Other changes in assumptions as of July 1, 2025 were as follows:

- Baseline per capita costs (PCCs) were updated to reflect 2025 claims and enrollment.
- Medical plan election percentages were updated based on the coverage elections of recent retirees.
- The healthcare cost trend was updated.

The discount rate changed from 4.13% as of July 1, 2023 to 3.93% as of July 1, 2024 for the State of Louisiana Postemployment Benefit Plan.

Other changes in assumptions as of July 1, 2024 were as follows:

- Baseline per capita costs (PCCs) were updated to reflect 2024 claims and enrollment.
- Medical plan election percentages were updated based on the coverage elections of recent retirees.
- The healthcare cost trend was updated.

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

Other changes in

- Life insurance premium rates were updated, resulting in a decrease in the plan's liability.
- Vantage Medical Home HMO and Vantage MA HMO plans will no longer be offered after December 31, 2023.
- Baseline per capita costs (PCCs) and medical plan election percentages were updated to reflect 2023 claims and enrollment. Plan claims and premiums increased less than had been expected, which decreased the Plan's liability.
- Three of the associated pension systems, Teachers' Retirement System Louisiana (TRSL), Louisiana School Employees' Retirement System (LSERS), and Louisiana State Police Retirement System (LSPRS) adopted new assumptions as of July 1, 2023 valuation based on updated experience rates for the TRSL, LSERS, and LSPRS groups were updated to be consistent with the pension valuation assumptions.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025 AND 2024

8. CHANGES IN ACTUARIAL ASSUMPTIONS: (Continued)

OPEB Plan: (Continued)

- The baseline trend was updated to more accurately reflect the current medical cost environment. Pre Medicare trend has been revised to 7.0% for the first two years trending down 25 basis points per year to an ultimate rate of 4.5%. Medicare trend has been revised to 6.5% for the first two years trending down 25 basis points per year to an ultimate rate of 4.5%.
- The Medical trend was further adjusted to reflect the impact of certain provisions of the Inflation Reduction Act ("IRA").

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

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

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

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

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

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

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025 AND 2024

8. CHANGES IN ACTUARIAL ASSUMPTIONS: (Continued)

OPEB Plan: (Continued)

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

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

- Baseline per capita costs (PCCs) were updated to reflect 2020 claims and enrollment for the prescription drug costs and retiree contributions were updated based on 2021 premiums. 2020 medical claims and enrollment experience were reviewed but not included in the projection of expected 2021 plan costs. Due to the COVID-19 pandemic, this experience is not believed to be reflective of what can be expected in future years. OPEB Plan claims and premiums increased less than had been expected, which decreased the OPEB Plan's liability. In addition, the estimate of future EGWP savings was increased, based on an analysis of recent EGWP experience. This further reduced the OPEB Plan's liability.
- The Louisiana State Employee Retirement System (LASERS) and the Teachers' Retirement System of Louisiana (TRSL) have adopted new salary scale assumptions for the June 30, 2020 valuation. The economic assumptions were updated to reflect the updated salary scale assumptions. This slightly increased the OPEB Plan's liability. The Louisiana State Police Retirement System (LSPRS) and the Louisiana School Employees' Retirement System (LSERS) salary scale assumptions have not changed since the prior year.
- Several demographic assumptions have been updated based on a review of OPEB experience from July 1, 2017 through June 30, 2020:
 - Medical participation rates have been decreased since the previous valuation. This change decreased the OPEB Plan's liability.
 - The life participation rate has been decreased from 52% to 36% since the previous valuation, which decreased the OPEB Plan's liability.
 - The age difference between future retirees and their spouses has been updated since the previous valuation. This change increased the OPEB Plan's liability.
 - The assumed percent of participants assumed to be Medicare-eligible upon reaching age 65 has been updated since the previous valuation. This change increased the OPEB Plan's liability.
 - Medical plan election percentages have been updated since the previous valuation. This change contributed towards the decrease in the OPEB Plan's liability associated with updating baseline per capita costs (PCCs) and premiums.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025 AND 2024

8. CHANGES IN ACTUARIAL ASSUMPTIONS: (Continued)

OPEB Plan: (Continued)

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

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

- Baseline per capita cost (PCCs) was updated to reflect 2019 claims and enrollments and retiree contributions were updated based on 2020 premiums. OPEB Plan claims and premiums increased less than had been expected, which decreased the OPEB Plan's liability. In addition, the estimate of future EGWP savings was increased, based on an analysis of recent EGWP experience. This further reduced the OPEB Plan's liability.
- Life insurance contributions were updated based on updated schedules for 2020 monthly premiums rates, which reduced the OPEB Plan's liability.
- Then impact of the High Cost Excise Tax was removed. The High Cost Excise Tax was repealed in December 2019. This reduced the OPEB Plan's liability.
- The Louisiana State Employee Retirement System (LASERS) has performed a recent experience study and adopted new assumptions for the June 30, 2019 valuation, based on these studies. The demographic assumptions were updated to reflect the revised assumptions. This reduced the OPEB Plan's liability. The Louisiana State Police Retirement System (LSPRS), the Louisiana School Employees' Retirement System (LSERS), and the Teachers' Retirement System of Louisiana (TRSL) demographic assumptions have not changed since the prior year.

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

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

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

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025 AND 2024

9. CHANGES IN BENEFIT TERMS:

Pension Plan:

During the year ended December 31, 2024, the Fund granted a 2.5% Cost of Living Adjustment (COLA) to retirees aged 62 and older, effective January 1, 2025. The actuarial cost of the COLA was included as a change of benefit terms in the Schedule of Changes in Net Pension Liability for the year ended December 31, 2024.

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

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

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

OPEB Plan:

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

OTHER SUPPLEMENTARY INFORMATION

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
SUPPLEMENTARY INFORMATION
INDIVIDUAL PLANS' STATEMENTS OF FIDUCIARY NET POSITION
DECEMBER 31, 2025 AND 2024

	<u>PLAN "A"</u>		<u>PLAN "B"</u>		<u>TOTAL</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
CURRENT ASSETS:						
Cash	\$ 84,635,561	\$ 224,498,162	\$ 55,294,833	\$ 64,418,497	\$ 139,930,394	\$ 288,916,659
Contribution receivables	16,536,671	27,576,876	1,436,418	2,108,375	17,973,089	29,685,251
Accrued interest and dividends on investments	707,055	2,741,871	61,846	238,144	768,901	2,980,015
Investment receivables	1,144,738	2,260,348	101,022	207,377	1,245,760	2,467,725
Ad valorem and state revenue sharing receivable	10,652,739	10,407,849	1,805,148	1,786,467	12,457,887	12,194,316
Due (to) from other funds	12,954,022	12,551,062	(12,954,022)	(12,551,062)	-	-
Other current assets	13	13	19,825	18,292	19,838	18,305
TOTAL CURRENT ASSETS	<u>126,630,799</u>	<u>280,036,181</u>	<u>45,765,070</u>	<u>56,226,090</u>	<u>172,395,869</u>	<u>336,262,271</u>
Capital assets (net of accumulated depreciation)	<u>532,535</u>	<u>535,005</u>	<u>81,474</u>	<u>81,579</u>	<u>614,009</u>	<u>616,584</u>
Right-of-use subscription asset (net of accumulated amortization)	<u>-</u>	<u>161,223</u>	<u>-</u>	<u>27,673</u>	<u>-</u>	<u>188,896</u>
INVESTMENTS:						
Equities	2,747,755,057	2,342,539,505	242,494,050	203,605,016	2,990,249,107	2,546,144,521
Fixed income	1,919,307,293	1,743,039,140	168,889,178	152,116,816	2,088,196,471	1,895,155,956
Alternative investments	987,459,442	864,051,119	89,672,531	77,767,143	1,077,131,973	941,818,262
TOTAL INVESTMENTS	<u>5,654,521,792</u>	<u>4,949,629,764</u>	<u>501,055,759</u>	<u>433,488,975</u>	<u>6,155,577,551</u>	<u>5,383,118,739</u>
TOTAL ASSETS	<u>5,781,685,126</u>	<u>5,230,362,173</u>	<u>546,902,303</u>	<u>489,824,317</u>	<u>6,328,587,429</u>	<u>5,720,186,490</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows of resources related to OPEB	<u>307,082</u>	<u>108,422</u>	<u>-</u>	<u>-</u>	<u>307,082</u>	<u>108,422</u>
LIABILITIES:						
Accounts payable	3,630,651	2,611,808	328,717	217,858	3,959,368	2,829,666
Benefits payable	-	21,715,145	-	1,659,172	-	23,374,317
Refunds payable	1,179,702	863,571	66,728	45,634	1,246,430	909,205
Investment payable	704,803	347,931	65,570	33,998	770,373	381,929
OPEB payable	903,061	638,514	-	-	903,061	638,514
Subscription payable	-	172,902	-	29,678	-	202,580
TOTAL LIABILITIES	<u>6,418,217</u>	<u>26,349,871</u>	<u>461,015</u>	<u>1,986,340</u>	<u>6,879,232</u>	<u>28,336,211</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources related to OPEB	<u>64,528</u>	<u>92,005</u>	<u>-</u>	<u>-</u>	<u>64,528</u>	<u>92,005</u>
NET POSITION - RESTRICTED FOR PENSION BENEFITS	<u>\$ 5,775,509,463</u>	<u>\$ 5,204,028,719</u>	<u>\$ 546,441,288</u>	<u>\$ 487,837,977</u>	<u>\$ 6,321,950,751</u>	<u>\$ 5,691,866,696</u>

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
SUPPLEMENTARY INFORMATION
INDIVIDUAL PLANS' STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	PLAN "A"		PLAN "B"		TOTAL	
	2025	2024	2025	2024	2025	2024
ADDITIONS:						
Contributions:						
Member contributions	75,702,915	\$ 70,456,989	\$ 3,957,156	\$ 4,173,067	\$ 79,660,071	\$ 74,630,056
Employer contributions	91,272,633	89,252,251	9,578,940	9,517,711	100,851,573	98,769,962
Ad valorem taxes and revenue sharing funds	10,787,174	10,442,108	1,833,909	1,808,455	12,621,083	12,250,563
Total contributions	<u>177,762,722</u>	<u>170,151,348</u>	<u>15,370,005</u>	<u>15,499,233</u>	<u>193,132,727</u>	<u>185,650,581</u>
Investment income:						
Net appreciation in the fair value of investments	592,389,936	472,575,195	57,030,135	44,619,336	649,420,071	517,194,531
Dividends, interest, and other recurring income	129,211,035	108,623,143	12,404,557	10,230,457	141,615,592	118,853,600
Miscellaneous investment income	275,161	10,022	4,468	1,922	279,629	11,944
	<u>721,876,132</u>	<u>581,208,360</u>	<u>69,439,160</u>	<u>54,851,715</u>	<u>791,315,292</u>	<u>636,060,075</u>
Less: Investment expense:						
Custodial fees	273,324	273,117	46,316	46,879	319,640	319,996
Money manager fees	22,934,359	19,721,388	2,201,509	1,870,171	25,135,868	21,591,559
Other investment expenses	17,318,308	10,376,926	1,618,731	856,201	18,937,039	11,233,127
Investment consultant	256,379	283,797	43,444	48,713	299,823	332,510
	<u>40,782,370</u>	<u>30,655,228</u>	<u>3,910,000</u>	<u>2,821,964</u>	<u>44,692,370</u>	<u>33,477,192</u>
Net investment income	<u>681,093,762</u>	<u>550,553,132</u>	<u>65,529,160</u>	<u>52,029,751</u>	<u>746,622,922</u>	<u>602,582,883</u>
Other additions:						
Interest - transfers, refund payback	1,949,234	3,070,283	74,507	95,301	2,023,741	3,165,584
Transfers in from other systems	3,070,102	5,072,974	249,556	227,433	3,319,658	5,300,407
Miscellaneous income	36,964	8,237	2,760	3,110	39,724	11,347
Total other additions	<u>5,056,300</u>	<u>8,151,494</u>	<u>326,823</u>	<u>325,844</u>	<u>5,383,123</u>	<u>8,477,338</u>
Total	<u>863,912,784</u>	<u>728,855,974</u>	<u>81,225,988</u>	<u>67,854,828</u>	<u>945,138,772</u>	<u>796,710,802</u>
DEDUCTIONS:						
Retirement, disability and survivor annuity benefits	252,561,521	240,138,741	19,597,023	17,979,268	272,158,544	258,118,009
DROP benefits	20,504,141	20,037,925	1,675,779	1,652,613	22,179,920	21,690,538
Transfers to/from plans	119,283	217,345	(119,283)	(217,345)	-	-
Refund of contributions	12,803,926	11,998,174	595,167	647,986	13,399,093	12,646,160
Transfers to other systems	3,784,189	2,540,756	423,011	718,449	4,207,200	3,259,205
Administrative expenses	2,565,034	2,387,181	435,374	409,867	3,000,408	2,797,048
OPEB expense	73,238	25,063	12,411	4,302	85,649	29,365
Depreciation & amortization expense	20,708	27,432	3,195	4,350	23,903	31,782
Interest expense	-	2,195	-	377	-	2,572
Total deductions	<u>292,432,040</u>	<u>277,374,812</u>	<u>22,622,677</u>	<u>21,199,867</u>	<u>315,054,717</u>	<u>298,574,679</u>
NET INCREASE	571,480,744	451,481,162	58,603,311	46,654,961	630,084,055	498,136,123
NET POSITION - RESTRICTED FOR PENSION BENEFITS:						
Beginning of year	5,204,028,719	4,752,547,557	487,837,977	441,183,016	5,691,866,696	5,193,730,573
END OF YEAR	<u>\$ 5,775,509,463</u>	<u>\$ 5,204,028,719</u>	<u>\$ 546,441,288</u>	<u>\$ 487,837,977</u>	<u>\$ 6,321,950,751</u>	<u>\$ 5,691,866,696</u>

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF ADMINISTRATIVE AND INVESTMENT EXPENSES
BUDGET TO ACTUAL
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025			2024		
	<u>Budget</u>	<u>Actual</u>	<u>Variance (over) under</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance (over) under</u>
<u>ADMINISTRATIVE EXPENSES:</u>						
SALARIES AND RELATED EXPENSES:						
Salaries and related benefits	\$ 1,471,026	\$ 1,441,381	\$ 29,645	\$ 1,350,000	\$ 1,357,326	\$ (7,326)
Retirement	161,813	211,159	(49,346)	155,000	137,714	17,286
Group hospitalization and dental	145,000	130,746	14,254	128,000	104,809	23,191
Medicare and payroll taxes	25,888	25,698	190	23,000	22,886	114
Total salaries and related expenses	<u>1,803,727</u>	<u>1,808,984</u>	<u>(5,257)</u>	<u>1,656,000</u>	<u>1,622,735</u>	<u>33,265</u>
PROFESSIONAL & CONTRACTUAL SERVICES:						
Actuarial consultant	282,000	227,170	54,830	282,000	224,215	57,785
Accounting	160,000	169,958	(9,958)	160,000	132,785	27,215
Legal counsel	25,000	24,070	930	50,000	27,751	22,249
Medical board	30,000	19,650	10,350	30,000	16,000	14,000
Insurance	340,000	169,732	170,268	216,000	370,944	(154,944)
Investigation	27,500	42,013	(14,513)	27,500	23,112	4,388
Total professional and contractual services	<u>864,500</u>	<u>652,593</u>	<u>211,907</u>	<u>765,500</u>	<u>794,807</u>	<u>(29,307)</u>
INFORMATION TECHNOLOGY & COMMUNICATIONS:						
Information Technology consulting & software services	171,972	162,976	8,996	160,000	73,578	86,422
Data processing, imaging, & storage	30,000	51,734	(21,734)	-	44,252	(44,252)
Telephone & internet	11,208	15,822	(4,614)	24,000	23,458	542
Website	5,000	1,255	3,745	7,500	375	7,125
Total information technology & communications	<u>218,180</u>	<u>231,787</u>	<u>(13,607)</u>	<u>191,500</u>	<u>141,663</u>	<u>49,837</u>
GENERAL OFFICE:						
Building maintenance	35,000	10,083	24,917	20,000	13,744	6,256
Dues and subscriptions	15,000	22,374	(7,374)	30,000	25,989	4,011
Equipment maintenance	25,000	4,967	20,033	25,000	23,372	1,628
Equipment rental	35,000	36,509	(1,509)	45,000	33,816	11,184
Janitorial	6,000	31,904	(25,904)	7,200	5,871	1,329
Per diem	2,250	1,125	1,125	2,250	1,125	1,125
Postage	25,000	53,958	(28,958)	37,000	31,600	5,400
Printing	20,000	13,564	6,436	25,000	9,663	15,337
Rent	4,000	2,880	1,120	3,000	2,880	120
Supplies	18,900	29,617	(10,717)	18,000	43,944	(25,944)
Training	15,000	55,067	(40,067)	15,000	16,078	(1,078)
Travel	36,750	37,161	(411)	35,000	21,449	13,551
Utilities	9,450	7,835	1,615	9,000	8,312	688
Total general office	<u>247,350</u>	<u>307,044</u>	<u>(59,694)</u>	<u>271,450</u>	<u>237,843</u>	<u>33,607</u>
TOTAL ADMINISTRATIVE EXPENSES	<u>\$ 3,133,757</u>	<u>\$ 3,000,408</u>	<u>\$ 133,349</u>	<u>\$ 2,884,450</u>	<u>\$ 2,797,048</u>	<u>\$ 87,402</u>
INVESTMENT EXPENSES:						
Custodial Bank	\$ 350,000	\$ 319,640	\$ 30,360	\$ 350,000	\$ 319,996	\$ 30,004
Investment consultant	325,000	299,823	25,177	380,000	332,510	47,490
TOTAL INVESTMENT EXPENSES	<u>\$ 675,000</u>	<u>\$ 619,463</u>	<u>\$ 55,537</u>	<u>\$ 730,000</u>	<u>\$ 652,506</u>	<u>\$ 77,494</u>
CAPITAL OUTLAYS	<u>\$ 17,250</u>	<u>\$ 21,328</u>	<u>\$ (4,078)</u>	<u>\$ 13,000</u>	<u>\$ 66,806</u>	<u>\$ (53,806)</u>

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
SUPPLEMENTARY INFORMATION - PLAN "A"
STATEMENT OF CHANGES IN RESERVE BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

2025

	ANNUITY SAVINGS	DROP	FUNDING DEPOSIT ACCOUNT	ANNUITY RESERVE	PENSION ACCUMULATION	TOTAL
BALANCE - BEGINNING	\$ 560,468,470	\$ 69,081,544	\$ 95,746,952	\$ 2,493,747,650	\$ 1,984,984,103	\$ 5,204,028,719
REVENUES AND TRANSFERS:						
Employee contributions	75,702,915	-	-	-	-	75,702,915
Employer contributions	-	-	31,816,888	-	59,455,745	91,272,633
Tax collector contributions	-	-	-	-	10,660,526	10,660,526
Revenue sharing contributions	-	-	-	-	126,648	126,648
Net investment income	-	1,606,644	6,127,805	-	673,359,313	681,093,762
Miscellaneous income	-	-	-	-	36,964	36,964
Transfer from Annuity Savings	-	-	-	39,305,685	-	39,305,685
Transfer from Annuity Reserve	-	19,921,850	-	-	-	19,921,850
Interest - transfers, refund payback	-	-	-	-	1,949,234	1,949,234
Transfer from another system	960,588	-	-	-	2,109,514	3,070,102
Actuarial transfer	-	-	-	322,083,980	-	322,083,980
	<u>76,663,503</u>	<u>21,528,494</u>	<u>37,944,693</u>	<u>361,389,665</u>	<u>747,697,944</u>	<u>1,245,224,299</u>
EXPENDITURES AND TRANSFERS:						
Refunds to terminated employees	12,803,926	-	-	-	-	12,803,926
Transfer to Annuity Reserve	39,305,685	-	-	-	-	39,305,685
Transfer to DROP	-	-	-	19,921,850	-	19,921,850
Pensions paid	-	-	-	252,561,521	-	252,561,521
Transfer to other plans	-	-	-	-	119,283	119,283
DROP benefits	-	20,504,141	-	-	-	20,504,141
Administrative expenses	-	-	-	-	2,565,034	2,565,034
OPEB expense	-	-	-	-	73,238	73,238
Depreciation & amortization	-	-	-	-	20,708	20,708
Interest expense	-	-	-	-	-	-
Actuarial transfer	-	-	-	-	322,083,980	322,083,980
Transfers to another system	1,083,268	-	-	-	2,700,921	3,784,189
	<u>53,192,879</u>	<u>20,504,141</u>	<u>-</u>	<u>272,483,371</u>	<u>327,563,164</u>	<u>673,743,555</u>
NET INCREASE (DECREASE)	<u>23,470,624</u>	<u>1,024,353</u>	<u>37,944,693</u>	<u>88,906,294</u>	<u>420,134,780</u>	<u>571,480,744</u>
BALANCE - ENDING	<u>\$ 583,939,094</u>	<u>\$ 70,105,897</u>	<u>\$ 133,691,645</u>	<u>\$ 2,582,653,944</u>	<u>\$ 2,405,118,883</u>	<u>\$ 5,775,509,463</u>

2024

<u>ANNUITY SAVINGS</u>	<u>DROP</u>	<u>FUNDING DEPOSIT ACCOUNT</u>	<u>ANNUITY RESERVE</u>	<u>PENSION ACCUMULATION</u>	<u>TOTAL</u>
\$ 533,422,965	\$ 64,834,595	\$ 102,214,729	\$ 2,366,295,945	\$ 1,685,779,323	\$ 4,752,547,557
70,456,989	-	-	-	-	70,456,989
-	-	35,332,528	-	53,919,723	89,252,251
-	-	-	-	10,304,404	10,304,404
-	-	-	-	137,704	137,704
-	1,578,865	6,541,743	-	542,432,524	550,553,132
-	-	-	-	8,237	8,237
-	-	-	32,271,625	-	32,271,625
-	22,706,009	-	-	-	22,706,009
-	-	-	-	3,070,283	3,070,283
1,706,977	-	-	-	3,365,997	5,072,974
-	-	-	358,024,830	48,342,048	406,366,878
72,163,966	24,284,874	41,874,271	390,296,455	661,580,920	1,190,200,486
11,998,174	-	-	-	-	11,998,174
32,271,625	-	-	-	-	32,271,625
-	-	-	22,706,009	-	22,706,009
-	-	-	240,138,741	-	240,138,741
-	-	-	-	217,345	217,345
-	20,037,925	-	-	-	20,037,925
-	-	-	-	2,387,181	2,387,181
-	-	-	-	25,063	25,063
-	-	-	-	27,432	27,432
-	-	-	-	2,195	2,195
-	-	48,342,048	-	358,024,830	406,366,878
848,662	-	-	-	1,692,094	2,540,756
45,118,461	20,037,925	48,342,048	262,844,750	362,376,140	738,719,324
27,045,505	4,246,949	(6,467,777)	127,451,705	299,204,780	451,481,162
\$ 560,468,470	\$ 69,081,544	\$ 95,746,952	\$ 2,493,747,650	\$ 1,984,984,103	\$ 5,204,028,719

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
SUPPLEMENTARY INFORMATION - PLAN "B"
STATEMENT OF CHANGES IN RESERVE BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025					
	<u>ANNUITY SAVINGS</u>	<u>DROP</u>	<u>FUNDING DEPOSIT ACCOUNT</u>	<u>ANNUITY RESERVE</u>	<u>PENSION ACCUMULATION</u>	<u>TOTAL</u>
BALANCE - BEGINNING	\$ 31,262,663	\$ 6,661,682	\$ 8,571,016	\$ 188,967,103	\$ 252,375,513	\$ 487,837,977
REVENUES AND TRANSFERS:						
Employee contributions	3,957,156	-	-	-	-	3,957,156
Employer contributions	-	-	1,787,776	-	7,791,164	9,578,940
Net investment income	-	173,885	548,545	-	64,806,730	65,529,160
Tax collector contributions	-	-	-	-	1,815,024	1,815,024
Revenue sharing contributions	-	-	-	-	18,885	18,885
Miscellaneous income	-	-	-	-	2,760	2,760
Transfer from Annuity Savings	-	-	-	2,282,527	-	2,282,527
Transfer from Annuity Reserve	-	1,727,698	-	-	-	1,727,698
Transfer from another system	85,607	-	-	-	163,949	249,556
Transfer from other plans	-	-	-	-	119,283	119,283
Interest - transfers refund payback	-	-	-	-	74,507	74,507
Actuarial transfer	-	-	-	31,308,894	-	31,308,894
	<u>4,042,763</u>	<u>1,901,583</u>	<u>2,336,321</u>	<u>33,591,421</u>	<u>74,792,302</u>	<u>116,664,390</u>
EXPENDITURES AND TRANSFERS:						
Refunds to terminated employees	595,167	-	-	-	-	595,167
Transfer to Annuity Reserve	2,282,527	-	-	-	-	2,282,527
Transfer to DROP	-	-	-	1,727,698	-	1,727,698
Pensions paid	-	-	-	19,597,023	-	19,597,023
DROP benefits	-	1,675,779	-	-	-	1,675,779
Administrative expenses	-	-	-	-	435,374	435,374
OPEB expense	-	-	-	-	12,411	12,411
Depreciation & amortization	-	-	-	-	3,195	3,195
Interest expense	-	-	-	-	-	-
Transfers to another system	78,621	-	-	-	344,390	423,011
Actuarial transfer	-	-	-	-	31,308,894	31,308,894
	<u>2,956,315</u>	<u>1,675,779</u>	<u>-</u>	<u>21,324,721</u>	<u>32,104,264</u>	<u>58,061,079</u>
NET INCREASE (DECREASE)	<u>1,086,448</u>	<u>225,804</u>	<u>2,336,321</u>	<u>12,266,700</u>	<u>42,688,038</u>	<u>58,603,311</u>
BALANCE - ENDING	<u>\$ 32,349,111</u>	<u>\$ 6,887,486</u>	<u>\$ 10,907,337</u>	<u>\$ 201,233,803</u>	<u>\$ 295,063,551</u>	<u>\$ 546,441,288</u>

2024

<u>ANNUITY SAVINGS</u>	<u>DROP</u>	<u>FUNDING DEPOSIT ACCOUNT</u>	<u>ANNUITY RESERVE</u>	<u>PENSION ACCUMULATION</u>	<u>TOTAL</u>
\$ 30,077,212	\$ 6,421,207	\$ 9,187,912	\$ 171,351,994	\$ 224,144,691	\$ 441,183,016
4,173,067	-	-	-	-	4,173,067
-	-	2,510,507	-	7,007,204	9,517,711
-	209,543	588,026	-	51,232,182	52,029,751
-	-	-	-	1,785,033	1,785,033
-	-	-	-	23,422	23,422
-	-	-	-	3,110	3,110
-	-	-	2,283,482	-	2,283,482
-	1,683,545	-	-	-	1,683,545
74,278	-	-	-	153,155	227,433
-	-	-	-	217,345	217,345
-	-	-	-	95,301	95,301
-	-	-	34,994,440	3,715,429	38,709,869
4,247,345	1,893,088	3,098,533	37,277,922	64,232,181	110,749,069
647,986	-	-	-	-	647,986
2,283,482	-	-	-	-	2,283,482
-	-	-	1,683,545	-	1,683,545
-	-	-	17,979,268	-	17,979,268
-	1,652,613	-	-	-	1,652,613
-	-	-	-	409,867	409,867
-	-	-	-	4,302	4,302
-	-	-	-	4,350	4,350
-	-	-	-	377	377
130,426	-	-	-	588,023	718,449
-	-	3,715,429	-	34,994,440	38,709,869
3,061,894	1,652,613	3,715,429	19,662,813	36,001,359	64,094,108
1,185,451	240,475	(616,896)	17,615,109	28,230,822	46,654,961
\$ 31,262,663	\$ 6,661,682	\$ 8,571,016	\$ 188,967,103	\$ 252,375,513	\$ 487,837,977

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
DECEMBER 31, 2025 AND 2024

In accordance with Louisiana Revised Statute 11:182, the System's Board of Trustees shall receive \$75 per meeting for attendance. The per diem paid to Trustees for the years ending December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
R. Bruce Kelly	\$ 300	\$ 300
Phillip Bourgoyne	150	225
Christine Buras-Dodd	75	-
Bridgette Horton	300	300
M. Larry Richard	<u>300</u>	<u>300</u>
 TOTAL	 <u><u>\$ 1,125</u></u>	 <u><u>\$ 1,125</u></u>

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
DECEMBER 31, 2025

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

<u>PURPOSE</u>	<u>AMOUNT</u>
Per Diem	\$ 300
Travel	<u>1,422</u>
TOTAL	<u><u>\$ 1,722</u></u>



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

June 23, 2026

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statements of fiduciary net position and the related statements of changes in fiduciary net position of the Parochial Employees' Retirement System (System), as of and for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise the Parochial Employees' Retirement System's basic financial statements, and have issued our report thereon dated June 23, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Duplantier, Chapman, Hogan and Parker, LLP

Metairie, Louisiana

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of the Parochial Employees' Retirement System of Louisiana for the year ended December 31, 2025 was unmodified.
2. Internal Control
 - Material weakness: None noted
 - Significant deficiency: None noted
3. Compliance and Other Matters
 - Noncompliance material to financial statements: none noted

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

None

SUMMARY OF PRIOR YEAR FINDINGS:

None

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

FOR THE CALENDAR YEAR JANUARY 01, 2025
THROUGH DECEMBER 31, 2025

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE CALENDAR YEAR JANUARY 01, 2025 THROUGH DECEMBER 31, 2025

June 23, 2026

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the calendar year January 01, 2025 through December 31, 2025. The Parochial Employees' Retirement System's management is responsible for those C/C areas identified in the SAUPs.

The Parochial Employees' Retirement System has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the calendar year January 01, 2025 through December 31, 2025. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

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1) Written Policies and Procedures

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

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

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

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

2) Board or Finance Committee

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

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

3) Bank Reconciliations

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

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

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

- For one bank account out of four tested, bank reconciliations were not prepared within two months of the closing date. This account was newly established near the end of the fiscal year and experienced minimal activity during the period under review.
- For one bank account out of four tested, documented evidence of management's review and approval was not noted on the bank reconciliations. This account was newly established near the end of the fiscal year and experienced minimal activity during the period under review.

Management's Response:

The exceptions noted relate to a bank account that was opened near the end of the fiscal year and experienced limited activity. Management has reviewed its procedures and will ensure that all bank reconciliations, including those for newly established accounts, are prepared within the required timeframe and include documented evidence of management review and approval.

4) Collections (excluding electronic funds transfers)

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

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

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

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

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

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

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

- D. **Procedure:** Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

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

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

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

- B. **Procedure:** For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
- ii. At least two employees are involved in processing and approving payments to vendors;
- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

- C. **Procedure:** For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

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

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

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

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

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

- B. **Procedure:** Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

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

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

- D. **Procedure:** Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

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

- A. **Procedure:** Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

8) Contracts

- A. **Procedure:** Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

9) Payroll and Personnel

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

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

- B. **Procedure:** Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

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

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

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

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

10) Ethics

- A. **Procedure:** Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and:

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

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

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

11) Debt Service

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

Results: The System does not have or issue debt; therefore, these procedures are not applicable.

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

Results: The System does not have or issue debt; therefore, these procedures are not applicable.

12) Fraud Notice

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

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

- B. **Procedure**: Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

13) Information Technology Disaster Recovery/Business Continuity

- A. **Procedure**: Perform the following procedures:

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We performed the procedure and discussed the results with management.

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

Results: We performed the procedure and discussed the results with management.

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

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

Results: We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

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

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

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

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

C. **Procedure**: Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

Results: No exceptions were identified as a result of applying the above agreed-upon procedures.

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

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

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

Duplantier, Chapman, Hogan and Parker, LLP

Metairie, Louisiana