

R E P O R T

REGISTRARS OF VOTERS  
EMPLOYEES' RETIREMENT SYSTEM  
(STATE OF LOUISIANA)

JUNE 30, 2020 AND 2019

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
(STATE OF LOUISIANA)

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## INDEPENDENT AUDITOR'S REPORT

December 9, 2020

Board of Trustees  
Registrars of Voters Employees'  
Retirement System of Louisiana  
P. O. Box 57  
Jennings, LA 70546

We have audited the accompanying financial statements of the Registrars of Voters Employees' Retirement System (System), as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Registrars of Voters Employees' Retirement System's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Registrars of Voters Employees' Retirement System, as of June 30, 2020 and 2019 and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As disclosed in Note 4 to the financial statements, the total pension liability for the Registrars of Voters Employees' Retirement System was \$129,157,737 and \$123,240,167 as of June 30, 2020 and 2019, respectively. The actuarial valuations were based on various assumptions made by the System's actuary. Because actual experience may differ from the assumptions used in the actuarial valuation, there is a risk that the total pension liability at June 30, 2020 and 2019 could be under or overstated.

### **Other Matters**

#### *Required Supplementary Information*

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

## *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Registrars of Voters Employees' Retirement System's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2020 on our consideration of the Registrars of Voters Employees' Retirement System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Registrars of Voters Employees' Retirement System's internal control over financial reporting and compliance.

*Duplantier, Sharpness, Hogan and Parker, LLP*

New Orleans, Louisiana

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

The Management's Discussion and Analysis of the Registrars of Voters Employees' Retirement System of Louisiana (System) presents a narrative overview and analysis of the System's financial activities for the year ended June 30, 2020. 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 Registrars of Voters Employees' Retirement System of Louisiana's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

- » The Registrars of Voters Employees' Retirement System's assets exceeded its liabilities as of June 30, 2020 by \$108,258,843, which represents an increase from the prior year. The net position held in trust for pension benefits increased by \$2,906,375 or 2.76%.
- » Contributions to the System by members, employers, and tax revenues totaled \$6,444,968, an increase of \$247,550 or 4.0%.
- » Pension benefits paid to retirees and beneficiaries decreased by \$28,596 or 0.38%
- » Administrative expenses of the System totaled \$395,652, an increase of \$12,341 or 3.22%.
- » Net investment gain was \$4,244,373 for the year ended June 30, 2020, which represents a decrease of \$3,064,193 compared to the prior year. The decrease was primarily attributable to unfavorable market conditions in the current year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- » Statements of fiduciary net position,
- » Statements of changes in fiduciary net position, and
- » Notes to the financial statements.

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

The statement of fiduciary net position reports the System's assets, liabilities, and resultant net position held in trust for pension benefits. It discloses the financial position of the System as of June 30, 2020 and 2019.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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 on the statement of fiduciary net position.

FINANCIAL ANALYSIS OF THE SYSTEM

Registrars of Voters Employees' Retirement System provides benefits for registrars of voters, their deputies and their permanent employees in each parish of the State of Louisiana. Member contributions, employer contributions, and earnings on investments fund these benefits.

Statements of Fiduciary Net Position  
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash	\$ 1,294,592	\$ 1,573,495
Receivables	573,191	474,049
Investments	106,519,686	103,401,791
Property and equipment	36,606	40,653
Total assets	<u>108,424,075</u>	<u>105,489,988</u>
Total liabilities	<u>165,232</u>	<u>137,520</u>
Net Position Restricted For Pension Benefits	<u><u>\$ 108,258,843</u></u>	<u><u>\$ 105,352,468</u></u>

Fiduciary net position increased by \$2,906,375 or 2.76%.

Statements of Changes in Fiduciary Net Position  
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Additions:		
Contributions	\$ 6,444,968	\$ 6,197,418
Net investment income	4,244,373	7,308,566
Transfers from other Systems	173,306	1,054,223
Total additions	<u>10,862,647.0</u>	<u>14,560,207</u>
Total deductions	<u>(7,956,272)</u>	<u>(7,971,689)</u>
Increase in Fiduciary Net Position	<u><u>\$ 2,906,375</u></u>	<u><u>\$ 6,588,518</u></u>

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

FINANCIAL ANALYSIS OF THE SYSTEM (Continued)

Additions to Fiduciary Net Position

Additions to the System's fiduciary net position were derived primarily from member contributions, employer contributions, ad valorem taxes, state revenue sharing funds, and investment income. The System experienced a net investment gain of \$4,244,373 during the fiscal year ended June 30, 2020.

	<u>2020</u>	<u>2019</u>	<u>Change</u>
Member contributions	\$ 824,295	\$ 855,298	(3.62) %
Employer contributions	2,452,012	2,349,733	4.35
Ad valorem and state revenue sharing	3,168,661	2,992,387	5.89
Net investment income	4,244,373	7,308,566	(41.93)
Transfers from other Systems	173,306	1,054,223	(83.56)
Total Additions	<u>\$ 10,862,647</u>	<u>\$ 14,560,207</u>	

Deductions from Fiduciary Net Position

Deductions from fiduciary net position include primarily retirement, death and survivor benefits and administrative expenses. Deductions from fiduciary net position totaled \$7,956,272 during the fiscal year ended June 30, 2020. This is a decrease of \$15,417 from the prior year and was primarily attributable to a slight decrease in pension benefit payments during the fiscal year end June 30, 2020.

	<u>2020</u>	<u>2019</u>	<u>Change</u>
Retirement Benefits	\$ 7,465,241.0	\$ 7,493,838.0	(0.38) %
Refunds of contributions	89,196	80,126	11.32
Administrative expenses	395,652	383,312	3.22
Transfers to other Systems	611	9,114	(93.30)
Depreciation expense	5,572	5,299	5.15
Total deductions	<u>\$ 7,956,272</u>	<u>\$ 7,971,689</u>	

Investments

The Registrars of Voters 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 investments as of June 30, 2020 were valued at \$106,519,686 as compared to \$103,401,791 as of June 30, 2020 and June 30, 2019 respectively.



REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

FINANCIAL ANALYSIS OF THE SYSTEM (Continued)

Investments (Continued)

The System's investments in various markets at the end of the 2020 and 2019 fiscal years are indicated in the following table:

	<u>2020</u>	<u>2019</u>	<u>Change</u>
Cash equivalents	\$ 1,268,821.0	2,018,254	(37.13) %
Fixed income	35,148,908	31,546,823	11.42
Equities	62,553,222	62,424,086	0.21
Real estate	7,260,645	7,111,782	2.09
Alternative investments	288,090	300,846	(4.24)
Total investments	<u>\$ 106,519,686</u>	<u>\$ 103,401,791</u>	

Requests for Information

Questions concerning any of the information provided or requests for additional financial information should be addressed to Kathy Bourque, Executive Director, Registrars of Voters Employees' Retirement System of Louisiana, P.O. Box 1959, Gonzales, LA 70707.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
STATEMENTS OF FIDUCIARY NET POSITION  
JUNE 30, 2020 AND 2019

	2020			2019		
	Retirement System Trust Fund	Members' Supplemental Savings Trust Fund	Total (Memorandum Only)	Retirement System Trust Fund	Members' Supplemental Savings Trust Fund	Total (Memorandum Only)
<u>ASSETS</u>						
CASH:						
In bank	\$ 1,294,592	\$ -	\$ 1,294,592	\$ 1,573,495	\$ -	\$ 1,573,495
RECEIVABLES:						
Member contributions	74,068	-	74,068	73,586	-	73,586
Employer contributions	217,587	-	217,587	209,468	-	209,468
Investment receivable	176,999	-	176,999	68,524	-	68,524
Accrued interest and dividends	104,319	218	104,537	122,259	212	122,471
Total receivables	<u>572,973</u>	<u>218</u>	<u>573,191</u>	<u>473,837</u>	<u>212</u>	<u>474,049</u>
INVESTMENTS AT FAIR VALUE:						
Cash equivalents	1,215,871	52,950	1,268,821	1,977,036	41,218	2,018,254
Fixed income - domestic	34,748,033	384,520	35,132,553	26,626,826	414,309	27,041,135
Fixed income - international	16,355	-	16,355	4,505,688	-	4,505,688
Equities - domestic	41,007,279	179,428	41,186,707	41,851,987	309,392	42,161,379
Equities - international	21,339,697	26,818	21,366,515	20,215,345	47,362	20,262,707
Real estate	7,260,645	-	7,260,645	7,111,782	-	7,111,782
Alternative investments	288,090	-	288,090	300,846	-	300,846
Total investments	<u>105,875,970</u>	<u>643,716</u>	<u>106,519,686</u>	<u>102,589,510</u>	<u>812,281</u>	<u>103,401,791</u>
FURNITURE AND EQUIPMENT:						
Net of accumulated depreciation of \$22,459 and \$16,887 for 2020 and 2019	36,606	-	36,606	40,653	-	40,653
Total assets	<u>107,780,141</u>	<u>643,934</u>	<u>108,424,075</u>	<u>104,677,495</u>	<u>812,493</u>	<u>105,489,988</u>
<u>LIABILITIES</u>						
Accounts payable	8,574	-	8,574	38,023	-	38,023
Investment payable	156,658	-	156,658	99,497	-	99,497
Total liabilities	<u>165,232</u>	<u>-</u>	<u>165,232</u>	<u>137,520</u>	<u>-</u>	<u>137,520</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS						
	<u>\$ 107,614,909</u>	<u>\$ 643,934</u>	<u>\$ 108,258,843</u>	<u>\$ 104,539,975</u>	<u>\$ 812,493</u>	<u>\$ 105,352,468</u>

See accompanying notes.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020			2019		
	Retirement System	Members' Supplemental Savings	Total (Memorandum Only)	Retirement System	Members' Supplemental Savings	Total (Memorandum Only)
	<u>Trust Fund</u>	<u>Trust Fund</u>	<u>Only</u>	<u>Trust Fund</u>	<u>Trust Fund</u>	<u>Only</u>
ADDITIONS:						
Contributions:						
Members	\$ 824,295	\$ -	\$ 824,295	855,298	\$ -	\$ 855,298
Employers	2,452,012	-	2,452,012	2,349,733	-	2,349,733
Tax revenue	3,168,661	-	3,168,661	2,992,387	-	2,992,387
Total contributions	<u>6,444,968</u>	<u>-</u>	<u>6,444,968</u>	<u>6,197,418</u>	<u>-</u>	<u>6,197,418</u>
Investment income:						
Net appreciation in fair value of investments	1,561,498	10,596	1,572,094	5,161,240	22,808	5,184,048
Interest	459,040	18,890	477,930	437,082	23,536	460,618
Dividends	2,315,732	-	2,315,732	1,910,034	-	1,910,034
Alternative investment income	349,001	-	349,001	189,558	-	189,558
Other investment income	1,486	-	1,486	7,164	-	7,164
	<u>4,686,757</u>	<u>29,486</u>	<u>4,716,243</u>	<u>7,705,078</u>	<u>46,344</u>	<u>7,751,422</u>
Less: Investment advisory fees	332,454	-	332,454	306,449	-	306,449
Investment consulting fees	90,000	-	90,000	90,000	-	90,000
Custodial fees	49,416	-	49,416	46,407	-	46,407
Net investment income	<u>4,214,887</u>	<u>29,486</u>	<u>4,244,373</u>	<u>7,262,222</u>	<u>46,344</u>	<u>7,308,566</u>
Other additions:						
Transfers from other systems - employee	6,919	-	6,919	178,564	-	178,564
Transfers from other systems - employer/interest	166,387	-	166,387	875,659	-	875,659
Total other additions	<u>173,306</u>	<u>-</u>	<u>173,306</u>	<u>1,054,223</u>	<u>-</u>	<u>1,054,223</u>
Total additions	<u>10,833,161</u>	<u>29,486</u>	<u>10,862,647</u>	<u>14,513,863</u>	<u>46,344</u>	<u>14,560,207</u>
DEDUCTIONS:						
Pensions payments	7,267,196	198,045	7,465,241	7,360,001	133,837	7,493,838
Refund of contributions	89,196	-	89,196	80,126	-	80,126
Administrative expenses	395,652	-	395,652	383,312	-	383,312
Depreciation	5,572	-	5,572	5,299	-	5,299
Transfers to other systems - employee	229	-	229	2,437	-	2,437
Transfer to other systems - employer/interest	382	-	382	6,677	-	6,677
Total deductions	<u>7,758,227</u>	<u>198,045</u>	<u>7,956,272</u>	<u>7,837,852</u>	<u>133,837</u>	<u>7,971,689</u>
NET INCREASE (DECREASE)	3,074,934	(168,559)	2,906,375	6,676,011	(87,493)	6,588,518
NET POSITION - RESTRICTED FOR PENSION BENEFITS:						
BEGINNING OF YEAR	104,539,975	812,493	105,352,468	97,863,964	899,986	98,763,950
END OF YEAR	<u>\$ 107,614,909</u>	<u>\$ 643,934</u>	<u>\$ 108,258,843</u>	<u>\$ 104,539,975</u>	<u>\$ 812,493</u>	<u>\$ 105,352,468</u>

See accompanying notes.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

The Registrars of Voters Employees' Retirement System (System) was established as of January 1, 1955 by Act 215 of 1954, under R.S. Title 11:2032, as amended, for the purpose of providing retirement allowances and other benefits for registrars of voters, their deputies and their permanent employees in each parish of the State of Louisiana. The fund is administered by a board of trustees. Benefits, including normal retirement, early retirement, disability retirements and death benefits, are provided as specified in the plan.

The System is governed by a Board of Trustees composed of six active and contributing members who have at least ten years of creditable service, a member of the House Committee on Retirement appointed by the speaker of the House of Representatives, the chairman of the Senate Committee on Retirement, the Secretary of State, and the State Treasurer, all of whom are voting members. The term of office of the six elected board members is four years, and no elected trustee may serve for more than two consecutive four-year terms.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Registrars of Voters Employees' Retirement System prepares its financial statements in accordance with the standards established by the Governmental Accounting Standards Board (GASB).

Basis of Accounting:

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

Interest income is recognized when earned. Ad valorem taxes and revenue sharing monies are recognized in the year appropriated by the legislature.

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

Method Used to Value Investments:

As required by GASB Statement No. 72, *Fair Value Measurement and Application*, the System's investments are reported at fair value. This statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. Valuation techniques used to measure fair value maximize the use of relevant observable inputs and minimize the use of unobservable inputs. This

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Method Used to Value Investments: (Continued)

statement establishes a hierarchy of inputs to valuation techniques used to measure fair value based on three levels. Level 1 inputs are quoted prices 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. Lastly, Level 3 inputs are unobservable inputs, such as management's assumptions or investment manager assumptions that are unobservable. This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques used. These disclosures are organized by type of asset or liability. GASB Statement No. 72 also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent).

Short-term investments are reported 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. The fair value of mutual funds and exchange-traded funds not traded on a national or international exchange are calculated using the net asset value reported by the exchange trade funds and mutual funds. The fair value of investments in limited partnerships and limited liability companies that have no readily ascertainable fair value (such as alternative investments and real estate funds) were calculated as the System's percentage of ownership of the partner's capital reported by the limited partnership or limited liability company.

Furniture and Equipment:

Furniture and equipment of the System are capitalized and depreciated over the estimated future life of the asset. All fixed assets are valued on the basis of historical cost and depreciated using the straight-line method of depreciation over its estimated useful life.

Memorandum Only Column:

The total columns on the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position are captioned memorandum only to indicate that they are presented to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

2. PLAN DESCRIPTION:

The Registrars of Voters Employees' Retirement System is the administrator of a cost-sharing multiple-employer plan (Retirement System Trust Fund) and a savings plan (Members' Supplemental Savings Trust Fund). The System was established on January 1, 1955 for the purpose

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
 NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

2. PLAN DESCRIPTION: (Continued)

of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:2032, as amended, for registrars of voters, their deputies, and their permanent employees in each parish. The total number of participating employers was 64 for the year ended June 30, 2020 and 2019.

As of June 30, 2020 and 2019, statewide retirement membership consisted of the following:

	<u>2020</u>	<u>2019</u>
Inactive plan members or beneficiaries receiving benefits	172	160
Inactive plan members entitled to but not yet receiving benefits	37	35
Active plan members	<u>237</u>	<u>238</u>
Total number of members	<u>446</u>	<u>433</u>

Retirement System Trust Fund:

Any member hired prior to January 1, 2013 is eligible for normal retirement after he has 20 years of creditable service and is age 55 or has 10 years of creditable service and is age 60. Any member with 30 years of creditable service regardless of age may retire. Regular retirement benefits for members hired prior to January 1, 2013 are calculated at 3.33% of the average annual earned compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation.

Any member hired on or after January 1, 2013 is eligible for normal retirement after he has attained 30 years of creditable service and is age 55; has attained 20 years of creditable service and is age 60; or has attained 10 years of creditable service and is age 62. Regular retirement benefits for members hired on or after January 1, 2013 are calculated at 3.00% of the average annual earned compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation.

Any member whose withdrawal from service occurs prior to attaining the age of 60 years, who shall have completed 10 or more years of creditable service and shall not have received a refund of his accumulated contributions, shall become eligible for a deferred allowance beginning upon his attaining the age of 60 years.

Disability benefits are awarded to active contributing members with at least 10 years of service established in the System and who have been officially certified as disabled by the State Medical Disability Board. The disabled member who has attained the age of 60 years shall be entitled to a regular retirement allowance. The disabled member who has not yet attained age 60 shall be entitled to a disability benefit equal to the lesser of 3% of his average final compensation multiplied by the number of creditable years of service (not to be less than 15 years) or 3½% of average final compensation multiplied by the years of service assuming continued service to age 60. Disability benefits may not exceed two-thirds of earnable compensation.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

2. PLAN DESCRIPTION: (Continued)

Retirement System Trust Fund: (Continued)

If a member who has less than five years of credited service dies due to any cause other than injuries sustained in the performance of his official duties, his accumulated contributions are paid to his designated beneficiary. If the member has five or more years of credited service, and is not eligible to retire, automatic Option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with Option 2 factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse and the member has five or more years of creditable service, the surviving minor children under 18 or disabled children shall be paid 80% of the accrued retirement benefit in equal shares until the age of majority or for the duration of the handicap for a handicapped child. Upon the death of any former member with 10 or more years of service, automatic Option 2 benefits are payable to the surviving spouse. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

In lieu of terminating employment and accepting a service retirement allowance, any member with 10 or more years of service at age 60, 20 or more years of service at age 55, or 30 or more years of service at any age may elect to participate in the Deferred Retirement Option Plan (DROP) for up to three years and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the System terminates. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. This fund does not earn interest. In addition, no cost of living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the plan 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 any other method of payment if approved by the Board of Trustees. The monthly benefits that were being paid into the Deferred Retirement Option Plan fund will begin to be paid to the retiree. If the participant dies during the participation in the plan, a lump sum equal to his account balance in the plan fund shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the plan fund cease and the person resumes active contributing membership in the System.

The Retirement System Trust Fund is financed by employee contributions of 7% of earnable compensation. In addition, each sheriff and ex-officio tax collector remits the employer's share of the actuarially required contribution to fund the System up to a maximum of one-sixteenth of 1% of the aggregate amount of the tax shown to be collected by the tax roll of each respective parish. Should employee contributions and tax monies be insufficient to fund the System as required by R.S. 11:22 employers contribute the additional amount.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

2. PLAN DESCRIPTION: (Continued)

Retirement System Trust Fund: (Continued)

Cost of living provisions for the System allow the board of trustees to provide an annual cost of living increase of 2% of the eligible retiree's original benefit for retirees and beneficiaries over age 65 and allows a 3% COLA to those retired at least two years, if certain funding criteria are met. Members are eligible to receive a cost of living adjustment once they have reached the age of 60 as follows:

- Funding Criteria 1 - if the funded ratio is equal to or in excess of 90%, the System is eligible to grant a cost of living adjustment every other year.
- Funding Criteria 2 - if the funded ratio is equal to or in excess of 80%, the System is eligible to grant a cost of living adjustment every three years.
- Funding Criteria 3 - if the funded ratio is equal to or in excess of 70%, the System is eligible to grant a cost of living adjustment every four years.

If the funded ratio is less than 70%, the System is not eligible to grant a cost of living adjustment in any year.

Members' Supplemental Savings Trust Fund:

The Members' Supplemental Savings Trust Fund (Fund) was established by LRS 11:2139 as a defined contribution plan. All registrars of voters, their deputies and active permanent employees participate in the plan. As of June 30, 2020 and 2019, the number of participants in the plan was 79 and 88, respectively.

In accordance with state statute, funds contributed to the System in excess of those required contributions to the Retirement Fund employer reserve, as established by the Public Retirement Systems' Actuarial Committee, are deposited in the Members' Supplemental Savings Fund. The amount of funds deposited with the Members' Supplemental Savings Fund is three percent of the salaries paid during the preceding fiscal year to members who were still employed by the employer at the end of the fiscal year unless the Public Retirement Systems' Actuarial Committee recommends a lesser percentage based on available funds and the requirements of the Defined Benefit Plan. As of June 30, 2020 and 2019, there were 64 active employers participating in the Fund. There were no contributions to the Member's Supplemental Savings Fund for the years ending June 30, 2020 and 2019.

Should any member of the System terminate membership in the System due to resignation, retirement, disability, death, or for any other reason involving termination of employment, he shall be entitled to payment of all contributions and interest or other earnings or losses credited to his account as of the date of payment, provided he remains out of service until such time as the payments are required to be paid. Payment to the member is made at the end of the calendar quarter following the quarter in which the member terminates.



REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

3. CONTRIBUTIONS AND RESERVES:

Members' Supplemental Savings Trust Fund: (Continued)

Interest, dividends, and realized gains or losses shall be allocated at least once each year on the valuation date or dates of the fund. Such earnings or losses shall be allocated to members in proportion to their account balances as of the first day of the period for which the earnings are credited, reduced by any distribution from such account during the valuation period.

Contributions:

Contributions for all members are established by state statute at not less than 7% and not more than 9% of earnable compensation, as determined by the Board in consultation with the System's actuary. The member contribution rate for June 30, 2020 and 2019 was 7%. The contributions are deducted from the member's salary and remitted by the participating registrar. Member contribution revenue for the years ended June 30, 2020 and 2019 were \$824,295 and \$855,298, respectively.

According to state statute, contribution requirements for all employers are actuarially determined each year. The actual employer contribution rate was 18% for each of the years ended June 30, 2020 and 2019, respectively. Employer contribution revenue for the years ended June 30, 2020 and 2019 were \$2,452,012 and \$2,349,733, respectively.

In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Ad valorem tax and state revenue sharing funds received for the years ended June 30, 2020 and 2019 were \$3,168,661 and \$2,992,387, respectively.

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

Reserves:

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

A) Deferred Retirement Option Plan:

The Deferred Retirement Option Account consists of the reserves for all members who upon eligibility elect to deposit into this account an amount equal to the member's monthly benefit if he had retired. A member can only participate in the program for three years, and upon termination may receive his benefits in a lump sum payment or by a true annuity. The Deferred Retirement Option Account balance as of June 30, 2020 and 2019 was \$4,090,211 and \$4,222,163, respectively.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

3. CONTRIBUTIONS AND RESERVES: (Continued)

Reserves: (Continued)

B) Annuity Savings:

The Annuity Savings is credited with contributions made by members of the System. When a member terminates his service or upon his death, before qualifying for a benefit, the refund of his contributions is made from this fund. 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 the Annuity Reserve to provide part of the benefits payable from that fund. The Annuity Savings balance as of June 30, 2020 and 2019 was \$7,132,761 and \$7,278,358, respectively.

C) Pension Accumulation:

The Pension Accumulation consists of contributions paid by employers, interest earned on investments and any other income not covered by other accounts. This fund 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 other accounts. The Pension Accumulation balance as of June 30, 2020 and 2019 was \$30,593,208 and \$35,043,151, respectively.

D) Annuity Reserve:

The Annuity Reserve consists of the reserves for all pensions, excluding cost-of-living increases, granted to members and is the fund from which such pensions and annuities are paid. Survivors of deceased beneficiaries also receive benefits from this fund. The Annuity Reserve balance as of June 30, 2020 and 2019 was \$62,209,174 and \$55,195,274, respectively.

E) Funding Deposit Account:

The Funding Deposit Account consists of excess contribution 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 present value of future normal costs, (3) pay all or a portion of any future net direct employer contributions, and/or (4) pay a cost of living adjustment. The Funding Deposit Account as of June 30, 2020 and 2019 was \$3,589,555 and \$2,801,029, respectively.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
 NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

3. CONTRIBUTIONS AND RESERVES: (Continued)

Reserves: (Continued)

F) Members' Supplemental Savings:

The Members' Supplemental Savings consists of contributions from the dedicated taxes to the System in excess of those required contributions to the Pension Accumulation, not to exceed three percent of the salaries paid during the fiscal year proceeding the year in which funds are received. Upon termination a member is entitled to payment of all contributions and earnings credited to his account in the fund. The Members' Supplemental Savings balance as of June 30, 2020 and 2019 was \$643,934 and \$812,493, respectively.

4. NET PENSION LIABILITY OF EMPLOYERS:

The components of the liability of the System's employers to plan members for benefits provided through the pension plan was as follows as of June 30, 2020 and 2019:

	Total Pension	Plan Fiduciary	Employers' Net	Plan Fiduciary
	Liability	Net Position	Pension Liability	Net Position as a
<u>Year</u>				Percentage of Total
				<u>Pension Liability</u>
2020	\$ 129,157,737	\$ 107,614,909	\$ 21,542,828	83.32 %
2019	123,240,167	104,539,975	18,700,192	84.83

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

The actuarial assumptions used in the June 30, 2020 and 2019 valuation were based on the results of an experience study for the period from July 1, 2014 and June 30, 2019. The required Schedule of Employers' Net Pension Liability located in the required supplementary information following the *Notes to the Financial Statements* presents multi-year trend information regarding whether the plan fiduciary net position is increasing or decreasing over time relative to the total pension liability. The total pension liability as of June 30, 2020 and 2019 is based on actuarial valuation for the same period, updated using generally accepted actuarial procedures.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
 NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

4. NET PENSION LIABILITY OF EMPLOYERS: (Continued)

Information on the actuarial methods and assumptions used as of the June 30, 2020 and 2019 actuarial valuation is as follows:

Valuation Date	June 30, 2020 and 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.40% and 6.50% net of pension plan investment expense, as of June 30, 2020 and 2019, respectively.
Inflation Rate	2.30% and 2.40% for 2020 and 2019, respectively.
Mortality	RP-2000 Healthy Annuitant Table for active members, healthy annuitants and beneficiaries.  RP-2000 Disabled Lives Mortality Table for disabled annuitants.
Salary Increases	5.25% and 6.00% for June 30, 2020 and 2019, respectively.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board.

For the year ended June 30, 2020, mortality assumptions were set after reviewing an experience study performed on plan data for the period from July 1, 2014 through June 30, 2019. For the year end June 30, 2019, mortality assumptions were set after reviewing an experience study performed on plan data for the period from July 1, 2009 through June 30, 2018. The data was assigned credibility weightings and combined with a standard table to produce current levels of mortality. The mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The mortality tables selected were set forward or set back to approximate mortality improvement.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return was 8.75% and 8.83% for the years ended June 30, 2020 and 2019, respectively.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

4. NET PENSION LIABILITY OF EMPLOYERS: (Continued)

The best estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2020 were as follows:

<u>Asset Class</u>	<u>Expected Rates of Return</u>		
	<u>Target Asset Allocation</u>	<u>Real Return Arithmetic Basis</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Domestic Equities	37.5%	7.50%	2.81%
International Equities	20.0	8.50	1.70
Domestic Fixed Income	12.5	2.50	0.31
International Fixed Income	10.0	3.50	0.35
Alternative Investments	10.0	6.33	0.63
Real Estate	<u>10.0</u>	4.50	<u>0.45</u>
Totals	<u>100%</u>		<u>6.25%</u>
Inflation			<u>2.50</u>
Expected Arithmetic Nominal Return			<u>8.75%</u>

The best estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2019 were as follows:

<u>Asset Class</u>	<u>Expected Rates of Return</u>		
	<u>Target Asset Allocation</u>	<u>Real Return Arithmetic Basis</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Domestic Equities	40.0%	7.50%	3.00%
International Equities	20.0	8.50	1.70
Domestic Fixed Income	12.5	2.50	0.31
International Fixed Income	10.0	3.50	0.35
Alternative Investments	10.0	6.33	0.63
Real Estate	<u>7.5</u>	4.50	<u>0.34</u>
Totals	<u>100%</u>		<u>6.33%</u>
Inflation			<u>2.50</u>
Expected Arithmetic Nominal Return			<u>8.83%</u>

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
 NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

4. NET PENSION LIABILITY OF EMPLOYERS: (Continued)

The discount rate used to measure the total pension liability was 6.40% and 6.50% as of June 30, 2020 and 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that 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 to changes in the discount rate, the following presents the net pension liability of the participating employers calculated using the discount rate, 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 or one percentage point higher than the current rate as of June 30, 2020 and 2019:

	Change in Discount Rate		
	1% <u>Decrease</u>	Current Discount <u>Rate</u>	1% <u>Increase</u>
Net Pension Liability - 2020	\$ 35,378,074	\$ 21,542,828	\$ 9,751,768
Net Pension Liability - 2019	31,546,564	18,700,192	7,674,251

5. 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 June 30, 2020:

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

5. INVESTMENTS AT FAIR VALUE: (Continued)

	June 30, 2020	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Cash Equivalents	\$ 1,268,821	\$ 1,268,821	\$ -	\$ -
Fixed Income Investments:				
U.S. government agency obligations	4,709,968	825,901	3,884,067	-
Corporate bonds - domestic	9,826,516	-	9,826,516	-
Fixed income mutual funds - domestic	20,596,069	20,596,069	-	-
Fixed income mutual funds - international	16,355	16,355	-	-
Total fixed income investments	<u>35,148,908</u>	<u>21,438,325</u>	<u>13,710,583</u>	<u>-</u>
Equity Securities:				
Corporate stocks - domestic	28,024,586	28,024,586	-	-
Corporate stocks - international	1,797,997	1,797,997	-	-
Equity mutual funds - domestic	13,162,120	13,162,120	-	-
Equity mutual funds - international	19,568,518	19,568,518	-	-
Total equity securities	<u>62,553,222</u>	<u>62,553,222</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	<u>98,970,951</u>	<u>85,260,368</u>	<u>13,710,583</u>	<u>-</u>
Investments measures at the Net Asset Value (NAV):				
Multi-asset strategies	27,283			
Private equity	260,807			
Real estate	7,260,645			
Total investments at NAV	<u>7,548,735</u>			
Total investments at fair value	<u>\$ 106,519,686</u>			

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

5. INVESTMENTS AT FAIR VALUE: (Continued)

The System had the following recurring fair value measurements as of June 30, 2019:

	June 30, 2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Cash Equivalents	\$ 2,018,254	\$ 2,018,254	\$ -	\$ -
Fixed Income Investments:				
U.S. government agency obligations	5,178,471	102,511	5,075,960	-
Corporate bonds - domestic	6,521,816	-	6,521,816	-
Fixed income mutual funds - domestic	15,340,848	15,340,848	-	-
Fixed income mutual funds - international	4,505,688	4,505,688	-	-
Total fixed income investments	<u>31,546,823</u>	<u>19,949,047</u>	<u>11,597,776</u>	<u>-</u>
Equity Securities:				
Corporate stocks - domestic	28,696,730	28,696,730	-	-
Corporate stocks - international	1,967,108	1,967,108	-	-
Equity mutual funds - domestic	13,464,649	13,464,649	-	-
Equity mutual funds - international	18,295,599	18,295,599	-	-
Total equity securities	<u>62,424,086</u>	<u>62,424,086</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	<u>95,989,163</u>	<u>\$ 84,391,387</u>	<u>\$ 11,597,776</u>	<u>\$ -</u>
Investments measures at the Net Asset Value (NAV):				
Multi-asset strategies	26,132			
Private equity	274,714			
Real estate	7,111,782			
Total investments at NAV	<u>7,412,628</u>			
Total investments at fair value	<u>\$ 103,401,791</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.



REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

5. INVESTMENTS AT FAIR VALUE: (Continued)

Derivative instruments classified in Level 2 of the fair value hierarchy are valued using a market approach that considers benchmark interest rates and foreign exchange rates. Investments classified in Level 3 of the fair value hierarchy are valued using unobservable inputs and are not directly corroborated with market data.

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

	Net Asset Value June 30, 2020	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Multi-asset strategies	\$ 27,283	\$ -	Quarterly	45 days
Private equity	260,807	-	N/A	N/A
Real estate	7,260,645	-	Quarterly	1 day
Total Investments at NAV	<u>\$ 7,548,735</u>	<u>\$ -</u>		

The unfunded commitments and redemption terms for investments measured at the net asset value (NAV) per share or its equivalent as of June 30, 2019 is presented on the following table:

	Net Asset Value June 30, 2019	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Multi-asset strategies	\$ 26,132	\$ -	Quarterly	45 days
Private equity	274,714	-	N/A	N/A
Real estate	7,111,782	-	Quarterly	1 day
Total Investments at NAV	<u>\$ 7,412,628</u>	<u>\$ -</u>		

Real Estate:

This investment type includes investments in real estate domiciled in the United States. These investments aim to benefit from higher economic growth and lower debt levels in the United States. The fair value of the investments in these funds has been determined using the NAV per share or equivalent of the investments. Units are valued quarterly and redemption requests received at least 10 business days prior to the end of a given calendar quarter are effective at the end of such calendar quarter. Any amount redeemed will be paid as soon as reasonably practical after the effective date.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

5. INVESTMENTS AT FAIR VALUE: (Continued)

Private Equity:

Private equity is an asset class consisting of equity securities and debt in operating companies that are not publicly traded on a stock exchange. Private equity funds employ a combination of strategies to earn superior risk-adjusted returns. The fair values of the investments in this asset class have been determined using the NAV per share or equivalent of the private equity capital. Distributions from each fund will be received as the underlying investments of the funds are liquidated.

6. DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS:

The following are the components of the System's deposits, cash equivalents and investments as of June 30, 2020 and 2019:

	Retirement System <u>Trust Fund</u>	Supplemental Savings <u>Trust Fund</u>	<u>Total</u>
<u>2020</u>			
Cash in bank	\$ 1,318,846	\$ -	\$ 1,318,846
Cash equivalents	1,215,871	52,950	1,268,821
Investments	104,660,099	590,766	105,250,865
	<u>\$ 107,194,816</u>	<u>\$ 643,716</u>	<u>\$ 107,838,532</u>

	Retirement System <u>Trust Fund</u>	Supplemental Savings <u>Trust Fund</u>	<u>Total</u>
<u>2019</u>			
Cash in bank	\$ 1,589,085	\$ -	\$ 1,589,085
Cash equivalents	1,977,036	41,218	2,018,254
Investments	100,612,474	771,063	101,383,537
	<u>\$ 104,178,595</u>	<u>\$ 812,281</u>	<u>\$ 104,990,876</u>

Deposits:

The System's bank deposits were entirely covered by Federal Depository Insurance.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

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

Cash Equivalents:

Cash equivalents consisted of holdings in money market funds. The funds are classified as investments in the Statement of Fiduciary Net Position.

Investments:

Statutes authorize the System to invest under the Prudent-Man Rule. The Prudent-Man Rule shall require each fiduciary of a retirement system and each board of trustees acting collectively on behalf of the System to act with care, skill, prudence, and diligence under the circumstances prevailing that a prudent institutional investor acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Notwithstanding the Prudent-Man Rule, the System shall not invest more than 55% of the total portfolio in equities, except that the System may invest up to 65% of the total portfolio in equities if at least ten percent of the total equity allocation is invested in one or more index funds which seek to replicate the performance of the chosen index or indices.

Concentration of Credit Risk:

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

The System's investment policy states that no manager will be allocated more than 15% of the System's assets. No single stock position or corporate debt instrument should represent more than 10% of a manager's portfolio at market. In addition, exposure to any single industry shall not exceed two times its weighting in the market or 20%, whichever is greater. The System is in compliance with their concentration of credit risk policy.

As of June 30, 2020, the System held an investment in a single issuer (other than those issued or guaranteed by the U.S. Government or mutual funds) that exceeded 5% of total investments and 5% of net position. The System's investment in American Core Realty Fund in the amounts of \$7,260,645 and \$7,111,782 as of June 30, 2020 and 2019, respectively, exceeded 5% of total investments and net position.

Credit Risk:

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The System's policy states that fixed income securities may include any publicly traded debt instrument regardless of credit rating.

The following were the credit risk ratings of the System's investments in long-term debt securities as of June 30, 2020:

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

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

Credit Risk: (Continued)

June 30, 2020						
	Corporate Bonds	Federal Home Loan Bank (FHLB)	Federal Home Loan Mortgage Corporation (FHLMC)	Federal National Mortgage Association (FNMA)	Government National Mortgage Association (GNMA)	<u>Total</u>
AA+	\$ 468,838	\$ 15,128	\$ -	\$ -	\$ -	\$ 483,966
A+	700,530	-	-	-	-	700,530
A	1,488,987	-	-	-	-	1,488,987
A-	2,355,319	-	-	-	-	2,355,319
AA-	390,267	-	-	-	-	390,267
Aaa	606,204	-	-	-	-	606,204
BBB+	1,724,932	-	-	-	-	1,724,932
BBB	2,091,439	-	-	-	-	2,091,439
Not Rated	-	-	2,487,127	1,965,920	241,793	4,694,840
	\$ 9,826,516	\$ 15,128	\$ 2,487,127	\$ 1,965,920	\$ 241,793	\$14,536,484

The following were the credit risk ratings of the System's investments in long-term debt securities as of June 30, 2019:

June 30, 2019							
	Corporate Bonds	Federal Home Loan Bank (FHLB)	Federal Home Loan Mortgage Corporation (FHLMC)	Federal National Mortgage Association (FNMA)	Government National Mortgage Association (GNMA)	Federal Farm Credit Banks (FFCB)	<u>Total</u>
AA+	\$ 252,475	\$ 15,475	\$ -	\$ -	\$ -	\$ 87,036	\$ 354,986
A+	347,778	-	-	-	-	-	347,778
A	988,157	-	-	-	-	-	988,157
A-	2,382,703	-	-	-	-	-	2,382,703
AA-	340,629	-	-	-	-	-	340,629
BBB+	941,733	-	-	-	-	-	941,733
BBB	1,268,341	-	-	-	-	-	1,268,341
Not Rated	-	-	3,330,608	1,461,142	284,210	-	5,075,960
	\$ 6,521,816	\$ 15,475	\$ 3,330,608	\$ 1,461,142	\$ 284,210	\$ 87,036	\$ 11,700,287

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
 NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

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

The System had the following unrated mutual funds for the year ending June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Multi-Asset Income Fund	4,888,639	4,879,836
Diversified Income Fund	10,323,389	5,039,349
Income Builder Fund	5,014,649	5,109,865
Exchange Traded Funds	369,392	311,798

The System also held investments in a mutual fund in the amount of \$16,355 and \$4,505,688 as of June 30, 2020 and 2019 respectively with a rating of BBB and BBB for the years ending June 30, 2020 and 2019, respectively.

The System reported a cash equivalent money market mutual fund in the amount of \$1,268,821 and \$2,018,254 as of June 30, 2020 and 2019, respectively. The money market mutual fund was rated AAA as of June 30, 2020 and 2019.

Custodial Credit Risk:

Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The System is not exposed to custodial credit risk as of June 30, 2020 and 2019 for investments in the amount of \$105,250,865 and \$101,424,755, respectively, since the investments are held in the name of the System. The System is exposed to custodial credit risk in the amount of \$1,268,821 and \$2,018,254 as of June 30, 2020 and 2019, respectively, related to investment holdings in money market mutual funds that are held by the counter party's agent but are not in the name of the System. The System has no formal policy regarding custodial credit risk.

Interest Rate Risk:

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

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

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

As of June 30, 2020, the System had the following investments in long-term debt securities and maturities:

	Less than <u>1 year</u>	1-5 <u>Years</u>	6-10 <u>Years</u>	Greater than <u>10 years</u>	Fair <u>Value</u>
Corporate bonds	\$ 204,570.0	\$ 4,010,153	\$ 2,433,263	\$ 3,178,530	\$ 9,826,516
Government bonds:					
FHLB	\$ 15,128	\$ -	\$ -	\$ -	\$ 15,128
FHLMC	-	-	-	2,487,127	2,487,127
FNMA	-	-	-	1,965,920	1,965,920
GNMA	-	-	-	241,793	241,793
Total Governmental bonds	\$ 15,128	\$ -	\$ -	\$ 4,694,840	\$ 4,709,968
Bond Mutual Funds	\$ -	\$ 9,919,644	\$ 10,323,389	\$ -	\$ 20,243,033
Exchange Traded Funds	\$ -	\$ 195,893	\$ 173,498	\$ -	\$ 369,391

As of June 30, 2019, the System had the following investments in long-term debt securities and maturities:

	Less than <u>1 year</u>	1-5 <u>Years</u>	6-10 <u>Years</u>	Greater than <u>10 years</u>	Fair <u>Value</u>
Corporate bonds	\$ 302,073	\$ 2,457,031	\$ 1,177,267	\$ 2,585,445	\$ 6,521,816
Government bonds:					
FHLB	\$ -	\$ 15,475	\$ -	\$ -	\$ 15,475
FFCB	87,036	-	-	-	87,036
FHLMC	-	-	-	3,330,608	3,330,608
FNMA	-	-	-	1,461,142	1,461,142
GNMA	-	-	-	284,210	284,210
Total Governmental bonds	\$ 87,036	\$ 15,475	\$ -	\$ 5,075,960	\$ 5,178,471
Bond Mutual Funds	\$ -	\$ 14,495,389	\$ 5,039,349	\$ -	\$ 19,534,738
Exchange Traded Funds	\$ -	\$ 174,458	\$ 137,340	\$ -	\$ 311,798

The System invests in mortgage-backed securities. These securities are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. The System has no formal policy regarding interest rate risk.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
 NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

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

Foreign Currency Risk: (Continued)

Foreign currency risk is defined as the risk that changes in exchange rates will adversely affect the fair value of an investment. The System's investment policy has a target not to exceed 25% of total investments in foreign marketable securities and a target not to exceed 25% of total investments in fixed income. The System's exposure for foreign currency risk consisted of its investment in foreign marketable securities as of June 30, 2020 and 2019:

<u>Country/Currency</u>	<u>2020</u>	<u>2019</u>
Bermuda/Bermudian Dollar	\$ -	\$ 216,011
Denmark/Kroner	337,212	154,301
Ireland/Euro	1,020,294	633,838
Netherlands/Euro	296,137	-
United Kingdom/British Pound	<u>144,354</u>	<u>962,958</u>
Total	<u>\$ 1,797,997</u>	<u>\$ 1,967,108</u>

The System also holds investments in exchange traded funds and mutual funds that invest in foreign entities but are denominated in US dollars. These investments for the years ended June 30, 2020 and 2019 totaled \$19,584,873 and \$22,801,287, respectively.

Commitments:

As of June 30, 2020 and 2019, the System has no commitments to purchase any additional investments.

Money-Weighted Rate of Return:

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for the years ended June 30, 2020 and 2019 was 4.28% and 7.78%, respectively. The money-weighted return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

7. FURNITURE AND EQUIPMENT:

The change in furniture and equipment consisted of the following for the years ended June 30, 2020 and 2019:

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
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JUNE 30, 2020 AND 2019

7. FURNITURE AND EQUIPMENT: (Continued)

	<u>2020</u>	<u>2019</u>
Balance - Beginning of year	\$ 57,540	\$ 57,540
Additions	1,525	-
Deletions	-	-
	59,065	57,540
Less: Accumulated Depreciation	(22,459)	(16,887)
Balance - End of Year	\$ 36,606	\$ 40,653

Depreciation expense was \$5,572 and \$5,299 for each of the years ended June 30, 2020 and 2019, respectively.

8. USE OF ESTIMATES:

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

9. TAX QUALIFICATION:

Beginning January 1, 2005, the Retirement System Trust Fund became a qualified plan under IRS Code Section 401(a).

10. RECLASSIFICATIONS:

Certain reclassifications have been made to the prior year comparative information to conform to the current year presentation. Such reclassifications had no effect on the fiduciary net position of the change in fiduciary net position.

11. RISK AND UNCERTAINTIES:

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



REQUIRED SUPPLEMENTARY INFORMATION

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULES OF CHANGES IN NET PENSION LIABILITY  
FOR THE SEVEN YEARS ENDED JUNE 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Pension Liability:				
Service Cost	\$ 3,080,101	\$ 3,159,898	\$ 3,125,205	\$ 3,112,302
Interest	7,981,023	7,896,866	7,653,135	7,638,656
Changes of Benefit Terms	-	-	846,455	-
Differences Between Expected and Actual Experience	(837,689)	(2,908,666)	(836,101)	(3,638,201)
Changes of Assumptions	2,877,832	-	2,856,143	2,635,915
Pension Payments	(7,267,196)	(7,360,001)	(5,545,127)	(6,214,152)
Refunds and Transfers of Member Contributions	83,500	983,806	760,954	14,149
Net Change in Total Pension Liability	<u>5,917,571</u>	<u>1,771,903</u>	<u>8,860,664</u>	<u>3,548,669</u>
Total Pension Liability - Beginning	<u>\$ 123,240,167</u>	<u>121,468,264</u>	<u>112,607,600</u>	<u>109,058,931</u>
Total Pension Liability - Ending (a)	<u>\$ 129,157,737</u>	<u>\$ 123,240,167</u>	<u>\$ 121,468,264</u>	<u>\$ 112,607,600</u>
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 2,452,012	\$ 2,349,733	\$ 2,364,781	\$ 2,754,758
Contributions - Member	824,295	836,475	845,571	882,644
Contributions - Non-employers Contributing Entities	3,168,661	2,992,387	2,931,797	2,828,601
Net Investment Income (Loss)	4,214,886	7,262,222	6,241,507	10,001,787
Pension Payments	(7,267,196)	(7,360,001)	(5,545,127)	(6,214,152)
Refunds and Transfers of Member Contributions	83,500	983,806	760,954	14,149
Administrative Expenses	(395,652)	(383,312)	(386,001)	(294,052)
Depreciation Expense	(5,572)	(5,299)	(6,085)	(929)
Net Change in Plan Fiduciary Net Position	<u>3,074,934</u>	<u>6,676,011</u>	<u>7,207,397</u>	<u>9,972,806</u>
Plan Fiduciary Net Position - Beginning	<u>104,539,975</u>	<u>97,863,964</u>	<u>90,656,567</u>	<u>80,683,761</u>
Plan Fiduciary Net Position - Ending (b)	<u>107,614,909</u>	<u>104,539,975</u>	<u>97,863,964</u>	<u>90,656,567</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 21,542,827</u>	<u>\$ 18,700,192</u>	<u>\$ 23,604,300</u>	<u>\$ 21,951,033</u>
Plan Fiduciary Net Position as a % of				
Total Pension Liability	83.32%	84.83%	80.57%	80.51%
Covered Employee Payroll	\$ 13,622,289	\$ 13,821,959	\$ 13,910,476	\$ 13,773,790
Net Pension Liability as a % of				
Covered Employee Payroll	158.14%	135.29%	169.69%	159.37%

(Continued)

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF CHANGES IN NET PENSION LIABILITY  
FOR THE SEVEN YEARS ENDED JUNE 30, 2020

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability:			
Service Cost	\$ 2,997,127	\$ 2,729,681	\$ 2,682,477
Interest	7,426,607	7,252,760	7,479,093
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(1,645,123)	(458,797)	(5,075,007)
Changes of Assumptions	-	(1,773,716)	3,821,234
Pension Payments	(5,544,922)	(5,489,023)	(4,625,620)
Refunds and Transfers of Member Contributions	4,757	(38,725)	12,511
Net Change in Total Pension Liability	<u>3,238,446</u>	<u>2,222,180</u>	<u>4,294,688</u>
Total Pension Liability - Beginning	<u>105,820,485</u>	<u>103,598,305</u>	<u>99,303,617</u>
Total Pension Liability - Ending (a)	<u>\$ 109,058,931</u>	<u>\$ 105,820,485</u>	<u>\$ 103,598,305</u>
Plan Fiduciary Net Position:			
Contributions - Employer	\$ 3,108,605	\$ 3,305,989	\$ 3,242,440
Contributions - Member	895,995	844,602	790,419
Contributions - Non-employers contributing entities	2,791,647	2,722,290	2,901,833
Net Investment Income (Loss)	(1,595,836)	(201,771)	9,208,738
Pension Payments	(5,544,922)	(5,489,023)	(4,624,834)
Refunds and Transfers of Member Contributions	4,757	(38,725)	12,511
Administrative Expenses	(305,644)	(291,132)	(257,830)
Depreciation Expense	(928)	(834)	(786)
Net Change in Plan Fiduciary Net Position	<u>(646,326)</u>	<u>851,396</u>	<u>11,272,491</u>
Plan Fiduciary Net Position - Beginning	<u>81,330,087</u>	<u>80,478,691</u>	<u>69,206,200</u>
Plan Fiduciary Net Position - Ending (b)	<u>80,683,761</u>	<u>81,330,087</u>	<u>80,478,691</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 28,375,170</u>	<u>\$ 24,490,398</u>	<u>\$ 23,119,614</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	73.98%	76.86%	77.68%
Covered Employee Payroll	\$ 13,816,022	\$ 13,632,944	\$ 13,370,887
Net Pension Liability as a % of Covered Employee Payroll	205.38%	179.64%	172.91%

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

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULES OF EMPLOYERS' NET PENSION LIABILITY  
FOR THE SEVEN YEARS ENDED JUNE 30, 2020

Fiscal Year End	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a % of Total Pension Liability	Covered Employee Payroll	Employers' Net Pension Liability as a % of Covered Employee Payroll
2020	\$129,157,737	\$107,614,909	\$ 21,542,828	83.32 %	\$ 13,622,289	158.14 %
2019	123,240,167	104,539,975	18,700,192	84.83	13,821,959	135.29
2018	121,468,264	97,863,964	23,604,300	80.57	13,910,476	169.69
2017	112,607,600	90,656,567	21,951,033	80.51	13,773,790	159.37
2016	109,058,931	80,683,761	28,375,170	73.98	13,816,022	205.38
2015	105,820,485	81,330,087	24,490,398	76.86	13,632,944	179.64
2014	103,598,305	80,478,691	23,119,614	77.68	13,370,887	172.91

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

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULES OF EMPLOYER CONTRIBUTIONS  
 EMPLOYER AND NON-EMPLOYER CONTRIBUTING ENTITIES  
FOR THE SEVEN YEARS ENDED JUNE 30, 2020

Fiscal Year End	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Liability	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2020	\$ 5,380,772	\$ 5,620,673	\$ (239,901)	\$ 13,622,289	41.26 %
2019	4,973,846	5,342,120	(368,274)	13,821,959	38.65
2018	4,845,012	5,296,578	(451,566)	13,910,476	38.08
2017	5,011,608	5,583,359	(571,751)	13,773,790	40.54
2016	5,286,296	5,900,252	(613,956)	13,816,022	42.71
2015	5,814,298	6,028,279	(213,981)	13,632,944	44.22
2014	5,868,421	6,144,273	(275,852)	13,370,887	45.95

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

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF INVESTMENT RETURNS  
FOR THE SEVEN YEARS ENDED JUNE 30, 2020

<u>Fiscal Year-End</u>	<u>Annual Money-Weighted Rate of Return*</u>
2020	4.28 %
2019	7.78
2018	6.87
2017	12.74
2016	(1.84)
2015	(0.47)
2014	14.54

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

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

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2020 AND 2019

1. SCHEDULE OF CHANGES IN NET PENSION LIABILITY:

The total pension liability contained in this schedule was provided by the System's actuary, G.S. Curran and Company. The net pension liability is measured as the total pension liability less the amount of the fiduciary new 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 employee payroll. The employers' net pension liability is the liability of contributing employers to members for benefits provided through the System. Covered employee payroll is the payroll of all employees that are provided with benefits through the plan.

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

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

4. SCHEDULE OF INVESTMENT RETURNS:

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

5. ACTUARIAL ASSUMPTIONS:

The information presented in the required supplementary schedules was used in the actuarial valuation for purposes of determining the actuarially determined contribution rate. The assumptions and methods used for the actuarial valuation were recommended by the actuary and adopted by the Board. Additional information on the assumptions and methods used as of the latest actuarial valuation are noted in Note 4, Net Pension Liability of Employers.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2020 AND 2019

6. CHANGES OF ASSUMPTIONS:

Mortality rate assumptions were changed for the year ended June 30, 2020. Other changes over the past seven years are as follows:

Actuarial Assumptions							
Valuation Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Investment Rate of Return	6.40%	6.50%	6.50%	6.75%	7.00%	7.00%	7.00%
Inflation Rate	2.30%	2.40%	2.40%	2.50%	2.50%	2.50%	2.75%
Salary Increases	5.25%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Mortality Rate - Active Members	Pub -2010 mortality table multiplied by 120% for males and females using the appropriate MP-2019 improvement scale.	RP-2000 Set forward 1 year for males	RP-2000 Set forward 1 year for males	RP-2000 Set forward 1 year for males	RP-2000 Set forward 1 year for males	RP-2000 Set forward 1 year for males	RP-2000 Set forward 1 year for males
Mortality Rate - Annuitant and Beneficiary	Pub -2010 mortality table multiplied by 120% for males and females using the appropriate MP-2019 improvement scale.	RP-2000 projected to 2030	RP-2000 projected to 2030	RP-2000 projected to 2030	RP-2000 projected to 2030	RP-2000 projected to 2030	RP-2000 projected to 2030
Mortality Rate - Disabled	Pub -2010 mortality table multiplied by 120% for males and females using the appropriate MP-2019 improvement scale.	RP-2000 set back 5 years for males and 3 years for females	RP-2000 set back 5 years for males and 3 years for females	RP-2000 set back 5 years for males and 3 years for females	RP-2000 set back 5 years for males and 3 years for females	RP-2000 set back 5 years for males and 3 years for females	RP-2000 set back 5 years for males and 3 years for females



**SUPPLEMENTARY INFORMATION**

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULES OF INVESTMENTS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>FIXED INCOME - DOMESTIC:</b>		
Bonds:		
Federal Home Loan Mortgage Corporation	\$ 2,487,127	\$ 3,330,608
Federal National Mortgage Association	1,965,920	1,461,142
Government National Mortgage Association	241,793	284,210
Corporate bonds	<u>9,826,516</u>	<u>6,521,816</u>
Total Bonds	<u>14,521,356</u>	<u>11,597,776</u>
Mutual Funds:		
Blackrock Multi-Asset Income Fund	4,888,639	4,879,836
PIMCO Diversified Income Fund	10,323,389	5,039,349
JP Morgan Income Builder Fund	5,014,649	5,109,865
Total Mutual Funds	<u>20,226,677</u>	<u>15,029,050</u>
TOTAL FIXED INCOME - DOMESTIC	<u>\$ 34,748,033</u>	<u>\$ 26,626,826</u>
<b>FIXED INCOME - INTERNATIONAL:</b>		
Mutual Funds:		
Templeton Global Bond Fund	\$ 16,355	\$ 4,505,688
TOTAL FIXED INCOME - INTERNATIONAL	<u>\$ 16,355</u>	<u>\$ 4,505,688</u>
<b>EQUITIES - DOMESTIC:</b>		
Marketable Securities:		
Common stock	<u>\$ 28,024,587</u>	<u>\$ 28,696,730</u>
Mutual Funds:		
Vanguard US Index Fund	<u>12,982,692</u>	<u>13,155,257</u>
Total Mutual Funds	<u>12,982,692</u>	<u>13,155,257</u>
TOTAL EQUITIES - DOMESTIC	<u>\$ 41,007,279</u>	<u>\$ 41,851,987</u>
<b>EQUITIES - INTERNATIONAL:</b>		
Marketable Securities:		
Common stock	<u>\$ 1,797,997</u>	<u>\$ 1,967,108</u>
Mutual Funds:		
Dodge & Cox International Equity	-	4,448,453
Vanguard Total International Stock Index Fund	9,459,431	8,820,738
Vontobel International Equity Fund	<u>10,082,269</u>	<u>4,979,046</u>
Total Mutual Funds	<u>19,541,700</u>	<u>18,248,237</u>
TOTAL EQUITIES - INTERNATIONAL	<u>\$ 21,339,697</u>	<u>\$ 20,215,345</u>
<b>REAL ESTATE:</b>		
American Core Realty Fund, LP	\$ 7,260,645	\$ 7,111,782
FWAR Investors	-	-
TOTAL REAL ESTATE	<u>\$ 7,260,645</u>	<u>\$ 7,111,782</u>
<b>ALTERNATIVE INVESTMENTS:</b>		
Equitas Evergreen Fund, L.P.	\$ 27,283	\$ 26,132
Greenspring Crossover Ventures I, L.P.	<u>260,807</u>	<u>274,714</u>
TOTAL ALTERNATIVE INVESTMENTS	<u>\$ 288,090</u>	<u>\$ 300,846</u>

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULES OF INVESTMENTS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
FIXED INCOME - DOMESTIC:		
Bonds:		
Federal Farm Credit Banks Funding Corporation	\$ -	\$ 87,036
Federal Home Loan Banks Funding Corporation	15,128	15,475
Total Bonds	15,128	102,511
Exchange Traded Funds:		
iShares Intermediate Credit Bonds	63,339	22,552
Vanguard Security	11,363	-
Vanguard Scottsdale FDS Intermediate Term Government	110,160	114,788
Vanguard Short-Term Corporate Bonds	74,063	117,793
Vanguard Short-Term Govt Bonds	110,467	56,665
Total Exchange Traded Funds	369,392	311,798
TOTAL FIXED INCOME - DOMESTIC	\$ 384,520	\$ 414,309
EQUITIES - DOMESTIC:		
Exchange Traded Funds:		
iPath S&P 500 ETF Trust	\$ -	\$ 2,691
iShares S&P 500 Growth ETF	16,392	-
iShares Russell 2000 ETF	6,729	-
iShares S&P Mid-Cap Growth ETF	7,169	-
Index IQ ETF Hedge Multi Strategy Tracker ETF	-	26,313
iShares Core S&P Mid-Cap ETF	27,740	53,810
iShares Core S&P 500 ETF	121,398	203,672
iShares Core S&P Small-Cap ETF	-	17,926
UBS Alerian MLP Index ETN	-	4,980
Total Exchange Traded Funds	179,428	309,392
TOTAL EQUITIES - DOMESTIC	\$ 179,428	\$ 309,392
EQUITIES - INTERNATIONAL:		
Exchange Traded Funds:		
iShares MSCI EAFE ETF	\$ -	\$ 22,940
iShares Core MSCI EAFE ETF	15,147	-
iShares S&P Global Infrastructure ETF	1,532	-
iShares Core MSCI Emerging Markets	10,139	-
iShares Frontier 100 Fund	-	4,947
iShares MSCI EAFE Small-Cap ETF	-	5,568
Vanguard FTSE Emerging Markets ETF	-	13,907
TOTAL EQUITIES - INTERNATIONAL	\$ 26,818	\$ 47,362

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
 SUPPLEMENTARY INFORMATION  
 SCHEDULES OF ADMINISTRATIVE EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Accountant	\$ 76,711	65,569
Actuarial	49,380	49,830
Administrative	55,011	54,062
Bank charges	4,254	3,806
Board member-per diem	2,100	2,025
Board of trustees - Meeting/Travel	14,907	18,807
Computer	4,217	7,312
Insurance	33,390	26,607
Legal	21,783	22,409
Membership dues and subscriptions	568	915
Miscellaneous	14,103	8,358
Office expense	7,768	11,615
Payroll expenses	93,089	93,891
Rent	14,400	14,400
Telephone	3,971	3,706
	<hr/>	<hr/>
TOTAL EXPENSES	<u>\$ 395,652</u>	<u>\$ 383,312</u>

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
 SUPPLEMENTARY INFORMATION  
 SCHEDULES OF BOARD COMPENSATION  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

<u>TRUSTEE</u>	<u>2020</u>	<u>2019</u>
Dennis DiMarco	\$ 150	\$ 225
Charlene Menard	225	375
Brian Champagne	300	225
Billie Meyer	225	-
Shanika Olinde	225	-
Robert Poche	375	375
Joanne Reed	75	-
Sandra Moorer	225	375
Dwayne Wall	300	375
Deborah Wasckom	<u>-</u>	<u>75</u>
	<u>\$ 2,100</u>	<u>\$ 2,025</u>

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
 TO AGENCY HEAD  
FOR THE YEAR ENDED JUNE 30, 2020

<u>Agency head: Chair of the Board</u>	<u>Charlene Menard</u> July 1, 2019- December 31, 2019	<u>Brian Champagne</u> January 1, 2020 - June 30, 2020	<u>Total</u>
<u>Purpose</u>			
Per diem	\$ 150	\$ 225	\$ 375
Travel	375	170	545
Registration fees	100	-	100
Conference travel	609	720	1,329
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 1,234</u>	<u>\$ 1,115</u>	<u>\$ 2,349</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*

December 9, 2020

Registrars of Voters Employees'  
Retirement System of Louisiana  
P. O. Box 1959  
Gonzales, LA 70707

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 financial statements of the Registrars of Voters Employees' Retirement System, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Registrars of Voters Employees' Retirement System's basic financial statements, and have issued our report thereon dated December 9, 2020.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Registrars of Voters Employees' Retirement System's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Registrars of Voters Employees' Retirement System's internal control. Accordingly, we do not express an opinion on the effectiveness of the Registrars of Voters 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

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

#### Purpose of this Report

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

*Duplantier, Sharpness, Hogan and Drake, LLP*

New Orleans, Louisiana



REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
SUMMARY SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED JUNE 30, 2020

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of Registrars of Voters Employees' Retirement System for the year ended June 30, 2020 was unmodified.
2. The audit disclosed no instances of noncompliance.
3. Findings required to be reported under Generally Accepted Government Auditing Standards:  
None
4. Status of prior year comments:  
None

REGISTRAR OF VOTERS EMPLOYEES'  
RETIREMENT SYSTEM

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

JUNE 30, 2020



# Duplantier Hrapmann Hogan & Maher, LLP

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES

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Board of Trustees  
Registrar of Voters Employees'  
Retirement System  
P. O. Box 1959  
Gonzales, LA 70707

August 25, 2020

We have applied the procedures enumerated below which were agreed to by the Registrar of Voters Employees' Retirement System (the specified user), solely to assist in determining if the purchases, sales, and other activity of the investments of the Registrar of Voters Employees' Retirement System for the quarter ended June 30, 2020 have been properly recorded and that the assets are properly safeguarded. This agreed upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed were as follows:

- 1) We reviewed the equity, bond, and alternative investment transactions for each month of the quarter.
- 2) We reviewed purchases and sales of investments to determine that entries have been properly made and assets were properly safeguarded.
- 3) We reviewed detailed schedules of investment income to determine that investment income was properly received and recorded when due.
- 4) We reviewed the bank reconciliations for the last month of the quarter.

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Findings relating to the application of procedures described above were as follows:

- 1) We reviewed the equity, bond, and alternative investment transactions for each month of the quarter (Item 1).
  - A) During our review, we noted the fair market value of the Equitas investments was under reported by \$108. This resulted in under reporting of investment assets by \$108 and investment income of \$108. We provided a proposed entry to correct the posting.
  - B) During our review, we noted two prior quarter proposed entries of \$65,968 and (\$738) were posted to the class action settlements account instead of the appropriate investment income accounts. We provided a proposed entry to correct the posting.
- 2) We reviewed purchases and sales of investments to determine that entries have been properly made and assets were properly safeguarded (Item 2).

No findings were noted as a result of applying the procedures above.

- 3) We reviewed detailed schedules of investment income to determine that investment income was properly received and recorded when due (Item 3).

No findings were noted as a result of applying the procedures above.

- 4) We reviewed the bank reconciliations for the last month of the quarter (Item 4):

No findings were noted as a result of applying the procedures above.

Because the procedures noted above do not constitute an examination made in accordance with generally accepted auditing standards, we do not express an opinion on the procedures for the quarter ended June 30, 2020. Had we performed additional procedures in accordance with auditing standards generally accepted in the United States of America, matters might have come to our attention that would have been reported to you. This report relates only to the items specified above and does not extend to any financial statements of the Registrar of Voters Employees' Retirement System of Louisiana taken as a whole.

This information is intended solely for the use of the Registrar of Voters Employees' Retirement System's Board of Trustees, management, and custodian bank, and is not intended to be and should not be used by anyone other than those specified parties.

*Duplantier, Chapman, Hogan and Baker, LLP*

New Orleans, Louisiana