

R E P O R T

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

JUNE 30, 2014

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

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INDEPENDENT AUDITOR'S REPORT

January 8, 2015

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

We have audited the accompanying financial statements of the Registrar of Voters Employees' Retirement System, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Registrar 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 audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

1615 Poydras Street, Suite 2100 • New Orleans, LA 70112 • (504) 586-8866 • Fax (504) 525-5888
1670 Old Spanish Trail • Slidell, LA 70458 • (985) 649-9996 • Fax (985) 649-9940
247 Corporate Drive • Houma, LA 70360 • (985) 868-2630 • Fax (985) 872-3833
5047 Highway 1, P. O. Box 830 • Napoleonville, LA 70390 • (985) 369-6003 • Fax (985) 369-9941
www.dhhmcpa.com

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 Registrar of Voters Employees' Retirement System, as of June 30, 2014 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 Registrar of Voters Employees' Retirement System was \$103,598,305 as of June 30, 2014. 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, 2014 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 Registrar of Voters Employees' Retirement System's basic financial statements. The supporting schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supporting schedules are the responsibility of management and were derived from and relate 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 schedules are 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 January 8, 2015 on our consideration of the Registrar 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 Registrar of Voters Employees' Retirement System's internal control over financial reporting and compliance.

Duplantier, Hrapmann, Hogan & Maher, LLP

REGISTRAR OF VOTERS
EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

The Management's Discussion and Analysis of the Registrar 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, 2014. This document focuses on the current year's activities, resulting changes, currently known facts in comparison with the prior year's information. Please read this document in conjunction with the information contained in the Registrar of Voters Employees' Retirement System of Louisiana's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

- » The Registrar of Voters Employees' Retirement System's assets exceeded its liabilities as of June 30, 2014 by \$81,781,278, which represents an increase from the prior year. The net position held in trust for pension benefits increased by \$11,258,916 or 16.0%. The increase was primarily attributable to an improvement in investment performance.
- » Contributions to the System by members, employers and tax revenues totaled \$6,934,692, an increase of \$1,005,197 or 17.0%.
- » Pension benefits paid to retirees and beneficiaries increased by \$437,503 or 10.2%. This increase was primarily attributable to an increase in the number of members receiving benefit payments.
- » Administrative expenses of the System totaled \$257,830, a decrease of \$8,132 or 3.1%.
- » Net investment income was \$9,287,608 for the year ended June 30, 2014, which represents a 46.6% increase compared to the prior year. The increase is primarily attributable to an improvement in investment performance.

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:

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

This report also contains required supplemental information in addition to the basic financial statements 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, 2014 and 2013.

REGISTRAR OF VOTERS
EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

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 SYSTEM

Registrar 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, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash	\$ 2,145,143	\$ 5,181,069
Receivables	587,024	958,686
Investments	79,202,429	64,771,969
Property and equipment	<u>3,145</u>	<u>-</u>
Total assets	81,937,741	70,911,724
Total liabilities	<u>156,463</u>	<u>389,362</u>
Net Position Held in Trust		
For Pension Benefits	<u>\$ 81,781,278</u>	<u>\$ 70,522,362</u>

Fiduciary net position increased by \$11,258,916 or 16.0%. The increase in fiduciary net position was primarily a result of an improvement in investment performance in 2014.

REGISTRAR OF VOTERS
EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

Statements of Changes in Fiduciary Net Position
For the Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Additions:		
Contributions	\$ 6,934,692	\$ 5,929,495
Investment Income	9,287,608	6,337,315
Other	<u>93,017</u>	<u>42,479</u>
Total additions	16,315,317	12,309,289
Total Deductions	<u>5,056,401</u>	<u>4,656,546</u>
Increase in Fiduciary Net Position	<u>\$ 11,258,916</u>	<u>\$ 7,652,743</u>

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 \$9,287,608 during the fiscal year ended June 30, 2014. The investment gain was primarily attributable to an overall improvement in market performance during the current year.

	<u>2014</u>	<u>2013</u>	<u>Change</u>
Member Contributions	\$ 790,419	\$ 785,705	0.6%
Employer Contributions Ad Valorem & State	3,242,440	2,634,568	23.1
Revenue Sharing	2,901,833	2,509,222	15.6
Net Investment Income	9,287,608	6,337,315	46.6
Other	<u>93,017</u>	<u>42,479</u>	119.0
Total Additions	<u>\$ 16,315,317</u>	<u>\$ 12,309,289</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 \$5,056,401 during the fiscal year ended June 30, 2014. This is an increase of \$399,855 from the prior year and was primarily attributable to an increase in the number of members receiving benefit payments during the fiscal year end June 30, 2014.

REGISTRAR OF VOTERS
EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

	<u>2014</u>	<u>2013</u>	<u>Change</u>
Retirement Benefits	\$ 4,717,279	\$ 4,279,776	10.2%
Refunds of Contributions	80,506	43,957	83.1
Administrative Expenses	257,830	265,962	3.1
Depreciation Expense	786	-	100.0
Transfers to Other Systems	-	66,851	(100.0)
Total Deductions	<u>\$ 5,056,401</u>	<u>\$ 4,656,546</u>	

Investments

Registrar 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, 2014 were valued at \$79,202,429 as compared to \$64,771,969 as of June 30, 2013. The System's investments in various markets at the end of the 2014 and 2013 fiscal years are indicated in the following table:

	<u>2014</u>	<u>2013</u>	<u>Change</u>
Cash Equivalents	\$ 1,288,017	\$ 7,585,111	(83.0)%
Bonds	11,930,429	13,521,733	(11.8)
Marketable Securities	23,605,738	19,791,545	19.3
Mutual Funds	35,709,523	11,005,743	224.5
Limited Liability Companies	914,232	968,597	(5.6)
Limited Partnerships	1,345,123	6,591,607	(79.6)
Commingled Funds	<u>4,409,367</u>	<u>5,307,633</u>	(16.9)
Total	<u>\$ 79,202,429</u>	<u>\$ 64,771,969</u>	

Requests for Information

Questions concerning any of the information provided or requests for additional financial information should be addressed to Lorraine Dees, Executive Director, Registrar of Voters Employees' Retirement System of Louisiana, P.O. Box 57, Jennings, LA 70546.

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014

	2014		
	Retirement System <u>Trust Fund</u>	Members' Supplemental Savings <u>Trust Fund</u>	Total (Memorandum Only)
<u>ASSETS</u>			
CASH:			
In bank	\$ 2,145,143	\$ -	\$ 2,145,143
RECEIVABLES:			
Member contributions	69,233	-	69,233
Employer contributions	284,704	-	284,704
Investment receivable	50,371	-	50,371
Other receivable	30,745	-	30,745
Accrued interest and dividends	149,334	2,637	151,971
Total receivables	<u>584,387</u>	<u>2,637</u>	<u>587,024</u>
INVESTMENTS AT FAIR VALUE:			
Cash equivalents	1,211,609	76,408	1,288,017
Corporate bonds	8,418,882	-	8,418,882
Government bonds	3,303,654	207,893	3,511,547
Limited liability companies	914,232	-	914,232
Limited partnerships	1,345,123	-	1,345,123
Marketable securities	23,605,738	-	23,605,738
Mutual funds	35,709,523	-	35,709,523
Commingled funds	3,393,718	1,015,649	4,409,367
Total investments	<u>77,902,479</u>	<u>1,299,950</u>	<u>79,202,429</u>
FURNITURE AND EQUIPMENT:			
Net of accumulated depreciation of \$27,270 for 2014	3,145	-	3,145
Total assets	<u>80,635,154</u>	<u>1,302,587</u>	<u>81,937,741</u>
<u>LIABILITIES</u>			
Accounts payable	20,886	-	20,886
Investment payable	135,577	-	135,577
Total liabilities	<u>156,463</u>	<u>-</u>	<u>156,463</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS			
	\$ <u>80,478,691</u>	\$ <u>1,302,587</u>	\$ <u>81,781,278</u>

See accompanying notes.

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

	2014		
	Retirement System <u>Trust Fund</u>	Members' Supplemental Savings <u>Trust Fund</u>	Total (Memorandum Only)
ADDITIONS:			
Contributions:			
Members	\$ 790,419	\$ -	\$ 790,419
Employers	3,242,440	-	3,242,440
Tax revenue	2,901,833	-	2,901,833
Total contributions	<u>6,934,692</u>	<u>-</u>	<u>6,934,692</u>
Investment income:			
Net appreciation in fair value of investments	7,811,859	58,900	7,870,759
Interest	521,384	19,970	541,354
Dividends	1,172,688	-	1,172,688
Other investment income	18,874	-	18,874
	<u>9,524,805</u>	<u>78,870</u>	<u>9,603,675</u>
Less: Investment advisory fees	203,476	-	203,476
Investment consulting fees	78,750	-	78,750
Custodial fees	33,841	-	33,841
Net investment income	<u>9,208,738</u>	<u>78,870</u>	<u>9,287,608</u>
Other additions:			
Transfers from other systems - employee	11,554	-	11,554
Transfers from other systems - employer/interest	81,463	-	81,463
Total other additions	<u>93,017</u>	<u>-</u>	<u>93,017</u>
Total additions	<u>16,236,447</u>	<u>78,870</u>	<u>16,315,317</u>
DEDUCTIONS:			
Pensions payments	4,624,834	92,445	4,717,279
Refund of contributions	80,506	-	80,506
Administrative expenses	257,830	-	257,830
Depreciation	786	-	786
Total deductions	<u>4,963,956</u>	<u>92,445</u>	<u>5,056,401</u>
NET INCREASE (DECREASE)	11,272,491	(13,575)	11,258,916
NET POSITION - RESTRICTED FOR PENSION BENEFITS			
BEGINNING OF YEAR	<u>69,206,200</u>	<u>1,316,162</u>	<u>70,522,362</u>
END OF YEAR	<u>\$ 80,478,691</u>	<u>\$ 1,302,587</u>	<u>\$ 81,781,278</u>

See accompanying notes.

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

The Registrar 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 elected members and two legislators who serve as ex-officio members, all of whom are voting members consisting of six active and contributing members who have at least ten years of creditable service, and the chairman of the House Committee on Retirement and the chairman of the Senate Committee on Retirement each serving as ex-officio 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 Registrar 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 Registrar 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.

During the year ended June 30, 2014, the Fund adopted 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 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:

Investments are reported at fair value. Short-term investments are reported at amortized 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. Investments in commingled funds, limited liability companies, and limited partnerships are reported at fair value.

Furniture and Equipment:

Furniture and equipment of the System are accounted for and capitalized in the Pension Fund. Depreciation of fixed assets is recorded as an expense in the Pension Fund. 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.

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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 Registrar 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 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, 2014. As of June 30, 2014, statewide retirement membership consists of:

Inactive plan members or beneficiaries receiving benefits	151
Inactive plan members entitled to but not yet receiving benefits	35
Active plan members	<u>241</u>
Total number of members	<u>427</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 sixty years, who shall have completed ten 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 sixty years.

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

2. PLAN DESCRIPTION: (Continued)

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 sixty years shall be entitled to a regular retirement allowance. The disabled member who has not yet attained age sixty shall be entitled to a disability benefit equal to the lesser of three percent of his average final compensation multiplied by the number of creditable years of service (not to be less than fifteen years) or three and one third percent of average final compensation multiplied by the years of service assuming continued service to age sixty. Disability benefits may not exceed two-thirds of earnable compensation.

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 ten or more years of service at age sixty, twenty or more years of service at age fifty-five, or thirty 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.

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

2. PLAN DESCRIPTION: (Continued)

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 one percent 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.

Cost of living provisions for the System allows the board of trustees to provide an annual cost of living increase of 2.5% of the eligible retiree's original benefit if certain funding criteria are met. Members are eligible to receive a cost of living adjustment once they have reached the age of sixty and have been retired at least one year. Funding criteria for granting cost of living adjustments are 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, 2014, the number of participants in the plan was 127.

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, 2014, 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, 2014.

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

2. PLAN DESCRIPTION: (Continued)

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.

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.

3. CONTRIBUTIONS AND RESERVES:

Contributions:

Contributions for all members are established by state statute at not less than 7.0% and not more than 9.0% of earnable compensation, as determined by the Board in consultation with the System's actuary. The member contribution rate for June 30, 2014 was 7.0%. The contributions are deducted from the member's salary and remitted by the participating registrar.

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2014, the actual employer contribution rate was 24.25%. For the year ended June 30, 2014, the actuarially determined employer contribution rate was 22.58%. The actual rate is different from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective.

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.

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:

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

3. CONTRIBUTIONS AND RESERVES: (Continued)

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, 2014 is \$5,479,989.

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, 2014 is \$6,076,384.

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, 2014 is \$34,266,757.

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, 2014 is \$34,655,561.

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

3. CONTRIBUTIONS AND RESERVES: (Continued)

E) 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, 2014 is \$1,302,587.

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, 2014:

<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability</u>	<u>Plan Fiduciary Net Position as a % of the Total Pension Liability</u>
\$ 103,598,305	\$ 80,478,691	\$ 23,119,614	77.68%

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, 2014 valuation were based on the results of an experience study for the period from July 1, 2006 and June 30, 2010. 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, 2014 is based on actuarial valuation for the same period, updated using generally accepted actuarial procedures.

Information on the actuarial methods and assumptions used as of the June 30, 2014 actuarial valuation is as follows:

Valuation Date	June 30, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.0%

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

4. NET PENSION LIABILITY OF EMPLOYERS: (Continued)

Inflation Rate:	2.75%
Mortality:	RP-2000 Combined Healthy Mortality Table for active members, healthy annuitants and beneficiaries RP-2000 Disabled Lives Mortality Table for disabled annuitants
Salary Increases:	6.00% (2.75% Inflation, 3.25% Merit)
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. Future cost of living increases are only granted if specific target ratios are met and excess interest earnings are available to fund the cost of the benefit increase.

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 is 7.0% for the year ended June 30, 2014.

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, 2014 is as follows:

<u>Asset Class</u>	<u>Expected Rate of Return</u>		
	<u>Target Asset Allocation</u>	<u>Real Return Arithmetic Basis</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Equity Securities	60%	7.78%	4.67%
Bonds	35	2.84	0.99
Alternative Investments	5	4.50	0.23
Cash and Cash Equivalents	-	-	-
Totals	100%		5.89%
Inflation			<u>2.50</u>
Expected Arithmetic Nominal Return			<u>8.39%</u>

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

4. NET PENSION LIABILITY OF EMPLOYERS: (Continued)

The discount rate used to measure the total pension liability was 7.0%. 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 of 7.0%, 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 6.0% or one percentage point higher 8.0% than the current rate:

	Changes in Discount Rate:		
	<u>2014</u>		
	1% Decrease	Current Discount Rate	1% Increase
	<u>6.0%</u>	<u>7.0%</u>	<u>8.0%</u>
Net Pension Liability	\$ <u>33,978,906</u>	\$ <u>23,119,617</u>	\$ <u>13,807,433</u>

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS:

The following are the components of the System's deposits, cash equivalents and investments as of June 30, 2014:

	Retirement System <u>Trust Fund</u>	Members' Supplemental Savings <u>Trust Fund</u>	<u>Total</u>
Deposits (bank balance)	\$ 2,189,640	\$ -	\$ 2,189,640
Cash equivalents	1,211,609	76,408	1,288,017
Investments	<u>76,690,870</u>	<u>1,223,542</u>	<u>77,914,412</u>
	<u>\$ 80,092,119</u>	<u>\$ 1,299,950</u>	<u>\$ 81,392,069</u>

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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

Deposits:

The System's bank deposits were entirely covered by Federal depository insurance and pledged collateral held in the name of the System.

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 fifty-five percent of the total portfolio in equities, except that the System may invest up to sixty-five percent 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, 2014, the System held no investments in any single issuer (other than those issued or guaranteed by the U.S. Government or mutual funds) that represented 5% of total investments or 5% of net position.

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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

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. Following are the credit risk ratings of the System's investments in long-term debt securities as of June 30, 2014:

	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)	Total
AAA	\$ --	\$ 17,071	\$ --	\$ 93,611	\$ --	\$ 97,211	\$ 207,893
AA-	302,439	--	--	--	--	--	302,439
A	3,700,517	--	--	--	--	--	3,700,517
A-	310,143	--	--	--	--	--	310,143
BBB+	1,630,347	--	--	--	--	--	1,630,347
BBB	1,761,241	--	--	--	--	--	1,761,241
BBB-	714,195	--	--	--	--	--	714,195
Not Rated	--	--	2,148,954	370,328	784,372	--	3,303,654
	<u>\$ 8,418,882</u>	<u>\$ 17,071</u>	<u>\$ 2,148,954</u>	<u>\$ 463,939</u>	<u>\$ 784,372</u>	<u>\$ 97,211</u>	<u>\$ 11,930,429</u>

The System held investments in an unrated bond mutual fund in the amount of \$6,017,293 as of June 30, 2014. The System also held investments in a money market mutual fund in the amount of \$1,288,017 as of June 30, 2014. The money market mutual fund was rated AAAM as of June 30, 2014.

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, 2014 for investments in the amount of \$79,202,429 since the investments are held in the name of the System. The System has no formal policy regarding custodial credit risk.

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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

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. As of June 30, 2014, the System had the following investments in long-term debt securities and maturities:

	<u>Less than 1 Year</u>	<u>1 – 5 Years</u>	<u>6 – 10 Years</u>	<u>Greater than 10 Years</u>	<u>Fair Value</u>
Corporate Bonds	\$ <u>77,674</u>	\$ <u>3,305,670</u>	\$ <u>3,922,694</u>	\$ <u>1,112,844</u>	\$ <u>8,418,882</u>
Governmental Bonds:					
FFCB	\$ --	\$ --	\$ 97,211	\$ --	\$ 97,211
FHLB	--	--	17,071	--	17,071
FHLMC	--	--	--	2,148,954	2,148,954
FNMA	--	93,611	--	370,328	463,939
GNMA	<u>--</u>	<u>--</u>	<u>--</u>	<u>784,372</u>	<u>784,372</u>
Total Governmental Bonds	\$ <u>--</u>	\$ <u>93,611</u>	\$ <u>114,282</u>	\$ <u>3,303,654</u>	\$ <u>3,511,547</u>

The System has no formal policy regarding interest rate risk.

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.

Foreign Currency Risk:

Foreign currency risk is defined as the risk that changes in exchange rates will adversely affect the fair value of an investment. The 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, 2014

Country/Currency

Bermuda/Bermudian Dollar	\$ 357,002
Canada/Canadian Dollar	179,512
Ireland/Euro	690,602
Israel/Israeli New Shekel	307,705
Netherlands/Euro	232,199
Netherlands Antilles/Netherlands Antillean Guilder	310,444
Switzerland/Swiss Franc	318,227
United Kingdom/British Pound	<u>331,139</u>
Total	\$ <u>2,726,830</u>

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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

Commitments:

As of June 30, 2014, the System has no commitments to purchase any additional investments.

Investments in Limited Liability Companies and Limited Partnerships:

The System invested in three limited partnerships and two limited liability companies in order to enhance diversification. The value of these investments as of June 30, 2014 was \$2,259,355.

Money-Weighted Rate of Return:

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for the year ended June 30, 2014 was 14.54%. The money-weighted return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

6. FURNITURE AND EQUIPMENT:

The change in furniture and equipment consisted of the following for the year ended June 30, 2014:

Balance – Beginning of year	\$ 26,484
Additions	3,931
Deletions	<u>-</u>
	30,415
Less accumulated depreciation	<u>(27,270)</u>
Balance – End of year	<u>\$ 3,145</u>

Depreciation expense was \$786 for the year ended June 30, 2014.

7. 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.

8. TAX QUALIFICATION:

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

REQUIRED SUPPLEMENTARY INFORMATION

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2014

	<u>2014</u>
Total Pension Liability	
Service Cost	\$ 2,682,477
Interest	7,479,093
Differences Between Expected and Actual Experience	(5,075,007)
Changes of Assumptions	3,821,234
Pension Payments	(4,625,620)
Refunds and Transfers of Member Contributions	12,511
Net Change in Total Pension Liability	<u>4,294,688</u>
Total Pension Liability - Beginning	99,303,617
Total Pension Liability - Ending (a)	<u>\$ 103,598,305</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 3,242,440
Contributions - Member	790,419
Contributions - non-employers contributing entities	2,901,833
Net Investment Income (Loss)	9,208,738
Pension Payments	(4,625,620)
Refunds and Transfers of Member Contributions	12,511
Administrative Expenses	(257,830)
Depreciation Expense	(786)
Net Change in Plan Fiduciary Net Position	<u>11,271,705</u>
Plan Fiduciary Net Position - Beginning	69,206,200
Plan Fiduciary Net Position - Ending (b)	<u>\$ 80,477,905</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 23,120,400</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	77.68%
Covered Employee Payroll	\$ 13,370,887
Net Pension Liability as a % of Covered Employee Payroll	172.91%

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

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2014

	Total Pension Liability	Plan Fiduciary Net Postion	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
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.

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 EMPLOYER AND NON-EMPLOYER CONTRIBUTING ENTITIES
FOR THE YEAR ENDED JUNE 30, 2014

<u>Date</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Liability</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
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.

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
FOR THE YEAR ENDED JUNE 30, 2014

	Annual Money-Weighted <u>Rate of Return*</u>
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.

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2014

1. SCHEDULE OF CHANGES IN NET PENSION LIABILITY:

The total pension liability contained in this schedule was provided by the Systems 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 Systems 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 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. Advalorem 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.

SUPPLEMENTARY INFORMATION

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
STATEMENT OF CHANGES IN RESERVE BALANCES
RETIREMENT SYSTEM TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Annuity Savings	Annuity Reserve	Deferred Retirement Option Plan	Pension Accumulation	Total
BALANCE - BEGINNING	\$ <u>5,988,743</u>	\$ <u>30,487,857</u>	\$ <u>5,079,861</u>	\$ <u>27,649,739</u>	\$ <u>69,206,200</u>
REVENUES AND TRANSFERS:					
Employee contributions	790,419	-	-	-	790,419
Employer contributions	-	-	-	3,242,440	3,242,440
Net investment income	-	-	-	9,208,738	9,208,738
Parish tax collector	-	-	-	2,901,833	2,901,833
Transfers from other systems	11,554	-	-	81,463	93,017
Miscellaneous income	-	-	-	-	-
Pensions transferred from Annuity Reserve	-	-	1,329,461	-	1,329,461
Transfer from Annuity Savings	-	633,826	-	-	633,826
Actuarial transfer	-	8,558,840	-	-	8,558,840
Total revenues	<u>801,973</u>	<u>9,192,666</u>	<u>1,329,461</u>	<u>15,434,474</u>	<u>26,758,574</u>
EXPENDITURES AND TRANSFERS:					
Refunds to members	80,506	-	-	-	80,506
Transfer to Annuity Reserve	633,826	-	-	-	633,826
Pensions paid	-	3,695,501	929,333	-	4,624,834
Transfers to other systems	-	-	-	-	-
Administrative expense	-	-	-	257,830	257,830
Depreciation expense	-	-	-	786	786
Pensions transferred to DROP	-	1,329,461	-	-	1,329,461
Actuarial transfer	-	-	-	8,558,840	8,558,840
Total expenditures	<u>714,332</u>	<u>5,024,962</u>	<u>929,333</u>	<u>8,817,456</u>	<u>15,486,083</u>
NET INCREASE (DECREASE)	<u>87,641</u>	<u>4,167,704</u>	<u>400,128</u>	<u>6,617,018</u>	<u>11,272,491</u>
BALANCE - ENDING	\$ <u>6,076,384</u>	\$ <u>34,655,561</u>	\$ <u>5,479,989</u>	\$ <u>34,266,757</u>	\$ <u>80,478,691</u>

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED JUNE 30, 2014

<u>BONDS</u>	<u>Fair Value</u>
Government:	
Federal Home Loan Mortgage Corporation	\$ 2,148,954
Federal National Mortgage Association	370,328
Government National Mortgage Association	784,372
Total Government Bonds	<u>3,303,654</u>
Corporate Bonds	<u>8,418,882</u>
TOTAL BONDS	<u>\$ 11,722,536</u>
<u>LIMITED LIABILITY COMPANIES</u>	
Sand Spring Capital, LLC	\$ 319,819
Land Baron, LLC	594,413
TOTAL LIMITED LIABILITY COMPANIES	<u>\$ 914,232</u>
<u>LIMITED PARTNERSHIPS</u>	
Americus Real Estate Fund IV Ltd.	\$ 214,437
Equitas Evergreen Fund L.P.	106,049
Greenspring Crossover Ventures I, L.P.	1,024,637
TOTAL LIMITED PARTNERSHIPS	<u>\$ 1,345,123</u>
<u>MARKETABLE SECURITIES</u>	
Common Stock - Domestic	\$ 20,878,908
Common Stock - Foreign	2,726,830
TOTAL MARKETABLE SECURITIES	<u>\$ 23,605,738</u>
<u>MUTUAL FUNDS</u>	
Oppenheimer Developing Markets Fund	\$ 4,106,782
PIMCO All Asset Fund	3,887,747
PIMCO Diversified Income Fund	5,820,917
Templeton Global Bond Fund	6,017,293
Vanguard Total International Stock Index Fund	4,164,632
Vanguard US Index Fund	7,783,495
Westwood Income Opportunity Fund	3,928,657
TOTAL MUTUAL FUNDS	<u>\$ 35,709,523</u>
<u>COMMINGLED FUNDS</u>	
International Equity Fund	\$ 3,393,718
TOTAL COMMINGLED FUNDS	<u>\$ 3,393,718</u>

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
MEMBERS' SUPPLEMENTAL SAVINGS TRUST FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Fair Value</u>
<u>BONDS</u>	
Government:	
Federal Farm Credit Banks Funding Association	\$ 97,211
Federal Home Loan Bank	17,071
Federal National Mortgage Association	<u>93,611</u>
TOTAL GOVERNMENT BONDS	\$ <u><u>207,893</u></u>
 <u>COMMINGLED FUNDS</u>	
Fixed income funds	\$ 674,231
Pooled equity funds	<u>341,418</u>
TOTAL COMMINGLED FUNDS	\$ <u><u>1,015,649</u></u>

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014

PERSONAL SERVICES:

Payroll expenses	\$ 90,757
Board member-per diem	2,625
	<u>93,382</u>

PROFESSIONAL SERVICES:

Accountant	37,500
Actuarial	34,200
Administrative	37,200
Legal	14,403
	<u>123,303</u>

COMMUNICATIONS:

Telephone	2,184
Travel	23,506
	<u>25,690</u>

OTHER:

Bank charges	605
Membership dues	1,622
Miscellaneous	2,124
Office expense	11,104
	<u>15,455</u>

TOTAL EXPENSES

\$ 257,830

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD COMPENSATION
FOR THE YEAR ENDED JUNE 30, 2014

TRUSTEE

Dennis Dimarco	\$	450
Charlene Menard		450
Billie Meyer		75
John Moreau		300
Linda Rodrigue		450
Sandra Sims		450
Dwayne Wall		<u>450</u>
	\$	<u><u>2,625</u></u>



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM G. STAMM, C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
GUY L. DUPLANTIER, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.
DENNIS W. DILLON, C.P.A.
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FELIX J. HRAPMANN, JR, C.P.A. (1919-1990)
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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

January 8, 2015

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

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 Registrar of Voters Employees' Retirement System, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Registrar of Voters Employees' Retirement System's basic financial statements, and have issued our report thereon dated January 8, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Registrar 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 Registrar of Voters Employees' Retirement System's internal control. Accordingly, we do not express an opinion on the effectiveness of the Registrar of Voters Employees' Retirement System's internal control.

1615 Poydras Street, Suite 2100 • New Orleans, LA 70112 • (504) 586-8866 • Fax (504) 525-5888
1670 Old Spanish Trail • Slidell, LA 70458 • (985) 649-9996 • Fax (985) 649-9940
247 Corporate Drive • Houma, LA 70360 • (985) 868-2630 • Fax (985) 872-3833
5047 Highway 1, P. O. Box 830 • Napoleonville, LA 70390 • (985) 369-6003 • Fax (985) 369-9941
www.dhmcpa.com

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. 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 Registrar 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, Hrapmann, Hogan & Maher, LLP

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of Registrar of Voters Employees Retirement System for the years ended June 30, 2014 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