ANNUAL FINANCIAL REPORT

SHERIFFS' PENSION AND RELIEF FUND

JUNE 30, 2022 AND 2021

SHERIFFS' PENSION AND RELIEF FUND

INDEX TO ANNUAL FINANCIAL REPORT

JUNE 30, 2022 AND 2021

DHHM
certified public accountants

Duplantier
Hrapmann
Hogan &
Maher, LLP

A.J. Duplantier, Jr., CPA
(1919-1985)
Felix J. Hrapmann, Jr., CPA
(1919-1990)
William R. Hogan, Jr., CPA
(1920-1996)
James Maher, Jr., CPA
(1921-1999)

New Orleans
1615 Poydras Street,
Suite 2100
New Orleans, LA 70112
Phone: (504) 586-8866
Fax: (504) 525-5888

Northshore
1290 Seventh Street
Slidell, LA 70458
Phone: (985) 641-1272
Fax: (985) 781-6497

Houma
247 Corporate Drive
Houma, LA 70360
Phone: (985) 868-2630
Fax: (985) 872-3833

Napoleonville
5047 Highway 1
P.O. Box 830
Napoleonville, LA 70390
Phone: (985) 369-6003
Fax: (985) 369-9941

INDEPENDENT AUDITOR'S REPORT

December 30, 2022

Board of Trustees of the
Sheriffs' Pension and Relief Fund
1225 Nicholson Drive
Baton Rouge, Louisiana 70802

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Sheriffs' Pension and Relief Fund (the Fund), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Sheriffs' Pension and Relief Fund's basic financial statements as listed in the index to annual financial report.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the fiduciary activities of the Sheriffs' Pension and Relief Fund as of June 30, 2022 and 2021, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter

As disclosed in Note 4 to the financial statements, the total pension liability for the Sheriffs' Pension and Relief Fund was $5,047,524,657 and $4,770,649,122 as of June 30, 2022 and 2021, respectively. The actuarial valuations were based on various assumptions made by the Fund'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, 2022 and 2021 could be understated or overstated. Our opinion is not modified with respect to this matter.

Required Supplementary Information

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

Other Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2022 on our consideration of the Sheriffs' Pension and Relief Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance of the Sheriffs' Pension and Relief Fund.

Duplantier, Hrapmann, Hogan and Maher, LLP

New Orleans, LA

The Management's Discussion and Analysis of the Sheriffs' Pension and Relief Fund (Fund or LSPRF) financial performance presents a narrative overview and analysis of the Sheriffs' Pension and Relief Fund's financial activities for the year ended June 30, 2022. 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 Sheriffs' Pension and Relief Fund's financial statements which begin on page 16.

FINANCIAL HIGHLIGHTS:

Economy and the Global Investment Markets for Fiscal Year 2021-2022

A history of strong performance and a long bull market run since the last severe financial crisis of 2008-2009, along with the planned annual long-term positive impact of our major benefits reform legislation effective in 2012 produced a positive trend in the growth in assets of the LSPRF. The Fund achieved an all-time high in assets for the fiscal year ended June 30, 2021 with a 26.7% return net of fees. However, global events increasingly weighed on markets which led to a negative return for the fiscal year ended June 30, 2022.

The global pandemic continued to severely impact the global economy. Labor and supply shortages, along with massive fiscal and monetary stimulus, helped fuel the highest inflation rates that we had seen in over 40 years. This led the Federal Reserve to start on its most aggressive hiking cycle since the 1980's. In addition to historic inflation levels, there were also a significant number of macro issues:

- Russia/Ukraine war
- China's zero covid policy
- Trade conflicts
- Middle East turmoil

With the planning of Our Board, Investment Committee, staff and consultants, our portfolio and asset allocation continued to be well diversified given the heightened uncertainty during the fiscal year. With ample liquidity within the portfolio, we are well positioned to take advantage of market opportunities.

Given the number and magnitude of headwinds for global markets during the year described above, LSPRF'S investments posted a negative return of -11.5% net of fees for the FY ended 6/30/22. This was below the Fund's valuation interest rate or target rate of return of 6.9%. Overall, longer term investment performance along with pension reform has resulted in a very favorable impact on the funding of the LSPRF and a reduction in the Plan's Actuary's required employer contribution rate which is a positive development for our Plan sponsors, the Louisiana Sheriffs' Offices and their budgets. The longer-term effect on the Plan's actuarially recommended employer contribution rate for the FY beginning 7/1/22 is explained later in the analysis.

FINANCIAL HIGHLIGHTS: (Continued)

Subsequent Event Note

For the current 2023 fiscal year, overall performance has been positive. Signs of inflation easing and optimism over the Federal Reserve slowing rate hikes has led the positive start. The Fund has an estimated FYTD return of 4.2% through November 30, 2022. While economic concerns remain high, there is some optimism and market forecasters are predicting gains in 2023 given current valuations. As always, a high level of uncertainty and risk remain for the balance of the fiscal year, and there can be no guarantees of results at FYE June 30, 2023. The market value of assets of the Fund as of November 30, 2022, was estimated at $4,344,009,692 or up approximately $126 million over the June 30, 2022 FY close.

Results of the Years' Experience on Fund Net Position and Historical Review

As independently verified with reasonable assurance by our auditors, the Fund closed this year with the Fiduciary Net Position of $4,234,738,389, representing a decrease over last year of $585,465,755 from the 2021 level of $4,820,204,144. This reduction from our record high is due to the very severe impact on global market conditions as world economies dealt with a historical number of macro issues during this negative market cycle. Please refer to the previous page for more detailed information. We do expect to recover and exceed our previous all-time high as the global economy continues to work through the negative cycle experienced during FYE 2022. This represents the Fund's market value of assets using fiscal year end 2022 results, as compared to the actuarial value of assets covered later in the analysis.

For comparison to other recent years, this year's closing Fiduciary Net Position represents an increase of $394,667,654 over the 2020 level of $3,840,070,735 and an increase of $443,025,878 over the 2019 net position of $3,791,712,511.

From a longer-term historical perspective, the Fund's growth in the net position or market value of assets has increased by $2.928 billion or about 224.0% during the recovery from the 2009 recession and the continuing favorable capital markets leading up to the unfavorable market conditions of FY 2022.

Employer Contribution Update and Discussion

This history of volatile but very positive performance and benefit reform over a period of years has made a substantial impact in reducing and assisting in controlling the required employer contribution rate that increased to a high of 14.50% because of the 2009 recession. The 14.5% required rate decreased incrementally over more favorable times. The impact of the global pandemic and related issues in FYE June 30, 2020 resulted in a recommended rate of 11.50% for the fiscal year 2022. The exceptional investment performance of the FYE June 30, 2021 resulted in an actuarially recommended rate of 9.75% for the 2023 FY beginning July 1, 2022. The decrease in the required rate for FY 2023 resulted in favorable budget development for our employer plan sponsors and very favorably impacts the potential to maintain reserves in the Funding Deposit Account to further strengthen the Fund. This will be further explained later in this analysis.

FINANCIAL HIGHLIGHTS: (Continued)

Discussion of 2022 Actuarial Valuation Results

Due to the perpetual nature of the Fund, it is important to recognize that the Fund is necessarily a long-term investor and is subject to periods of favorable and unfavorable volatile global market conditions over time. To manage and measure funding progress and prepare to meet liabilities that will become due well out into the future, the Fund uses actuarial funding methods to help ensure sufficient funding is accumulated over the working lifetime of members to meet member's benefits that will be due upon retirement. This is the Fund's most important mission and obligation.

As recommended by our actuaries, the Fund uses an actuarial smoothing method to help mitigate the impact of market volatility and assist in providing more stable funding requirements in keeping with capital market conditions.

The Fund's investment gains, or losses are smoothed over a 5-year period to stabilize funding requirements and to set the required employer contribution rates necessary to meet each year's funding needs. The actuarial methods used by the Fund's actuaries provided an actuarial rate of return of 5.9% for the 2022 valuation year ended June 30, 2022. This actuarial rate of return is compared to the Funds valuation interest rate or assumed rate of return and was less than the assumed rate of 6.85% as a factor in determining the recommended employer contribution rate of 10.25% for the 2024 fiscal year. The 5.9% actuarial rate of return is a decrease from the 10.1% actuarial rate of return of the prior year. This is primarily due to exceptionally favorable global market returns in 2021 compared to highly unfavorable conditions in 2022 as explained in the beginning of this analysis.

This smoothing period is also a factor in determining the Actuarial Value of Assets as compared to each year's Market Value of Assets that are subject to market volatility, and to help in measuring the longer-term funding progress of the Fund.

As reflected in the 2022 Actuarial Valuation report, the 2022 actuarial valuation reflects an Actuarial Value of Assets of $4,586,623,664 for an increase of $213,922,259 over the prior year level of $4,372,701,405. This favorable increase is a result of a number of years of very solid gains since the last recession, using the Fund's five-year actuarial smoothing method.

Permanent Benefit Increase (COLA) And Funding Deposit Account Update

The Board of Trustees last approved paying a PBI/(COLA) in FY 2021, effective January 1, 2021 to retirees and survivors over 65 years of age. This PBI/(COLA) was fully prepaid from reserves accumulated in the Funding Deposit Account (FDA). The amount of the withdrawal from the Funding Deposit Account to fully prepay the PBI/(COLA) was $20,377,853. Payments for this purpose avoids adding future liabilities to the Fund and assists in controlling employer contributions for the long-term, as explained in previous years.

The Board of Trustees has approved a policy stating the intention to fund all future PBIs/(COLAs) from funds set aside in the Fund's Funding Deposit Account to assist in managing future liabilities.

FINANCIAL HIGHLIGHTS: (Continued)

Employer Contribution Rates and Funding Deposit Account Discussion

The goal of the Board of Trustees and staff is to assist our eligible retired members when possible while protecting the long-term future of the Plan.

The additions to the FDA for FY 2022 of $6,325,543 in interest at 6.90% combined with contributions of $20,421,819 and accumulated reserves in the FDA result in a total balance in the FDA as of June 30, 2022 of $118,421,894. There were no withdrawals from the FDA for the FYE 2022.

An explanation of the FDA is included in later sections of this analysis and report. For the current fiscal year ending June 30, 2023, the Fund's actuarially recommended employer contribution rate is set at 9.75%, a reduction from the prior year of 11.50%. The Board approved reducing the current actual rate being collected to 11.50% for 2023. Please note that the actuarially recommended rate for each year and the actual rate necessary to meet the Plan's requirements will differ based on the Fund's investment performance and other Plan experiences and will not be known until fiscal year end upon completion of the new actuarial valuation of the Fund. The difference between the 11.50% being collected for the year and the actual rate necessary to meet funding needs for the year will be deposited in the Funding Deposit Account to maintain reserves for future use if there is a positive difference. Our Subsequent Event Note raises issues that create uncertainty for this fiscal year.

For fiscal year ending June 30, 2024 (beginning July 1, 2023), the actuarial valuation has set the minimum recommended employer contribution rate at 10.25%, an increase of 0.50% from the 2023 fiscal year recommended rate as a result of unfavorable global markets substantially underperforming the assumed rate of return of 6.90% for fiscal year 2022. This follows record setting returns in very favorable capital market conditions for prior FYE 2021.

One of the measures of the health of a plan is the recommended annual employer contribution rate. While the Fund's actuarial valuation reflects a rate increase for fiscal 2024, the LSPRF is fortunate to annually have among the lowest recommended rates of the Louisiana public pension systems.

An additional measure taken by the LSPRF Board and plan sponsors in 2014 was to voluntarily increase the employee contribution rate from 10.00% to 10.25% to provide additional funding into the Fund to strengthen the Fund for the future. We plan to maintain this increase for the foreseeable future. This reflects the support the LSPRF receives from the plan sponsors and membership to assist in continuing to strengthen our Fund.

Funding Deposit Account (FDA) Provisions and Final Payment of Frozen UAL

The FDA was established by law effective June 30, 2009 to provide a reserve fund into which excess employer contributions collected above the required amount, as described above, are credited. Funds accumulated in the FDA may be used, at the discretion of the Board, for the following purposes only:

- To reduce the Unfunded Accrued Liability (UAL)
- Reduce future normal costs

FINANCIAL HIGHLIGHTS: (Continued)

Funding Deposit Account (FDA) Provisions and Final Payment of Frozen UAL (Continued)

- As an offset to the recommended direct employer contributions
- To pre-fund a cost-of-living increase for retirees

Prior to passage of this Act excess contributions could be used by the Board to reduce the Frozen UAL. In 2008 the Board used excess contributions to substantially reduce the Frozen UAL by $22,548,024. Based on this payment, LSPRF is 6 years ahead of the amortization and the final payment as of July 1, 2022 is $4,027,327. This is significantly less than the July 1, 2021 payment of $10,130,376. With this final payment the balance of the Frozen UAL will be $0 in the Fiscal 2023 valuation and no further payments will be required. With no further payments due, rather than the original amortization schedule of 2029, the Fiscal 2023 actuarial valuation will include a reduction in employer cost and a significant reduction in future cost.

As a result of the severe recession of 2009, FDA excess contributions have been used to partially offset or reduce the rising employer contributions resulting from the impact of the recession to assist our plan sponsors (sheriffs' offices) to reduce the impact on their required contributions and their local budgets.

Pension Fund Reform and Valuation Interest Rate Discussion

In the 2011 legislative session, the Fund's Board was a leader in voluntarily sponsoring major pension reform in the benefits structure and retirement eligibility. The legislation was effective beginning January 1, 2012, and the Fund began to benefit from costs savings from new hires in the first year of implementation. The Fund has continued to accrue cost savings annually and will continue to do so well out into the long-term future. This action by the Fund's Board and other cost savings measures going back to 2007 were an important accomplishment in the Fund's management of long-term liabilities.

Also in 2012, the Board of Trustees approved a plan to reduce the valuation interest rate or assumed rate of return of 8.00% used to fund the LSPRF plan by decreasing the rate by .10 bps per year over a 5-year period to a rate of 7.5%. This was based on the downward trend in capital market assumptions and expected rates of return on investments for the long-term outlook. Capital market assumptions are projected by consultants and various financial institutions and are published annually. Since that time, the Board has approved further lowering of the assumed rate of return over time to 7.00% upon reaching the original rate of 7.50%. The result of lowering the rate has a negative impact on the Employer's Normal Cost Accrual Rate that flows into an increase in the recommended employer contribution rate. While this has a negative impact initially, it is important to use a realistic assumed rate of return. The rate for the fiscal year ending June 30, 2023 is set at 6.85%. The Board has kept their original pledge to remain within the actuary's reasonable range for the valuation interest rate.

Based on current capital market assumptions and the Fund's Asset/Liability study, the Board voted at the December 2020 meeting to continue to reduce the valuation interest rate by 5 basis points annually to incrementally decrease the rate to 6.50% over the 10-year life of the study.

FINANCIAL HIGHLIGHTS: (Continued)

Pension Fund Reform and Valuation Interest Rate Discussion (Continued)

Given the significant positive investment returns generated in fiscal 2021, the Board approved opportunistically reducing the valuation interest rate incorporating two years of planned reductions in fiscal 2021, in setting the rate at 6.90%. This was a responsible move by the Board to help ensure a more accurate measure of Fund liabilities and better protect the long-term future of the Fund.

Depending on investment experience, this reduction in the assumption can be a favorable impact on actuarial experience when investment experience exceeds the lower assumed rate of return, and also has the effect of lessening the actuarial impact when investment returns end the fiscal year below the lowered assumed rate of return. Over time, this change is expected to be positive for the Fund.

Non-Investment Revenue Discussion

The Fund has dedications of special revenues for funding of the LSPRF plan. As independently verified by our auditors and actuaries, for the 2022 fiscal year revenues received for the Fund's statutorily dedicated portion from insurance premium tax collections totaled $22,245,182, a decrease of $102,149 over the prior year. The Fund's receipts of dedicated ad valorem taxes were $23,571,045, an increase of $147,636 over the prior year, and receipts of $421,071 from State Revenue Sharing for an increase of $162 from fiscal year 2021.

Contributions to the Fund by employers and members, including transfers in from other retirement systems, totaled $178,565,412 for an increase of $5,346,463 from 2021. Employer contributions were collected at 12.25%, and employee contributions collected at 10.25%.

The annual actuarial valuation of the Fund reflects contributions and other non-investment income of $224,802,710 an increase of $5,391,776 from fiscal year 2021. For fiscal 2022 the Fund had a negative net non-investment cash flow of $41,066,548. In future years it will be possible to see negative and positive cash flow years based primarily on payroll growth and retirement patterns.

Benefits Payments Discussion

Pension and disability benefits paid to retirees and beneficiaries, as independently verified with reasonable assurance by the Fund's auditors totaled $241,221,764, an increase of $10,942,723 over the prior year. Refunds of contributions paid to members upon termination, and transfers to other systems on behalf of members totaled $23,230,557, for an increase of $249,094 from the prior year.

Funded Ratio and Final Payment of Frozen UAL

The final payment of the Frozen UAL has been completed with the 2022 actuarial valuation of the Fund. This represents significant progress that began with a substantial advance payment of the amortization due to be completed in 2029. The Frozen UAL will be $0 in the Fund's 2023 actuarial valuation of the Fund. Please see detailed explanation above in" Funding Deposit Account and Final Payment of Frozen UAL".

FINANCIAL HIGHLIGHTS: (Continued)

Funded Ratio and Final Payment of Frozen UAL: (Continued)

The current funded ratio as stated in the Actuarial Valuation of the Fund for 2022 is 90.87%, a decrease in the ratio over the prior year's ratio from 91.66%. This ratio represents the Actual Value of Assets to the Actuarial Accrued Liability, and is the method used by our actuaries in the actuarial funding of the LSPRF plan. This ratio replaces the former GASB 25 ratio due to changes in reporting methods. The decrease is due primarily to unfavorable global markets for FY 2022.

Summary and Other Relevant Information

As explained in this analysis, the Fund has made substantial progress in recovering from the last severe recession and has continued to grow the Fund's assets far beyond recession and pre-recession levels. The Board has had the foresight to implement major pension reform to help manage the Fund's liabilities for the long-term future. As noted earlier in the report, the Fund's employer contribution rates are consistently among the lowest of Louisiana retirement systems.

The Board maintains professional investment consultants and investment managers to advise the Fund and strives to maintain a conservative and diversified asset allocation to take advantage of favorable investment markets, and to protect assets to a sound extent in unfavorable economic times.

The Fund also employs legal counsel that is highly competent in pension fund matters to advise the Board and staff, and to assist in due diligence and protection in entering into contracts with investment managers.

The Board and staff management have continued to improve the professionalism and educational requirements of the staff over time and have enhanced technology and operational methods to better serve our members. The Fund has a strong succession plan in place for senior management and has developed future leaders.

In closing, the Board of Trustees has provided substantial growth and progress over time and has been a leader in pension reform to control liabilities for future benefits and assist in protecting the soundness and perpetual nature of the Fund.

OVERVIEW OF THE FINANCIAL STATEMENTS:

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

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

OVERIEW OF THE FINANCIAL STATEMENTS: (Continued)

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

Because of the long-term nature of a defined benefit pension plan, financial statements alone cannot provide sufficient information to properly reflect the Fund's ongoing plan perspective. This financial report consists of two financial statements and five required schedules of historical trend information. The statements of fiduciary net position and statements of changes in fiduciary net position provide information about the activities of the pension funds as a whole. Sheriffs' Pension and Relief Fund is the fiduciary of funds held in trust for sheriffs, deputies, non-commissioned employees of sheriffs' offices throughout the State of Louisiana and employees of the Louisiana Sheriffs' Association and the Sheriffs' Pension Fund office.

The required supplementary information consists of five schedules and related notes disclosing the changes in net pension liability (asset), employers' net pension liability (asset), employer contributions, money-weighted rate of investment returns, and changes in the Fund's total other postemployment benefits (OPEB) liability and related ratios.

The supplementary information includes the schedule of changes in reserve balances, schedule of administrative expenses, schedule of per diem and travel expenses paid to board members, and the schedule of compensation, benefits and other payments to agency head.

FINANCIAL ANALYSIS OF THE FUND:

This analysis focuses on fiduciary net position and changes in fiduciary net position of the Fund.

CONDENSED COMPARATIVE STATEMENTS OF
FIDUCIARY NET POSITION
(In Thousands)

	2022	2021	2020
Cash and investments	$ 4,346,165	$ 4,890,659	$ 3,995,472
Receivables and prepaid	127,873	77,003	113,237
Collateral held under securities lending	15,489	26,376	14,648
Capital assets, net	1,920	1,915	2,004
Total assets	4,491,447	4,995,953	4,125,361
Deferred outflows of resources	855	920	985
Total liabilities	257,320	176,409	285,999
Deferred inflows of resources	244	260	276
Net position restricted for pension benefits	$ 4,234,738	$ 4,820,204	$ 3,840,071

FINANCIAL ANALYSIS OF THE FUND: (Continued)

CONDENSED COMPARATIVE STATEMENTS OF
CHANGES IN FIDUCIARY NET POSITION
(In Thousands)

	2022	2021	2020
Additions:			
Contributions	$ 213,330	$ 210,391	$ 211,078
Net investment income (loss)	(544,399)	1,016,277	57,769
Other	12,192	9,020	9,815
Total additions	(318,877)	1,235,688	278,662
Deductions:			
Benefits	241,222	230,280	209,170
Refunds and transfers	23,231	22,981	18,936
Administrative expenses and depreciation	2,136	1,941	1,990
OPEB expense	-	353	208
Total deductions	266,589	255,555	230,304
Change in net position restricted for pension benefits	(585,466)	980,133	48,358
Net position at beginning of year	4,820,204	3,840,071	3,791,713
Net position at end of year	$ 4,234,738	$ 4,820,204	$ 3,840,071

Fiduciary net position decreased by $(585,465,755) or (12.15%) during the year ended June 30, 2022 from $4,820,204,144. The current year decrease in fiduciary net position was primarily attributable to unfavorable investment market performance during the current fiscal year. This net position is restricted for use to provide monthly retirement allowances to members who contributed to the Fund as employees and their beneficiaries.

Additions to Fiduciary Net Position

Additions to Sheriffs' Pension and Relief Fund fiduciary net position were primarily derived from member and employer contributions offset with a net investment loss. Member contributions increased $1,225,854 or 1.6% while employer contributions increased $1,666,619 or 1.9%.

The increase in employee contributions of $1,225,854 was primarily due to an increase in covered payroll of active members during the current year. The increase in employer contributions of $1,666,619 was primarily due to an increase in covered employee payroll in the current year. The Fund experienced a net investment loss of $(544,399,207) as compared to net investment income of $1,016,276,582 in the prior year.

FINANCIAL ANALYSIS OF THE FUND: (Continued)

Additions to Fiduciary Net Position (Continued)

The decrease in net investment income was primarily due to unfavorable market performance during the current year.

	2022	2021	2020
Member Contributions	$ 75,993,308	$ 74,767,454	$ 75,764,207
Employer Contributions	91,098,923	89,432,304	90,588,390
Insurance Premium Taxes	22,245,182	22,347,331	21,797,215
Ad Valorem Taxes	23,571,045	23,423,409	22,508,010
State Revenue Sharing	421,071	420,909	420,855
Net Investment Income (loss)	(544,399,207)	1,016,276,582	57,768,689
Other Additions	12,192,441	9,019,527	9,815,130
Total additions	$ (318,877,237)	$ 1,235,687,516	$ 278,662,496

Deductions from Fiduciary Net Position

Deductions from fiduciary net position include retirement, death, survivor benefits, refunds and transfers of contributions to other retirement plans, other postemployment benefits expense and administrative expenses. Deductions from fiduciary net position totaled $266,588,518 in fiscal year 2022. This is an increase of $11,034,411 when compared to fiscal year 2021. Retirement benefit payments increased by $10,942,723 and refunds of contributions increased by $643,488 in fiscal 2022. Increase in retirement benefit payments was primarily due to an increase in the number of retirees in the current year while the refunds increase was attributable to an increase in the number of members requesting refunds of contributions. In our assessment this increase in both areas is related in part to conditions created by the pandemic and the difficulty some sheriffs have experienced in hiring replacements with new personnel that would be contributing members of the Fund. In our opinion, this situation will improve over time as conditions created by the pandemic and other problems continue to moderate.

	2022	2021	2020
Retirement Benefits	$ 241,221,764	$ 230,279,041	$ 209,169,816
Refunds of Contributions	20,856,418	20,212,930	16,479,442
Administrative Expenses and Depreciation	2,136,197	1,940,684	1,990,172
OPEB Expense	-	352,919	207,561
Transfers to Other Systems	2,374,139	2,768,533	2,457,281
Total deductions	$ 266,588,518	$ 255,554,107	$ 230,304,272

FINANCIAL ANALYSIS OF THE FUND: (Continued)

Investments

The Fund is responsible for the prudent management of funds held in trust for the exclusive benefits of the members' pension benefits. Funds are invested to achieve maximum returns without exposing retirement assets to unacceptable risks. Total investments at June 30, 2022 amounted to $4,328,872,995 as compared to $4,872,471,295 at June 30, 2021, which is a decrease of $543,598,300 or 11.16%.

The decrease in investments for FYE 2022 was due to a more than usual number of significant macro issues than we normally face in a negative global economic cycle. The historical favorable market result of FY 2021 resulted in certain areas of the global market being at higher values that were sustainable during that time period. There were still problems due to the pandemic, supply chain disruptions and labor problems along with serious geopolitical issues. There were historical inflation issues that led the Federal reserve to begin a very aggressive rate hiking cycle to bring inflation under control that had a serious impact on market returns for FY 2022. With the position of our portfolio and the Fund's liquidity, we are optimistic for the New Year, but expect more volatility during the recovery. Please see "Financial Highlights" and "Subsequent Event Notes" on page one and two of this report. Also, please see the explanation on the increase in retirees and refunded members in the previous titled section: "Deductions from Fiduciary Net Position".

Sheriffs' Pension and Relief Fund's investments in various markets at the end of the 2022 and 2021 fiscal years are indicated in the following table:

	2022	2021	2020
Short-term	$ 251,304,857	$ 191,274,057	$ 185,177,661
Fixed Income	1,074,325,290	1,222,391,617	1,205,480,529
Equities	2,368,721,917	2,875,017,411	2,060,715,065
Alternative Investments	634,520,931	583,788,210	525,134,322
Total	$ 4,328,872,995	$ 4,872,471,295	$ 3,976,507,577

REQUESTS FOR INFORMATION

Questions concerning any of the information provided or requests for additional financial information should be addressed to Osey McGee, Jr., Sheriffs' Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, Louisiana 70802, (225) 219-0500.

SHERIFFS' PENSION AND RELIEF FUND
STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2022 AND 2021

	2022	2021
ASSETS:		
Cash	$ 17,292,068	$ 18,188,254
Receivables and prepaid expense:		
Member contributions	4,706,226	5,069,796
Employer contributions	5,640,927	6,059,383
Accrued interest and dividends	5,953,859	6,118,371
Receivable for investments sold	96,351,203	57,288,639
Other receivables and prepaids	15,220,476	2,466,778
Total receivables and prepaid expense	127,872,691	77,002,967
Investments (at fair value):		
Short-term	251,304,857	191,274,057
Fixed income	1,074,325,290	1,222,391,617
Equities	2,368,721,917	2,875,017,411
Alternative investments	634,520,931	583,788,210
Total investments	4,328,872,995	4,872,471,295
Other assets:		
Collateral held under securities lending program	15,489,138	26,375,673
Total other assets	15,489,138	26,375,673
Capital assets:		
Building	2,864,851	2,767,271
Land and improvements	92,692	92,692
Furnishings, equipment, and vehicles	1,066,409	1,060,929
	4,023,952	3,920,892
Less: Accumulated depreciation	2,103,591	2,006,128
Capital assets, net	1,920,361	1,914,764
Total assets	4,491,447,253	4,995,952,953
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows of resources related to OPEB	855,454	920,291
LIABILITIES:		
Obligations under securities lending program	15,374,603	26,268,800
Payable for investment securities purchased	189,381,412	108,460,964
Refunds payable	1,152,992	1,116,233
Other payables	45,139,260	32,685,193
OPEB liability	2,038,579	2,834,492
Accounts payable	3,886,449	4,434,557
Pension payable	231,350	497,351
Accrued leave payable	115,615	111,685
Total liabilities	257,320,260	176,409,275
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows of resources related to OPEB	244,058	259,825
NET POSITION - RESTRICTED FOR PENSION BENEFITS	$ 4,234,738,389	$ 4,820,204,144

See accompanying notes.

SHERIFFS' PENSION AND RELIEF FUND
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
ADDITIONS:		
Contributions:		
Members	$ 75,993,308	$ 74,767,454
Employers	91,098,923	89,432,304
Insurance premium tax	22,245,182	22,347,331
Ad valorem taxes	23,571,045	23,423,409
State revenue sharing	421,071	420,909
Total contributions	213,329,529	210,391,407
Investment income:		
Interest income	15,795,097	17,392,300
Dividend income	23,879,726	19,459,471
Net change in fair value of investments	(567,551,055)	995,284,690
Securities lending income	170,980	161,170
Commission recapture	4,821	4,433
	(527,700,431)	1,032,302,064
Less investment expense:		
Investment advisory fees	15,972,422	15,308,569
Custodian fee and bank charges	726,354	716,913
	16,698,776	16,025,482
Net investment income (loss)	(544,399,207)	1,016,276,582
Other additions:		
Transfers from other retirement systems	11,472,062	9,019,191
OPEB benefit	719,260	-
Miscellaneous income	1,119	336
Total other additions	12,192,441	9,019,527
Total additions	(318,877,237)	1,235,687,516
DEDUCTIONS:		
Benefits	241,221,764	230,279,041
Refund of contributions	20,856,418	20,212,930
Transfers to other retirement systems	2,374,139	2,768,533
Administrative expenses	2,009,541	1,823,657
Depreciation	126,656	117,027
OPEB expense	-	352,919
Total deductions	266,588,518	255,554,107
NET CHANGE IN FIDUCIARY NET POSITION	(585,465,755)	980,133,409
NET POSITION RESTRICTED FOR PENSION BENEFITS:		
Beginning of year	4,820,204,144	3,840,070,735
End of Year	$ 4,234,738,389	$ 4,820,204,144

See accompanying notes.

The Sheriffs' Pension and Relief Fund (the Fund) is a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of sheriffs' offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association (LSA) and the Sheriffs' Pension and Relief Fund's office.

The Fund is governed by a Board of Trustees composed of 14 elected members and two legislators who serve as ex-officio members, all of whom are voting members. The Board of Trustees consists of a president, vice president, three active participating sheriffs, and three full-time participating deputy sheriffs, three retired sheriffs and three retired deputy sheriffs participating in the Fund, and the chairman of the Senate Finance and House Retirement Committee serve as ex-officio members. The President may be either an active or retired sheriff, elected by the members of the LSA for a term of three years from the date of taking office. Reelection is permissible. At the annual sheriffs' conference, the general membership of the LSA elects one active sheriff and one retired sheriff to serve three-year staggered terms on the Board. Active and retired deputy sheriff members are elected from their respective ranks to three-year staggered terms. The members of the LSA elect the vice president every three years. All candidates for service on the Board of Trustees must complete legislatively required hours of training prior to becoming a candidate. Office personnel and retained professionals serve as authorized by the Board.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

In addition, these financial statements include the management's discussion and analysis as supplementary information, as required by GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* and related standards.

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

Basis of Accounting:

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

Interest and dividend income is recognized when earned. Ad valorem taxes and state revenue sharing monies are recognized in the year appropriated by the legislature. Insurance premium tax income is recorded in the fiscal year for which it is allocated.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Method Used to Value Investments:

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

Fair value of short-term investments approximates cost. Fair value of securities traded on a national or international exchange is calculated using the last reported sales price at current exchange rates. Fair value of equity funds, fixed income funds and other mutual funds not traded on a national or international exchange are calculated using the net asset value reported by the funds. Fair value of investments in partnerships is calculated as the Fund's percentage of ownership of the partner's capital reported by the partnership.

Capital Assets:

Capital assets are accounted for and capitalized in the Fund. Depreciation of these assets is recorded as an expense in the Fund. The assets are valued on the basis of historical cost and depreciated using the straight-line method of depreciation as follows:

Asset Class	Estimated Useful Life
Buildings	40 years
Vehicles	5 years
Office furniture and equipment	3-10 years

Use of Estimates:

The process of preparing financial statements in conformity with generally accepted accounting principles 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Deferred Outflows and Inflows of Resources:

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

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

New Accounting Standard:

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. This Statement outlines a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Fund has analyzed the provisions of GASB Statement No. 87, *Leases*, and has concluded that there are no material leasing arrangements which qualify for adjustment or disclosure under the new statement. Therefore, no restatement of prior periods or cumulative effect adjustment recorded in the year of adoption, was considered necessary.

2. PLAN DESCRIPTION:

The Sheriffs' Pension and Relief Fund, State of Louisiana, is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The Sheriffs' Pension and Relief Fund received a favorable determination from the IRS regarding its status as a qualified plan in August 1995. The determination applied to plan years beginning after December 31, 1988.

Laws that govern the Fund are located in the Louisiana Revised Statutes beginning with 11:2171 et seg. which specifically pertains to the Sheriffs' Pension Fund, and 11:11 et seg. which governs all public retirement systems in Louisiana.

The Sheriffs' Pension and Relief Fund, State of Louisiana, provides retirement benefits for employees of Sheriffs' offices throughout the State of Louisiana. There are sixty-four contributing sheriff offices, with employees of the Louisiana Sheriffs' Association office and the Fund's staff also contributing.

2. PLAN DESCRIPTION: (Continued)

At June 30, 2022 and 2021 statewide retirement membership consisted of:

	2022	2021
Inactive members or beneficiaries currently receiving benefits	6,738	6,481
Inactive members entitled to but not yet receiving benefits	8,491	7,954
Active members	13,736	14,149
Total participants as of the valuation date	28,965	28,584

Eligibility Requirements:

Membership in the Fund is required for all eligible sheriffs and deputies. Court criers of specified courts and non-deputized employees may become members. They are eligible immediately upon employment as long as they meet statutory criteria as to age and wage requirements. All salaried employees of the Sheriffs' Pension and Relief Fund and the Louisiana Sheriffs' Association who meet certain requirements are also eligible to become members of the Fund. Members are vested after twelve years of service time.

Retirement Benefits:

Members who become eligible for membership on or before December 31, 2011 may retire at age fifty-five with twelve years of creditable service, or may retire at any ages with thirty years of service. The retirement allowance is equal to three and one-third percent of the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Active, contributing members with at least ten years of creditable service may retire at age sixty. The accrued normal retirement benefit is reduced actuarially for each month or fraction thereof that retirement begins prior to the member's earliest normal retirement date assuming continuous service.

Members whose first employment began on or after January 1, 2012 may retire at age sixty-two with twelve years of creditable service, or may retire at age sixty with twenty years of creditable service, or may retire at fifty-five with thirty years of creditable service. The benefit accrual rate for such members with less than thirty years of service is three percent; for members with thirty or more years of service, the accrual rate is three and one-third percent. The retirement allowance is equal to the benefit accrual rate times the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Members with twenty or more years of service may retire with a reduced retirement at age fifty.

2. PLAN DESCRIPTION: (Continued)

Retirement Benefits: (Continued)

A member whose first employment began on or before June 30, 2006, final average compensation is based on the average monthly earnings during the highest thirty-six consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the thirty-six month period shall not exceed 125% of the preceding twelve-month period.

A member whose first employment began after June 30, 2006 and before July 1, 2013, final average compensation is based on the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the sixty-month period shall not exceed 125% of the preceding twelve-month period.

A member whose first employment began on or after July 1, 2013, final average compensation is based on the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the sixty-month period shall not exceed 115% of the preceding twelve-month period.

Cost-of-Living Increases:

The Board of Trustees is authorized to grant retired members and survivors of members who have retired an annual cost-of-living increase of 2.5% of their current benefit. When such a cost-of-living increase is granted in any fiscal year, no such cost-of-living increase may be granted in the immediately following fiscal year. Members are eligible to receive this cost-of-living adjustment when they have attained the sixty years of age and they have been retired for at least one year. In order for the Board to grant a cost-of-living adjustment, the Fund must meet certain criteria in the statutes related to funding status and excess investment earnings. The 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 Fund 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 Fund 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 Fund is eligible to grant a cost-of-living adjustment every four years.

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

2. PLAN DESCRIPTION: (Continued)

Deferred Benefits:

The Fund does provide for deferred benefits for vested members who terminate before being eligible for retirement. Benefits become payable once the member reaches the appropriate age for retirement.

Disability Benefits:

A member is eligible to receive disability benefits if he has at least ten years of creditable service when a non-service related disability is incurred; there are no service requirements for a service related disability. Disability benefits shall be the lesser of 1) a sum equal to the greatest of 45% of final average compensation or the members' accrued retirement benefit at the time of termination of employment due to disability, or 2) the retirement benefit which would be payable assuming continued service to the earliest normal retirement age. Members who become partially disabled receive 75% of the amount payable for total disability.

Survivor Benefits:

Survivor benefits for death solely as a result of injuries received in the line of duty are based on the following: For a spouse alone, a sum equal to 50% of the member's final average compensation with a minimum of $150 per month. If a spouse is entitled to benefits and has a child or children under eighteen years of age (or over said age if physically or mentally incapacitated and dependent upon the member at the time of his death), an additional sum of 15% of the member's final average compensation is paid to each child with total benefits paid to spouse and children not to exceed 100%. If a member dies with no surviving spouse, surviving children under age eighteen will receive monthly benefits of 15% of the member's final average compensation up to a maximum of 60% of final average compensation if there are more than four children. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic option 2 benefit. The additional benefit payable to children shall be the same as those available for members who die in the line of duty. In lieu of receiving option 2 benefit, the surviving spouse may receive a refund of the member's accumulated contributions. All benefits payable to surviving children shall be extended through age twenty-three, if the child is a full-time student in good standing enrolled at a board approved or accredited school, college, or university.

Contribution Refunds:

Upon withdrawal from service, members who have remained out of service for a period of thirty days, are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued benefits in the Fund.

2. PLAN DESCRIPTION: (Continued)

Deferred Retirement Option Plan (DROP) / Back Deferred Retirement Option Plan (Back-DROP):

For members retiring before July 1, 2001 in lieu of terminating employment and accepting a service retirement, members can elect to participate in the Deferred Retirement Option Plan (DROP). Upon entering the DROP, employee and employer contributions cease. The monthly retirement benefit that would have been paid if the member ceased employment is deposited into the DROP account for up to three years. Funds held in the DROP account earn interest and can be disbursed to the member upon request. Effective July 1, 2001, the Back-DROP program replaced the DROP program. In lieu of receiving a service retirement allowance, any member of the Fund who has more than sufficient service for a regular service retirement may make a one-time irrevocable election to receive a "Back-DROP" benefit. A member elects Back-DROP at the time of separation from employment (retirement). The Back-DROP benefit is based on the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service time accrued between when a member first becomes eligible for retirement and his actual date of retirement. For those individuals with thirty or more years, the Back-DROP period is the lesser of four years or service time accrued between when a member becomes eligible for retirement and his actual date of retirement. A member's Back-DROP benefit is the maximum monthly retirement benefit multiplied by the number of months in the Back-DROP period. In addition, the member's Back-DROP account will be credited with employee contributions received by the Fund during the Back-DROP period. The member's DROP and Back-DROP balances left on deposit are managed by a third party, fixed income investment manager. Participants have the option to opt out of this program and take a lump sum distribution, if eligible, annuitize all or a portion of the Back-DROP balance, or to rollover the assets to another qualified plan.

3. CONTRIBUTIONS AND RESERVES:

Contributions:

Member contributions are established by state law and range between 9.80% and 10.25% of earnable compensation. The Board of Trustees sets the rate each year. For the years ended June 30, 2022 and 2021, the employee contribution rate was 10.25% of member's compensation. Contributions are deducted from the member's salary and remitted monthly by the participating employer.

Employer contributions are determined by an actuarial valuation and are subject to change each year in accordance with R.S. 11:103. For the years ended June 30, 2022 and 2021, the actuarially determined contribution rate was 9.78% and 11.41%, respectively, of member's compensation. For the years ended June 30, 2022 and 2021, the employers contributed 12.25% of members' salaries. Also, the Fund annually receives revenue sharing funds, which consist of 0.50% of the aggregate amount of the ad valorem tax shown to be collected by the tax roll of each respective parish, and additional funds as indicated by valuation and apportioned by the Public Retirement Systems' Actuarial Committee from available insurance premium taxes described in RS 22:1476A(3).

3. CONTRIBUTIONS AND RESERVES: (Continued)

Administrative costs of the Fund are financed through employer contributions.

Reserves:

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

A) Annuity Savings:

The Annuity Savings is credited with contributions made by members of the Fund. When a member terminates his service or upon his death before qualifying for a benefit, the refund of his contributions is made from this reserve. If a member dies and there is a survivor eligible for a benefit, the member's accumulated contributions are transferred from the Annuity Savings to the Annuity Reserve. When a member retires, his accumulated contributions are transferred to Annuity Reserve to provide part of the benefits. The Annuity Savings balance as of June 30, 2022 and 2021 was $695,570,958 and $677,644,584, respectively.

B) Pension Accumulation Reserve:

The Pension Accumulation Reserve consists of contributions paid by employers, interest earned on investments and any other income not included in other accounts. This reserve account is charged annually with an amount, determined by the actuary, to be transferred to the Annuity Reserve to fund retirement benefits for existing recipients. It is also relieved when expenditures are not covered by other accounts. The Pension Accumulation Reserve at June 30, 2022 and 2021 was $1,086,028,767 and $1,846,684,013, respectively.

C) Funding Deposit Account:

The Funding Deposit Account consists of excess contributions collected by the Fund. 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 available due to the Fund setting the employer rate at a higher rate than minimum recommended rate. 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, and/or (3) pay all or a portion of any future net direct employer contributions, (4) to provide for permanent benefit increases as provided for in R.S. 11:2178. In accordance with the motion authorized by the Board of Trustees at the March 10, 2021 board meeting, funds were withdrawn from the Funding Deposit Account in order to fund a 2.0% cost-of-living adjustment (COLA) to retirees who have been retired for at least one full year, and who are at least 65 years old as of the date of the COLA effective January 1, 2021. The Funding Deposit Account as of June 30, 2022 and 2021 was $118,421,894 and $91,674,532, respectively.

3. CONTRIBUTIONS AND RESERVES: (Continued)

Reserves (Continued)

D) Annuity Reserve:

The Annuity Reserve is the reserve for all pensions, excluding cost-of-living increases, granted to retired members and is the reserve from which such pensions and annuities are paid. Survivors of deceased beneficiaries also receive benefits from this reserve account. The Annuity Reserve as of June 30, 2022 and 2021 was $2,315,708,195 and $2,184,276,685, respectively.

E) Deferred Retirement Option Plan / Back Deferred Retirement Option Plan:

The Deferred Retirement Option Plan / Back Deferred Retirement Option Plan (DROP) consists of the reserves for all members who upon retirement eligibility elect to deposit into this account an amount equal to the member's monthly benefit if he had retired. Members participate in the program for up to three or four years, and upon termination receive benefits in a lump sum payment or annuity. The DROP reserve as of June 30, 2022 and 2021 was $19,008,575 and $19,924,330, respectively.

4. NET PENSION LIABILITY (ASSET) OF EMPLOYERS:

The components of the liability of the Fund's employers to plan members for benefits provided through the pension plan was as follows as of June 30, 2022 and 2021:

	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a % of the Total Pension Liability
2022	$ 5,047,524,657	$ 4,234,738,389	$ 812,786,268	83.90%
2021	4,770,649,122	4,820,204,144	(49,555,022)	101.04

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 (asset) 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, 2022 and 2021 valuations were based on the results of an experience study for the period from July 1, 2014 - June 30, 2019. The required Schedules of Employers' Net Pension Liability (Asset) located in the required supplementary information presents multi-year trend information regarding whether the plan fiduciary net position is increasing or decreasing over time relative to the total pension liability.

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

Additional information on the actuarial methods and assumptions used in the latest actuarial valuation was as follows:

Actuarial Assumptions:

Valuation Date	June 30, 2022 and 2021
Actuarial Cost Method	Entry Age Normal Method
Actuarial Asset Values	Invested assets are valued at market value adjusted to defer four-fifths of all earnings above or below the valuation interest rate in the valuation year, three-fifths of all earnings above or below the valuation interest rate in the prior year, two-fifths of all earnings above or below the valuation interest rate from two years prior, and one-fifth of all earnings above or below the valuation interest rate from three years prior. The resulting smoothed values are subject to a corridor of 85% to 115% of the market value of assets. If the smoothed value falls outside the corridor, the actuarial value is set equal to the average of the corridor limit and the smoothed value.
Investment Rate of Return (Discount Rate)	2022 – 6.85%, net of investment expense 2021 – 6.90%, net of investment expense
Projected Salary Increases	5.00% (2.50% Inflation, 2.50% Merit)
Estimated Remaining Service Lives (ERSL)	2022 – 5 Years 2021 – 5 Years
Mortality	For active retirees, annuitants, beneficiaries and disabled retirees, Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 120% for males and 115% for females, each with full generational projection using the MP2019 scale.
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund 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 of Trustees.

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

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.

Estimates of arithmetic real rates of return for each major asset class based on the Fund's target asset allocation as of June 30, 2022 were as follows:

	Long-term Expected Rate of Return		
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	62%	6.61%	4.10%
Fixed Income	25	4.92	1.23
Alternative Investments	13	6.54	0.85
Totals	100%		6.18%
Inflation			2.25
Expected Arithmetic Nominal Return			8.43%

Estimates of arithmetic real rates of return for each major asset class based on the Fund's target asset allocation as of June 30, 2021 were as follows:

	Long-term Expected Rate of Return		
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	62%	7.08%	4.39%
Fixed Income	25	1.44	0.36
Alternative Investments	13	4.38	0.57
Totals	100%		5.32%
Inflation			2.55
Expected Arithmetic Nominal Return			7.87%

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

The discount rate used to measure the total pension liability was 6.85% and 6.90% for the years ending June 30, 2022 and 2021, 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 Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In accordance with GASB 67, regarding the disclosure of the sensitivity of the net pension liability (asset) to changes in the discount rate, the following presents the net pension liability (asset) of the participating employers calculated using the discount rate, as well as what the employers' net pension liability (asset) 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, 2022 and 2021:

	2022 Changes in Discount Rate		
	1% Decrease 5.85%	Current Discount Rate 6.85%	1% Increase 7.85%
Net Pension Liability	$ 1,439,264,738	$ 812,786,268	$ 290,412,781

	2021 Changes in Discount Rate		
	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Net Pension Liability (Asset)	$ 544,108,956	$ (49,555,022)	$(544,481,447)

5. INVESTMENT FAIR VALUE:

The Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The plan has the following recurring fair value measurements as of June 30, 2022 and 2021, respectively:

5. INVESTMENT FAIR VALUE: (Continued)

	June 30, 2022	Fair Value Measurements Using: Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Short-term	$ 251,304,857	$ 168,239,960	$ 4,635,785	$ 78,429,112
Fixed income securities:				
U.S. treasury and government obligations	565,576,676	362,812,316	202,764,360	-
Asset backed securities	6,825,355	310,852	6,514,503	-
Commingled bond funds & other short-term	131,269,160	-	131,269,160	-
Corporate bonds - domestic	224,379,709	-	224,379,709	-
Corporate bonds - foreign	61,932,713	-	61,932,713	-
Emerging market debt	54,861,634	54,861,634	-	-
International fixed income	9,492,400	159,222	9,333,178	-
Mortgage backed securities	7,738,550	-	7,738,550	-
Total fixed income securities	1,062,076,197	418,144,024	643,932,173	-
Equity Securities:				
Domestic equities	646,609,263	646,609,263	-	-
Equity funds - domestic	877,515,911	393,196,140	484,319,771	-
Foreign equities	154,647,880	154,647,880	-	-
Equity funds - foreign	478,309,466	168,637,686	309,671,780	-
Total equity securities	2,157,082,520	1,363,090,969	793,991,551	-
Total Investments at Fair Value Level	3,470,463,574	$ 1,949,474,953	$ 1,442,559,509	$ 78,429,112
Investments measured at the net asset value (NAV):				
Commingled bond funds	$ 12,249,093			
Equity funds - foreign	211,639,397			
Alternative investments:				
Commingled funds	181,462,061			
Hedge funds	57,844,985			
Real estate funds	398,179,660			
Total Investments at NAV	861,375,196			
Investment derivatives				
Futures	(2,965,775)	(2,965,775)	-	-
Total Investment Derivatives	(2,965,775)	(2,965,775)	-	-
Total Investments at Fair value	$ 4,328,872,995			

5. INVESTMENT FAIR VALUE: (Continued)

	June 30, 2021	Fair Value Measurements Using: Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Short-term	$ 191,274,057	$ 145,802,586	$ 1,473,980	$ 43,997,491
Fixed income securities:				
U.S. Treasury and Government Obligations	640,202,763	480,551,922	159,650,841	-
Asset backed securities	23,493,967	338,108	23,155,859	-
Commingled Bond Funds & other short-term	151,827,556	-	151,827,556	-
Corporate bonds - domestic	227,078,767	-	227,078,767	-
Corporate bonds - foreign	50,895,257	41,910	50,853,347	-
Emerging Market Debt	78,794,850	78,794,850	-	-
International fixed income	12,542,260	-	12,542,260	-
Mortgage Backed Securities	23,042,467	-	23,042,467	-
Total fixed income securities	1,207,877,887	559,726,790	648,151,097	-
Equity Securities:				
Domestic equities	846,346,999	846,346,999	-	-
Equity funds - domestic	1,001,634,353	456,739,113	544,895,240	-
Foreign equities	184,778,220	184,778,220	-	-
Equity funds - foreign	592,087,878	204,194,382	387,893,496	-
Total equity securities	2,624,847,450	1,692,058,714	932,788,736	-
Total Investments at Fair Value Level	4,023,999,394	$ 2,397,588,090	$ 1,582,413,813	$ 43,997,491
Investments measured at the net asset value (NAV):				
Commingled bond funds	$ 14,513,730			
Equity funds - foreign	250,169,961			
Alternative investments:				
Commingled funds	187,554,519			
Hedge funds	56,721,064			
Real estate funds	338,046,250			
Total Investments at NAV	847,005,524			
Investment derivatives				
Futures	1,466,377	1,466,377	-	-
Total Investment Derivatives	1,466,377	1,466,377	-	-
Total Investments at Fair value	$ 4,872,471,295			

5. INVESTMENT FAIR VALUE: (Continued)

Short-term investments, debt securities and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Short-term investments, equity securities and 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.

Derivative instruments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those derivatives. Short-term 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, 2022 is presented on the following table:

	Net Asset Value June 30, 2022	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled Bond Funds	$ 12,249,093	$ -	Daily	Daily
Equity funds - foreign	211,639,397	-	Daily	Daily
Commingled Funds	181,462,061	-	Daily, Quarterly, Biannually, Annually	1 - 120 days
Hedge Funds	57,844,985	-	6-12 Months	95 days
Real Estate Funds	398,179,660	-	Daily, Quarterly	1 - 110 days
Total Investments at NAV	$ 861,375,196	$ -		

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

	Net Asset Value June 30, 2021	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled Bond Funds	$ 14,513,730	$ -	Daily	Daily
Equity funds - foreign	250,169,961	-	Daily	Daily
Commingled Funds	187,554,519	-	Daily, Quarterly, Biannually, Annually	1 - 120 days
Hedge Funds	56,721,064	-	6-12 Months	95 days
Real Estate Funds	338,046,250	-	Daily, Quarterly	1 - 110 days
Total Investments at NAV	$ 847,005,524	$ -		

5. INVESTMENT FAIR VALUE: (Continued)

Commingled Bond Funds:

This investment type includes investments in commingled bond funds. The investment objective is to seek maximum total return consistent with preservation of capital and prudent investment management through investments in fixed income securities, which includes bonds, asset backed securities, short-term investments and other debt securities issues by various U.S. and non-U.S public or private sector entities. 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 monthly and redemption of units consists of approximately one day advance notice.

Foreign Equity Fund:

The foreign equity fund focuses on participation in financial markets outside of the United States. The fund invests in international financial markets, primarily those of developed economies in Europe and the Pacific Basin. The Fund invests primarily in equity securities issued by foreign corporations, but may invest in other securities perceived as offering attractive investment return opportunities. The Fund seeks to provide appreciation of capital as well as diversification when used in conjunction with a portfolio of U.S. securities, recognizing the lack of perfect correlation in the movement of security prices in international markets relative to those in the United States, and to invest in companies successfully competing in the international arena. The fair value of the investments in these funds has been determined using the NAV per share (or equivalent) of the investments. Unit valuation ranges from daily to monthly and redemption of units require advanced notice of one day. Any amount redeemed will be paid within one trading day after the beginning of the following month.

Commingled Funds:

This investment type includes investments in commingled investment funds which seek to achieve their objective through direct and indirect investments that pursue a variety of investment strategies. 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 monthly and redemption of units varies from one to one hundred-twenty days advance notice.

Hedge Funds:

A hedge fund is an asset class consisting of equity securities and debt in operating companies that are not publicly traded on a stock exchange. Hedge 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 hedge funds capital. The redemption notice period is 95 days with bi-annual and annual redemptions available.

5. INVESTMENT FAIR VALUE: (Continued)

Real Estate Funds:

The Fund invests in real estate funds which invest in a variety of real estate vehicles which provides broad exposure to all areas of the real estate market including commercial mortgage debt, office, residential, retail, apartment and industrial holdings and creates further diversification benefits through international exposure and real estate domiciled in the United States. The investment objectives seek to provide consistent current income, attractive risk-adjusted returns and preservation of principal over such market cycle to facilitate the targeted distribution. The funds aim to provide favorable total returns through current income and long-term capital growth. The fair values of the investments in this type have been determined using the NAV per share of the Fund's ownership interest in partners' capital.

6. DEPOSITS AND INVESTMENTS:

The following are the components of the Fund's deposits and investments at June 30, 2022 and 2021:

	2022	2021
Deposits (bank balance)	$ 17,985,436	$ 18,754,253
Investments	4,328,872,995	4,872,471,295
	$ 4,346,858,431	$ 4,891,225,548

Deposits:

At June 30, 2022 and 2021, the Fund's bank deposits were fully insured or collateralized with securities held by the Federal Reserve Bank in joint custody.

Investments:

At June 30, 2022 and 2021 short-term investments in the amount of $154,523,619 and $129,177,039, respectively, consisted of asset backed securities, collateralized mortgage obligations and U.S. treasury bills. These funds are held by a sub-custodian, are managed by separate money managers and are in the name of the custodial bank with the Fund as the beneficial owner. For the years ended June 30, 2022 and 2021, short-term investments in the amount of $78,429,111 and $43,997,491, respectively, consisted of pooled investments held in the name of the investment manager with the Fund as the beneficial owner.

At June 30, 2022 and 2021, short-term investments also included amounts invested in the Louisiana Asset Management Pool (LAMP), a local government investment pool, totaling $18,352,127 and $18,099,527, respectively.

6. DEPOSITS AND INVESTMENTS: (Continued)

Investments: (Continued)

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

LAMP is a 2a7-like investment pool that to the extent possible, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

Credit risk: LAMP is rated AAAm by Standard and Poor’s.

Custodial credit risk: LAMP participants’ investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity’s investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk: The weighted average maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 141 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

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

6. DEPOSITS AND INVESTMENTS: (Continued)

Investments: (Continued)

Statutes authorize the Fund to invest under the Prudent-Man Rule. Pursuant to Louisiana Revised Statute 11:263, the Prudent-Man rule requires each fiduciary of a retirement system and each board of trustees acting collectively on behalf of each system to act with the 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 Fund shall not invest more than sixty-five percent of the total portfolio in equity investments.

Concentration of Credit Risk:

Concentration of credit risk is the risk of loss attributed to a lack of diversification. The Fund's investment policy establishes concentration limits for certain types of investments as a means of managing risk. Following is a summary of certain limits included in the Fund's policy:

a) Short-term investments may not exceed 5% of each manager's assigned portfolio allocation without approval by the staff.

b) Maximum single stock ownership shall not exceed 7%, for each of the years ended June 30, 2022 and 2021, of each manager's portfolio allocation at market value for domestic, international, and emerging market equities.

c) Maximum single bond ownership shall not exceed 5% of each manager's portfolio market value, excluding securities issued or guaranteed by the U. S. Government, its Agencies, or Government Sponsored Enterprises or securities or loans collateralized by such investments.

d) Mortgages, as a percentage of each advisor's fixed income portfolio at market value, shall not be more than 10% greater than the mortgage sector's current percent of the Barclay's Aggregate index. Collateralized mortgage obligations shall not exceed 15% of each advisor's fixed income portfolio at market value.

At June 30, 2022 and 2021, there were no investments in any one organization, other than those issued or guaranteed by the U.S. Government or mutual funds, which represented 5% of fiduciary net position or plan investments.

Credit Risk:

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Following are the credit ratings of the Fund's investments in long-term debt securities as of June 30, 2022 and 2021:

6. DEPOSITS AND INVESTMENTS: (Continued)

Credit Risk: (Continued)

2022

	Corporate Bonds - Domestic	Corporate Bonds - Foreign	Mortgage-Backed & Collateralized Mortgage Obligations	U.S. Treasury and Government Agency Obligations	Other	Total
AAA	$ 16,194,115	$ 14,585,286	$ 4,039,909	$ 209,436,334	$ 148,230	$ 244,403,874
AA	9,457,401	2,462,338	4,542,648	-	-	16,462,387
A	57,203,757	9,637,395	375,967	-	1,335,228	68,552,347
BAA	103,402,856	19,083,256	462,059	-	6,184,737	129,132,908
BA	15,677,319	6,512,660	7,725	-	716,281	22,913,985
B	2,132,346	-	123,642	-	-	2,255,988
CAA	-	-	3,058	-	-	3,058
CA	-	-	111,361	-	38,508	149,869
Not Rated	20,311,915	9,651,778	4,897,536	356,140,342	187,200,210	578,201,781
	$ 224,379,709	$ 61,932,713	$ 14,563,905	$ 565,576,676	$ 195,623,194	$ 1,062,076,197

2021

	Corporate Bonds - Domestic	Corporate Bonds - Foreign	Mortgage-Backed & Collateralized Mortgage Obligations	U.S. Treasury and Government Agency Obligations	Other	Total
AAA	$ 7,681,601	$ 1,095,941	$ 17,556,778	$ 313,885,640	$ -	$ 340,219,960
AA	13,883,064	3,455,594	5,407,181	-	586,630	23,332,469
A	57,989,535	10,354,994	2,172,636	-	3,477,134	73,994,299
BAA	117,283,218	25,008,352	773,539	-	6,381,602	149,446,711
BA	22,154,618	8,802,453	14,442	-	941,887	31,913,400
B	964,502	-	165,816	-	-	1,130,318
CAA	-	-	11,887	-	-	11,887
CA	-	-	157,429	-	136,431	293,860
Not Rated	7,122,229	2,177,923	20,276,726	326,317,123	231,640,982	587,534,983
	$ 227,078,767	$ 50,895,257	$ 46,536,434	$ 640,202,763	$ 243,164,666	$ 1,207,877,887

The Fund invests in a high yield fund. As of June 30, 2022 and 2021, the market value of the fund was $4,820,793 and $6,825,436 respectively. The rating of approximately 78% as of June 30, 2022 and 80% as of June 30, 2021 of the underlying asset of the fund ranged from B to BBB.

6. DEPOSITS AND INVESTMENTS: (Continued)

Credit Risk: (Continued)

The Fund invests in an asset-backed securities fund. As of June 30, 2022 and 2021, the market value of the fund was $7,428,300 and $7,688,294, respectively. The credit rating of the fund was A and A- as of June 30, 2022 and 2021, respectively.

All security types included in the benchmark (Barclays Aggregate Bond Index) are candidates for purchase and placement in the bond portfolio. Bond portfolios must have a minimum average quality rating of A. Securities must be rated Baa3/BBB- by at least two of the major rating agencies at the time of the purchase. Any security that falls below Baa3/BBB- rating by any of the major rating agencies must be sold within 90 days of the downgrade announcement. The investment manager must contact the consultant and/or investment committee for approval should they wish to hold the security beyond 90 days.

Derivatives are limited to the use of U.S. Treasury bond futures and Euro futures, primarily for the purpose of adjusting fixed income duration. The use of futures shall not cause asset class policy ranges to be exceeded, or cause the total fund to be leveraged. The net notional principal amounts outstanding of all derivative investments, expressed in terms of the value of the underlying position, shall not exceed 15% of the market value of the Fund. All derivatives positions must be incorporated into the overall portfolio market values and risk measures.

Custodial Credit Risk:

Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Fund is not exposed to custodial credit risk at June 30, 2022 and 2021 for investments in the amount of $4,328,872,995 and $4,872,471,295, respectively, since the investments are held in the name of the Fund. At June 30, 2022 and 2021, collateral held under securities lending in the amount of $15,489,138 and $26,375,673, respectively, and non-cash collateral received under the securities lending program in the amount of $27,489,097 and $92,581,053, respectively, was exposed to custodial credit risk since these investments are not held in the name of the Fund. These securities are held in the name of a counterparty or counterparty's trust department or agent. The Fund has no formal policy regarding custodial credit risk.

Foreign Currency Risk:

Foreign currency risk is defined as the risk that changes in exchange rates will adversely affect the fair value of an investment. The Fund's exposure to foreign currency risk is limited to its investment in foreign marketable securities at June 30, 2022 and 2021 as follows:

6. DEPOSITS AND INVESTMENTS: (Continued)

Foreign Currency Risk: (Continued)

Fair Value at June 30, 2022:

Currency	Foreign Equities	Fixed Income	Cash and Other	Total
Australian dollar	$ 4,727,976	$ -	$ 40,876	$ 4,768,852
Canadian dollar	2,057,987	-	55,335	2,113,322
Danish krone	1,128,631	-	169,531	1,298,162
European euro	39,229,525	715,576	759,440	40,704,541
Hong Kong dollar	1,942,259	-	15,507	1,957,766
Israeli shekel	1,971,157	-	499,415	2,470,572
Japanese yen	37,901,539	-	593,425	38,494,964
Mexican peso	-	-	455,095	455,095
New Zealand dollar	-	-	64,275	64,275
Norwegian krone	2,061,692	-	28,227	2,089,919
Peruvian sol	-	-	875,710	875,710
Pound sterling	7,243,090	302,148	158,779	7,704,017
Russian ruble	-	61,982	958	62,940
Singapore dollar	315,783	-	50,855	366,638
South African rand	-	-	51	51
Swedish krona	5,704,881	-	94,793	5,799,674
Swiss franc	6,863,386	-	374,902	7,238,288
Total	$ 111,147,906	$ 1,079,706	$ 4,237,174	$ 116,464,786

6. DEPOSITS AND INVESTMENTS: (Continued)

Foreign Currency Risk: (Continued)

Fair Value at June 30, 2021:

Currency	Foreign Equities	Fixed Income	Cash and Other	Total
Australian dollar	$ 6,452,138	$ -	$ 26,195	$ 6,478,333
Canadian dollar	3,784,300	-	38,291	3,822,591
Danish krone	2,513,283	-	62,413	2,575,696
European euro	34,230,281	1,030,199	203,734	35,464,214
Hong Kong dollar	4,203,168	-	39,162	4,242,330
Israeli shekel	2,212,231	-	43,505	2,255,736
Japanese yen	42,162,509	-	764,521	42,927,030
Mexican peso	-	276,797	203,756	480,553
New Zealand dollar	89,053	-	54,424	143,477
Norwegian krone	1,561,123	-	92,617	1,653,740
Peruvian sol	-	1,080,542	-	1,080,542
Pound sterling	11,401,942	1,079,005	115,446	12,596,393
Russian ruble	-	380,579	3,534	384,113
Singapore dollar	1,644,575	-	414	1,644,989
South African rand	-	-	59	59
Swedish krona	4,426,404	-	47,366	4,473,770
Swiss franc	15,047,741	-	261,033	15,308,774
Total	$ 129,728,748	$ 3,847,122	$ 1,956,470	$ 135,532,340

The Fund also invests in various additional foreign securities which are denominated in U.S. Dollars. The Fund's policy regarding foreign currency risk states that the portfolio's investment manager may use currency-hedging strategies to protect against adverse currency movements as allowed in each manager's investment manager agreement. Portfolios can be hedged back to the base currency (the U.S. dollar). Additionally, maximum exposure to non-dollar securities at current market value shall not exceed 10% of each investment manager's total fixed income portfolio.

Interest Rate Risk:

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The Fund's investment policy dictates that for each fixed income manager's portfolio, the effective duration is permitted to range +/- 0.5 years relative to the duration of the benchmark at all times. At June 30, 2022 and 2021, the Fund had the following investments in long-term debt securities and maturities:

6. DEPOSITS AND INVESTMENTS: (Continued)

Interest Rate Risk: (Continued)

	2022				
Investment Type	Fair Value	Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Treasury and					
Government agency obligations	$ 565,576,676	$ 263,111,283	$ 4,264,567	$ 61,936,780	$ 236,264,046
Other bonds:					
Corporate Bonds - domestic	224,379,709	10,010,831	75,959,347	62,111,860	76,297,671
Corporate Bonds - foreign	61,932,713	2,840,166	17,101,749	17,197,906	24,792,892
Mortgage-backed securities and					
Collateralized mortgage obligations	14,563,905	162,966	711,421	977,399	12,712,119
Other	195,623,194	186,500,378	1,298,674	4,092,554	3,731,588
	$ 1,062,076,197	$ 462,625,624	$ 99,335,758	$ 146,316,499	$ 353,798,316
Collateral held under					
Securities Lending Program	$ 15,489,138	$ 15,489,138	$ -	$ -	$ -

	2021				
Investment Type	Fair Value	Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Treasury and					
Government agency obligations	$ 640,202,763	$ 277,088,112	$ 73,395,005	$ 78,826,593	$ 210,893,053
Other Bonds:					
Corporate Bonds - Domestic	227,078,767	8,237,878	79,827,273	75,108,736	63,904,880
Corporate Bonds - Foreign	50,895,257	2,047,359	22,934,714	13,708,128	12,205,056
Mortgage-backed Securities and					
Collateralized mortgage obligations	46,536,434	-	1,642,115	7,909,348	36,984,971
Other	243,164,666	231,693,827	2,890,000	3,852,366	4,728,473
	$ 1,207,877,887	$ 519,067,176	$ 180,689,107	$ 179,405,171	$ 328,716,433
Collateral held under					
Securities Lending Program	$ 26,375,673	$ 26,375,673	$ -	$ -	$ -

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

The high yield fund with a market value of $4,820,793 and $6,825,436 as of June 30, 2022 and 2021, respectively, had an average duration ranging between 3.12 and 4.45 years over the last five years ended June 30, 2022.

The asset-backed securities fund with a market value of $7,428,300 and $7,688,294 as of June 30, 2022 and 2021, respectively, had a duration of 2.11 years and 0.90 for the years ended June 30, 2022 and 2021, respectively.

6. DEPOSITS AND INVESTMENTS: (Continued)

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, 2022 and 2021 was (11.33%) and 26.73%, respectively. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

7. SECURITIES LENDING PROGRAM:

State statutes and board of trustee policies authorize the Fund to invest under the Prudent-Man Rule. Under the Prudent-Man Rule, the Fund is allowed to lend its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The Fund enters into a contract with a company, which acts as their third-party securities lending agent. The lending agent has access to the Fund's lendable portfolio or available assets. The agent lends available assets such as U.S. Treasury, government-guaranteed and corporate fixed income securities, and equities. The lending agent has discretion over the selection of borrowers and continually reviews credit worthiness of potential borrowers through adequate analysis of all material provided to them; however, the Fund may restrict borrowers. All loans are fully collateralized with cash, government securities, or irrevocable letters of credit. Collateralization of loans is required to be 102% of the market value of the loaned securities plus accrued income. As a result of the required collateralization percentage, the Fund has no credit risk.

All security loans can be terminated on demand by either the Fund or the borrower, although the average term of securities on loan as of June 30, 2022 is 148 days and as of June 30, 2021, is 100 days. The lending agent and the Fund enter into contracts with all approved borrowers. In the case of security loans in which the collateral received by the Fund is cash, the value of the amount invested is reported as an asset with a corresponding liability for the value of the collateral. When the Fund receives collateral other than cash, it may not reinvest the collateral. When this occurs, the Fund does not record the collateral on the financial statements. In both cases, the loaned securities continue to be reported as an asset on the statement of fiduciary net position and in Note 6. In the case of any loans collateralized by cash, the lending agent will invest the cash collateral (in the name of the Fund) in approved investments outlined in the contract between the agent and the Fund. Acceptable collateral from approved borrowers for repurchase agreements is all direct U.S. Treasury obligations, mortgage and asset-backed securities rated AA or higher, commercial paper, and other investments stipulated in lender agent contract. The Fund has the following securities on loan:

Security Type	Fair Value of Securities on Loan June 30, 2022	Fair Value of Securities on Loan June 30, 2021
U.S. Government & agency securities	$ 5,667,053	$ 57,394,285
Corporate bonds	5,185,194	6,984,663
Equities	30,339,287	51,567,786
Total	$ 41,191,534	$ 115,946,734

7. SECURITIES LENDING PROGRAM: (Continued)

Securities on loan at June 30, 2022 and 2021 are collateralized by cash collateral in the amount of $15,489,138 and $26,375,673, and noncash collateral in the amount of $27,489,097 and $92,581,053, for total amount of collateral held in the amount of $42,978,235 and $118,956,726, respectively.

The contracts with the lending agent require the lending agent to indemnify the Fund from any and all claims, actions, demands or lawsuits of any kind whatsoever resulting from the lending agent's gross negligence or willful misconduct in its administration of the program and to replace loaned securities not returned to the Fund for any reason.

The term to maturity of the securities loaned is matched with the term to maturity of the investment of the cash collateral by investing only in repurchase agreements with maturities of one to two days.

The information was not available to compute the gross amount of interest income earned and interest expense incurred from security lending transactions. The net amount of income received from the transactions is recorded in the financial statements in investment income.

8. EMPLOYEES' DEFERRED COMPENSATION PLAN:

The Sheriffs' Pension and Relief Fund offers its employees a deferred compensation plan, created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseen emergency. The Board of Trustees has authorized matching contributions to be made to the plan by the Fund on behalf of the employees. The contributions for the years ended June 30, 2022 and 2021 totaled $50,246 and $51,008, respectively.

All assets and income are held in a custodial trust account for the exclusive benefit of the participants and their beneficiaries.

9. ANNUAL AND SICK LEAVE:

Employees' leave is accrued at rates of 12 to 20 days per year depending upon length of service. Upon separation, employees are compensated for accumulated annual leave, up to a maximum of 60 days. Employees are not compensated for accumulated sick leave upon termination. The liability for annual leave accrued at June 30, 2022 and 2021 was $115,615 and $111,685, respectively.

10. OPERATING BUDGET:

The budget is under the control of the Board of Trustees and is not an appropriated budget but is considered a budgetary execution for management purposes.

11. CAPITAL ASSETS:

A summary of changes in capital assets follows:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022
Land	$ 92,692	$ -	$ -	$ 92,692
Building	2,767,271	123,480	(25,900)	2,864,851
Vehicles	26,730	-	-	26,730
Office furniture and equipment	1,034,199	8,773	(3,293)	1,039,679
	3,920,892	132,253	(29,193)	4,023,952
Accumulated depreciation	(2,006,128)	(126,656)	29,193	(2,103,591)
Total	$ 1,914,764	$ 5,597	$ -	$ 1,920,361

Depreciation expense for the years ended June 30, 2022 and 2021 totaled $126,656 and $117,027, respectively.

12. OTHER RECEIVABLES AND PREPAIDS:

The following is a schedule of other receivables and prepaid expenses at June 30, 2022 and 2021:

	2022	2021
Other receivables:		
Pension	$ 275,235	$ 482,163
Taxes	38,168	13,946
Other investment receivables	14,875,597	1,961,471
Total other receivables	15,189,000	2,457,580
Prepaid expenses	31,476	9,198
Total Receivables and Prepaids	$ 15,220,476	$ 2,466,778

Pension receivable represents amounts that were determined to have been paid for benefits that were not due to the recipient. Amounts due are generally established through legal judgments. Taxes receivable represent ad valorem and revenue sharing taxes due from parishes. The Fund considered all receivables to be collectable, therefore, no allowance for bad debt was recorded.

13. POSTEMPLOYMENT HEALTHCARE AND LIFE INSURANCE BENEFITS:

Plan Description:

Substantially all of the Fund's employees become eligible for postemployment health care, life insurance and dental benefits if they reach normal retirement age while working for the Fund. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the Fund.

The Plan is required to comply with House Bill 253, Act 314 of 1999 which provides that the premium costs of group hospital, surgical, medical expenses, and dental insurance and the first $10,000 of life insurance contracted under the provisions of the bill shall be paid in full from the Sheriffs' general fund for all sheriffs and deputy sheriffs retired with a minimum of fifteen years of service and fifty-five years of age. The insurance advisory committee of the Louisiana Sheriffs' Association is the plan administrator. No assets are accumulated in a trust that meets all of the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Benefits Provided:

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

Employees Covered by Benefit Terms:

As of June 30, 2022 and 2021, the following employees were covered by benefits terms:

	2022	2021
Active	12	13
Retired	4	4
Total	16	17

Contributions:

The OPEB Plan is currently financed on a pay as you go basis. During the years ended June 30, 2022 and 2021, the Fund contributed $478 per month for retiree-only coverage with Medicare or $687 per month for retiree-only coverage without Medicare. During the fiscal years ended June 30, 2022 and 2021, the Fund paid $27,583 and $31,639, respectively, for insurance premiums.

13. POSTEMPLOYMENT HEALTHCARE AND LIFE INSURANCE BENEFITS: (Continued)

Actuarial Methods and Assumptions:

The Fund's total OPEB liability of $2,038,579 and $2,834,492 as of June 30, 2022 and 2021, respectively, was measured and was determined by an actuarial valuation as of that date.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

Since the Sheriffs' Pension and Relief Fund has fewer than 100 plan members, it qualified to use the Alternative Measurement Method (AMM), which is the calculation of the actuarial accrued liability and annual contribution without a traditional actuarial valuation. The AMM calculation process is similar to an actuarial valuation, but with simplifications of several assumptions permitted under GASB guidelines.

The following key assumptions were used in the AMM valuations dated June 30, 2022 and 2021:

Description	Assumption Used
Measurement Date:	June 30, 2022 and 2021
Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll
Amortization Period	20 years
Bond Yield:	2022 – 4.09% 2021 – 2.18%
Discount Rate	2022 – 4.09% 2021 – 2.18%
Projected Salary Increases	2022 – 5.00% 2021 – 5.00%
Average Retirement Age	62
Percentage Participation:	100%

13. POSTEMPLOYMENT HEALTHCARE AND LIFE INSURANCE BENEFITS: (Continued)

Actuarial Methods and Assumptions: (Continued)

NOL and ADC:	Calculated using the Alternative Measurement Method in accordance with GASB methodology.	
Mortality	Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years, for 2022 and 2021.	
Turnover Assumption	Derived from date maintained by the U.S. Office of Personnel Management regarding the most recent experience of the employee group covered by the Federal Employees Retirement System.	
Health Care Cost Trends:	2022	2021
Health	4.20% - 4.70%	4.30% - 4.90%
Pharmacy	4.20% - 5.20%	4.30% - 5.90%
Dental	3.00% - 3.50%	3.00% - 3.50%
Vision	3.00%	3.00%

Discount Rate:

The discount rate used to measure the total OPEB liability at June 30, 2022 and 2021 was 4.09% and 2.18%, respectively, for this plan. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at contractually required rates. Based on this assumption and as the OPEB plan is unfunded, the OPEB plan's fiduciary net position was not projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was determined using a discount rate that reflects the 20-year tax-exempt municipal bond yield or index rate.

The discount rate used to measure the total OPEB liability was increased to 4.09% in the June 30, 2022 valuation from 2.18% as of July 1, 2021.

The discount rate used to measure the total OPEB liability was decreased to 2.18% in the June 30, 2021 valuation from 2.66% as of July 1, 2020.

13. POSTEMPLOYMENT HEALTHCARE AND LIFE INSURANCE BENEFITS: (Continued)

Changes in the total OPEB liability:

The following table presents the changes in the Fund's total OPEB liability, for the years ended June 30, 2022 and 2021:

	2022	2021
Balance as of July 1,	$ 2,834,492	$ 2,562,282
Changes for the year:		
Service cost	100,461	80,808
Interest on total OPEB obligation	63,683	69,888
Effect of economic/demographic		
Gains or losses	(17,540)	(104,210)
Changes in assumptions	(914,934)	257,363
Benefits payments	(27,583)	(31,639)
Net changes	(795,913)	272,210
Ending Balance as of June 30,	$ 2,038,579	$ 2,834,492

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the Fund, as well as what the Fund's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate as of June 30, 2022 and 2021:

		June 30, 2022	
	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB Liability	$ 2,458,750	$ 2,038,579	$ 1,717,880

		June 30, 2021	
	1% Decrease (1.18%)	Current Discount Rate (2.18%)	1% Increase (3.18%)
Total OPEB Liability	$ 3,509,485	$ 2,834,492	$ 2,331,039

13. POSTEMPLOYMENT HEALTHCARE AND LIFE INSURANCE BENEFITS: (Continued)

Changes in the total OPEB liability: (Continued)

Sensitivity of the total OPEB liability to changes in the Healthcare cost trend rates:

The following presents the total OPEB liability of the Fund, as well as what the Fund's total OPEB liability would be if it were calculated using health care cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates as of June 30, 2022 and 2021:

		June 30, 2022	
	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	$ 1,808,609	$ 2,038,579	$ 2,342,671

		June 30, 2021	
	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	$ 2,491,647	$ 2,834,492	$ 3,295,598

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

For the years ended June 30, 2022 and 2021, the Fund recognized an OPEB benefit of $(719,260) and OPEB expense of $352,919, respectively. At June 30, 2022 and 2021, the Fund reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 244,058
Changes of assumptions	855,454	-
Total	$ 855,454	$ 244,058

	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 259,825
Changes of assumptions	920,291	-
Total	$ 920,291	$ 259,825

13. POSTEMPLOYMENT HEALTHCARE AND LIFE INSURANCE BENEFITS: (Continued)

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

Amounts reported as deferred outflows of resources and deferred inflows or resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:		
2023	$	49,070
2024		49,070
2025		49,070
2026		49,070
2027		49,070
Thereafter		366,046
Total	$	611,396

Payables to the OPEB Plan:

For each of the years ended June 30, 2022 and 2021, the Fund reported $-0- for the outstanding amount of contributions payable to the OPEB plan.

14. DERIVATIVES:

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

The Fund invests in futures contracts for the purpose of maintaining market exposure for excess cash. Futures contracts are standardized, exchange-traded contracts to purchase or sell a specific financial instrument at a predetermined price. Gains and losses on futures contracts are settled daily based on a notional (underlying) principal value and do not involve an actual transfer of the specific instrument. The exchange assumes the risk that the counterparty will not pay and generally requires margin payments to minimize such risk. Futures are used primarily as a tool to increase or decrease market exposure to various asset classes. At June 30, 2022 and 2021, the Plan has the following derivative instruments categorized as investment derivative instruments:

14. DERIVATIVES: (Continued)

June 30, 2022

	Notional Amount	Fair Market Value	Unrealized Gain / (Loss)
Fixed Income			
Futures	$ (63,288,980)	$ 568,843	$ 1,051,995
Cash & Cash Equivalents			
Futures - SOFR	462,863	10,262	10,262
Cash & Cash Equivalents			
Futures - EUR	38,351,136	(517,798)	(447,692)
Equity			
Futures	106,669,908	(3,027,082)	(5,039,660)

June 30, 2021

	Notional Amount	Fair Market Value	Unrealized Gain / (Loss)
Fixed Income			
Futures	$ (78,783,712)	$ (509,538)	$ (405,128)
Cash & Cash Equivalents			
Futures - SOFR	-	-	(1,333)
Cash & Cash Equivalents			
Futures - EUR	(3,638,663)	(36,663)	(93,588)
Equity			
Futures	118,068,223	2,012,578	246,527

Credit Risk:

The Fund’s futures contracts are settled daily by the exchange via margin accounts; therefore, the exchange is the counterparty for all transactions. This ensures that no participant takes on excessive credit. The counterparties execute the trades on the Fund’s behalf which results in the Fund not being exposed directly to credit risk.

14. DERIVATIVES: (Continued)

Foreign Currency Risk:

The Fund is exposed to foreign currency risk on its fixed income futures contracts which are denominated in Euros. At June 30, 2022 and 2021, the fair value of the fixed income futures contracts is $(517,798) and $(36,663), respectively.

Interest Rate Risk:

The Fund is exposed to interest rate risk on fixed income futures. The values of the futures are directly linked to interest rate indices which increase and decrease as interest rates change.

SHERIFFS' PENSION AND RELIEF FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN NET PENSION LIABILITY (ASSET)
FOR THE NINE YEARS ENDED JUNE 30, 2022

	2022	2021	2020	2019
Total Pension Liability				
Service Cost	$ 125,475,394	$ 125,252,527	$ 128,753,897	$ 122,194,560
Interest	329,250,385	317,616,846	304,321,269	291,566,280
Changes of Benefit Terms	-	20,377,853 [1]	-	-
Difference Between Expected and Actual Experience	46,736,342	(16,723,741)	(19,583,200)	(17,197,440)
Changes of Assumptions	28,392,554	36,180,573	72,250,082	71,727,193
Retirement Benefits	(241,221,764)	(230,279,041)	(209,169,816)	(193,696,425)
Refunds and Transfers of Member Contributions	(11,757,376)	(13,961,936)	(9,121,593)	(8,691,521)
Net Change in Total Pension Liability	276,875,535	238,463,081	267,450,639	265,902,647
Total Pension Liability - Beginning	4,770,649,122	4,532,186,041	4,264,735,402	3,998,832,755
Total Pension Liability - Ending (a)	$ 5,047,524,657	$ 4,770,649,122	$ 4,532,186,041	$ 4,264,735,402
Plan Fiduciary Net Position				
Contributions - Employer	$ 91,098,923	$ 89,432,304	$ 90,588,390	$ 86,137,323
Contributions - Member	75,993,308	74,767,454	75,764,207	71,306,407
Contributions - Nonemployer Contributing Entities	46,237,298	46,191,649	44,726,080	42,360,460
Net Investment Income (loss)	(544,399,207)	1,016,276,582	57,768,689	181,005,669
Retirement Benefits	(241,221,764)	(230,279,041)	(209,169,816)	(193,696,425)
Refunds and Transfers of Member Contributions	(11,757,376)	(13,961,936)	(9,121,593)	(8,691,521)
OPEB Benefit (Expense)	719,260	(352,919)	(207,561)	(199,232)
Administrative Expenses	(2,009,541)	(1,823,657)	(1,868,095)	(1,765,035)
Depreciation Expense	(126,656)	(117,027)	(122,077)	(113,039)
Net Change in Plan Fiduciary Net Position	(585,465,755)	980,133,409	48,358,224	176,344,607
Plan Fiduciary Net Position - Beginning	4,820,204,144	3,840,070,735	3,791,712,511	3,615,367,904
Change in Accounting Principle	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	4,234,738,389	4,820,204,144	3,840,070,735	3,791,712,511
Net Pension Liability (Asset) - Ending (a) - (b)	$ 812,786,268	$ (49,555,022)	$ 692,115,306	$ 473,022,891
Plan Fiduciary Net Position as a % of Total Pension Liability	83.90%	101.04%	84.73%	88.91%
Covered Payroll	$ 743,664,678	$ 730,059,624	$ 738,071,698	$ 701,783,004
Net Pension Liability as a % of Covered Payroll	109.29%	N/A	93.77%	67.40%

[1] The COLA approved during the year ended June 30, 2021 was granted only to those retirees over the age of 65, and was prefunded from funds accumulated and reserved in the funding deposit account. Therefore, the benefit increase did not result in an increase to the employer contribution rate.

(Continued)

SHERIFFS' PENSION AND RELIEF FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN NET PENSION LIABILITY (ASSET)
FOR THE NINE YEARS ENDED JUNE 30, 2022

	2018	2017	2016	2015	2014
Total Pension Liability					
Service Cost	$ 120,192,459	$ 116,587,142	$ 113,145,678	$ 110,234,168	$ 107,079,257
Interest	280,213,884	267,976,249	255,538,471	243,675,277	232,540,719
Changes of Benefit Terms	28,193,391	-	-	20,857,099	-
Difference Between Expected and Actual Experience	(63,618,781)	(29,559,195)	(30,213,211)	(24,230,357)	(49,042,594)
Changes of Assumptions	65,732,028	41,953,740	39,348,710	786,746	35,200,402
Retirement Benefits	(180,414,500)	(167,386,535)	(149,210,559)	(139,219,191)	(127,604,168)
Refunds and Transfers of Member Contributions	(12,860,147)	(13,332,432)	(11,578,943)	(13,111,071)	(11,498,541)
Net Change in Total Pension Liability	237,438,334	216,238,969	217,030,146	198,992,671	186,675,075
Total Pension Liability - Beginning	3,761,394,421	3,545,155,452	3,328,125,306	3,129,132,635	2,942,457,560
Total Pension Liability - Ending (a)	$ 3,998,832,755	$ 3,761,394,421	$ 3,545,155,452	$ 3,328,125,306	3,129,132,635
Plan Fiduciary Net Position					
Contributions - Employer	$ 87,830,131	$ 91,758,224	$ 93,996,292	94,496,664	89,359,583
Contributions - Member	70,631,946	70,997,859	70,094,659	68,009,895	65,974,932
Contributions - Nonemployer Contributing Entities	40,825,293	39,695,198	38,845,486	37,442,873	35,621,011
Net Investment Income (loss)	284,279,433	397,949,672	(12,277,606)	103,374,920	410,664,372
Retirement Benefits	(180,414,500)	(167,386,535)	(149,210,559)	(139,219,191)	(127,604,168)
Refunds and Transfers of Member Contributions	(12,860,147)	(13,332,432)	(11,578,943)	(13,111,071)	(11,498,541)
OPEB Benefit (Expense)	(159,342)	-	-	-	-
Administrative Expenses	(1,747,340)	(1,670,725)	(1,658,172)	(1,640,879)	(1,491,074)
Depreciation Expense	(114,350)	(110,159)	(118,771)	(111,758)	(157,122)
Net Change in Plan Fiduciary Net Position	288,271,124	417,901,102	28,092,386	149,241,453	460,868,993
Plan Fiduciary Net Position - Beginning	3,328,367,058	2,910,465,956	2,882,373,570	2,733,132,117	2,272,263,124
Change in Accounting Principle	(1,270,278)	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	3,615,367,904	3,328,367,058	2,910,465,956	2,882,373,570	2,733,132,117
Net Pension Liability - Ending (a) - (b)	$ 383,464,851	$ 433,027,363	$ 634,689,496	$ 445,751,736	396,000,518
Plan Fiduciary Net Position as a % of Total Pension Liability	90.41%	88.49%	82.10%	86.61%	87.34%
Covered Payroll	$ 688,863,773	$ 692,514,898	$ 683,609,396	663,134,484	643,337,531
Net Pension Liability as a % of Covered Payroll	55.67%	62.53%	92.84%	67.22%	61.55%

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

SHERIFFS' PENSION AND RELIEF FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF EMPLOYERS' NET PENSION LIABILITY (ASSET)
FOR THE NINE YEARS ENDED JUNE 30, 2022

Fiscal Year End	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a % of Total Pension Liability	Covered Payroll	Employers' Net Pension Liability as a % of Covered Payroll
2022	$ 5,047,524,657	$ 4,234,738,389	$ 812,786,268	83.90 %	$ 743,664,678	109.29
2021	4,770,649,122	4,820,204,144	(49,555,022)	101.04	730,059,624	N/A
2020	4,532,186,041	3,840,070,735	692,115,306	84.73	738,071,698	93.77
2019	4,264,735,402	3,791,712,511	473,022,891	88.91	701,783,004	67.40
2018	3,998,832,755	3,615,367,904	383,464,851	90.41	688,863,773	55.67
2017	3,761,394,421	3,328,367,058	433,027,363	88.49	692,514,898	62.53
2016	3,545,155,452	2,910,465,956	634,689,496	82.10	683,609,396	92.84
2015	3,328,125,306	2,882,373,570	445,751,736	86.61	663,134,484	67.22
2014	3,129,132,635	2,733,132,117	396,000,518	87.34	643,337,531	61.55

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

SHERIFFS' PENSION AND RELIEF FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CONTRIBUTIONS
EMPLOYER AND NON-EMPLOYER CONTRIBUTING ENTITIES
FOR THE NINE YEARS ENDED JUNE 30, 2022

Fiscal Year End	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Liability	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	$ 132,644,924	$ 137,336,221	$ (4,691,297)	$ 743,664,678	18.47 %
2021	122,879,347	135,623,953	(12,744,606)	730,059,624	18.58
2020	112,428,708	135,139,863	(22,711,155)	738,071,698	18.31
2019	108,811,242	128,328,878	(19,517,636)	701,783,004	18.29
2018	109,719,673	128,655,424	(18,935,751)	688,863,773	18.68
2017	105,465,110	131,453,422	(25,988,312)	692,514,898	18.98
2016	119,551,166	132,841,778	(13,290,612)	683,609,396	19.43
2015	132,152,310	131,939,537	212,773	663,134,484	19.90
2014	125,191,048	124,980,594	210,454	643,337,531	19.43

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

SHERIFFS' PENSION AND RELIEF FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF INVESTMENT RETURNS
FOR THE NINE YEARS ENDED JUNE 30, 2022

Fiscal Year End	Annual Money-Weighted Rate of Return*
2022	(11.33) %
2021	26.73
2020	1.51
2019	5.04
2018	8.59
2017	13.75
2016	(0.45)
2015	3.82
2014	18.04

*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.

SHERIFFS' PENSION AND RELIEF FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE FUND'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE FIVE YEARS ENDED JUNE 30, 2022

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	$ 100,461	$ 80,808	$ 72,460	$ 74,024	$ 49,743
Interest	63,683	69,888	69,563	76,138	51,690
Effect of economic/demographic gain or losses	(17,540)	(104,210)	(44,300)	(260,573)	(49,292)
Change of assumptions or other inputs	(914,934)	257,363	60,768	83,806	1,091,645
Benefit payments	(27,583)	(31,639)	(33,855)	(33,158)	(25,349)
Net change in total OPEB liability	(795,913)	272,210	124,636	(59,763)	1,118,437
Total OPEB liability - beginning	2,834,492	2,562,282	2,437,646	2,497,409	1,378,972
Total OPEB liability - ending	$ 2,038,579	$ 2,834,492	$ 2,562,282	$ 2,437,646	$ 2,497,409
Covered payroll	$ 895,261	$ 829,815	$ 826,985	$ 799,750	$ 872,677
Total OPEB liability as a % of covered payroll	228%	342%	310%	305%	286%

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

1. SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET):

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

2. SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY (ASSET):

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

3. SCHEDULE OF PENSION 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 employer and non-employer contributing entities, and the percentage of employer contributions received to covered payroll is presented in this schedule. Insurance premium tax, ad valorem and state revenue sharing funds received are 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 – NET PENSION LIABILITY (ASSET):

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

6. CHANGES OF BENEFIT TERMS:

Pension Plan:

During the year ended June 30, 2015, the Fund granted a 2.5% Cost of Living Adjustment (COLA) to retired members and beneficiaries. The actuarial cost of the COLA was included as a change of benefit terms in the Schedule of Changes in Net Pension Liability for the year ended June 30, 2015.

During the year ended June 30, 2018, the Fund granted a 2.5% Cost of Living Adjustment (COLA) to retired members and beneficiaries, effective January 1, 2018. The actuarial cost of the COLA was included as a change of benefit terms in the Schedule of Changes in Net Pension Liability for the year ended June 30, 2018.

During the year ended June 30, 2021, the Fund granted a 2.0% Cost of Living Adjustment (COLA) to retired members and beneficiaries, effective January 1, 2021. The actuarial cost of the COLA was included as a change of benefit terms in the Schedule of Changes in Net Pension Liability for the year ended June 30, 2021. The COLA approved during the year ended June 30, 2021 was granted only to those retirees over the age of 65, and was prefunded from funds accumulated and reserved in the funding deposit account. Therefore, the benefit increase did not result in an increase to the employer contribution rate.

OPEB Plan:

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

7. CHANGES OF ASSUMPTIONS:

Pension Plan:

Valuation Date	Discount Rate	Inflation Rate	Salary Increases	Mortality Rate
June 30, 2022	6.85% per annum	2.50% per annum	07/01/2014 - 06/30/2019 experience study, 5.00%	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 120% for males and 115% for females, each with full generational projection using the MP2019 scale.
June 30, 2021	6.90% per annum	2.50% per annum	07/01/2014 - 06/30/2019 experience study, 5.00%	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 120% for males and 115% for females, each with full generational projection using the MP2019 scale.
June 30, 2020	7.00% per annum	2.50% per annum	07/01/2014 - 06/30/2019 experience study, 5.00%	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 120% for males and 115% for females, each with full generational projection using the MP2019 scale.

7. CHANGES OF ASSUMPTIONS: (Continued)

Pension Plan: (continued)

Valuation Date	Discount Rate	Inflation Rate	Salary Increases	Mortality Rate
June 30, 2019	7.10% per annum	2.50% per annum	07/01/2009 - 06/30/2014 experience study, 5.50%	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables RP-2000 Disabled Lives Mortality Table
June 30, 2018	7.25% per annum	2.60% per annum	07/01/2009 - 06/30/2014 experience study, 5.50%	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables RP-2000 Disabled Lives Mortality Table
June 30, 2017	7.40% per annum	2.775% per annum	07/01/2009 - 06/30/2014 experience study, 5.50%	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables RP-2000 Disabled Lives Mortality Table
June 30, 2016	7.50% per annum	2.875% per annum	07/01/2009 - 06/30/2014 experience study, 5.50%	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables RP-2000 Disabled Lives Mortality Table
June 30, 2015	7.60% per annum	2.875% per annum	07/01/2009 - 06/30/2014 experience study, 5.50%	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables RP-2000 Disabled Lives Mortality Table
June 30, 2014	7.70% per annum	3.00% per annum	07/01/2006 - 06/30/2010 experience study, 6.00%	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables RP-2000 Disabled Lives Mortality Table

OPEB Plan:

During the year ended June 30, 2022, the discount rate increased to 4.09% from 2.18% as of July 1, 2021.

During the year ended June 30, 2021, the discount rate decreased to 2.18% from 2.66% as of July 1, 2020.

During the year ended June 30, 2020, the discount rate decreased to 2.66% from 2.79% as of July 1, 2019.

During the year ended June 30, 2019, the discount rate decreased to 2.79% from 2.98% as of July 1, 2018.

During the year ended June 30, 2018, the discount rate decreased to 2.98% from 3.70% as of July 1, 2017.

8. SCHEDULE OF CHANGES IN THE FUND'S TOTAL OPEB LIABILITY AND RELATED RATIOS:

This schedule reflects the participation of the Fund's employees in the post-employment benefits plan and its total other post-employment liability, and the total other post-employment benefits liability as a percentage of its covered payroll. The employers' total other post-employment benefit liability is the liability of the Fund's employees for benefits provided through the post-employment benefits plan. Covered payroll is the payroll of all employees that are provided with benefits through the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75 to pay related benefits.

SHERIFFS' PENSION AND RELIEF FUND
SUPPLEMENTARY INFORMATION
STATEMENTS OF CHANGES IN RESERVE BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

	ANNUITY RESERVE	ANNUITY SAVINGS	PENSION ACCUMULATION	DROP / BACK-DROP	FUNDING DEPOSIT ACCOUNT	TOTAL
BALANCES - BEGINNING OF YEAR	$ 2,184,276,685	$ 677,644,584	$ 1,846,684,013	$ 19,924,330	$ 91,674,532	$ 4,820,204,144
REVENUES AND TRANSFERS:						
Contributions	-	75,993,308	116,914,402	-	20,421,819	213,329,529
Net income (loss) from investments	-	-	(550,765,430)	40,680	6,325,543	(544,399,207)
Miscellaneous income	-	-	1,119	-	-	1,119
Annuities derived from accumulated savings and DROP	43,825,827	-	-	-	-	43,825,827
Contributions for purchased or transferred services	-	2,950,094	8,521,968	-	-	11,472,062
Transfer of post-DROP contributions	-	-	-	2,985,046	-	2,985,046
DROP pensions accumulated from Annuity Reserve	-	-	-	23,392,306	-	23,392,306
OPEB Benefit			719,260			719,260
Actuarial transfer	331,536,229	-	-	-	-	331,536,229
Total revenues investment income and transfers	375,362,056	78,943,402	(424,608,681)	26,418,032	26,747,362	82,862,171
EXPENSES AND TRANSFERS:						
Retirement allowances paid during the period	220,538,240	-	-	-	-	220,538,240
Transfer to Annuity Reserve	-	37,175,564	-	6,650,263	-	43,825,827
Transfer of post-DROP contributions	-	2,985,046	-	-	-	2,985,046
Refunds to members	-	20,856,418	-	-	-	20,856,418
Administrative expenses, OPEB expense and depreciation expense	-	-	2,136,197	-	-	2,136,197
Funds transferred to other systems	-	-	2,374,139	-	-	2,374,139
Pensions paid into DROP	23,392,306	-	-	-	-	23,392,306
Pensions paid out of DROP	-	-	-	20,683,524	-	20,683,524
Actuarial transfer	-	-	331,536,229	-	-	331,536,229
Total expenses and transfers	243,930,546	61,017,028	336,046,565	27,333,787	-	668,327,926
Net change	131,431,510	17,926,374	(760,655,246)	(915,755)	26,747,362	(585,465,755)
BALANCES - END OF YEAR	$ 2,315,708,195	$ 695,570,958	$ 1,086,028,767	$ 19,008,575	$ 118,421,894	$ 4,234,738,389

SHERIFFS' PENSION AND RELIEF FUND
SUPPLEMENTARY INFORMATION
STATEMENTS OF CHANGES IN RESERVE BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	ANNUITY RESERVE	ANNUITY SAVINGS	PENSION ACCUMULATION	DROP / BACK-DROP	FUNDING DEPOSIT ACCOUNT	TOTAL
BALANCES - BEGINNING OF YEAR	$ 1,989,987,393	$ 667,187,439	$ 1,064,078,117	$ 18,426,352	$ 100,391,434	$ 3,840,070,735
REVENUES AND TRANSFERS:						
Contributions	-	74,767,454	130,990,402	-	4,633,551	210,391,407
Net income from investments	-	-	1,009,230,669	18,513	7,027,400	1,016,276,582
Miscellaneous income	-	-	336	-	-	336
Annuities derived from accumulated savings and DROP	53,400,046	-	-	-	-	53,400,046
Contributions for purchased or transferred services	-	2,604,926	6,414,265	-	-	9,019,191
Transfer of post-DROP contributions	-	-	-	3,948,234	-	3,948,234
DROP pensions accumulated from Annuity Reserve	-	-	-	30,533,556	-	30,533,556
Actuarial transfer	379,345,493	-	-	-	-	379,345,493
Total revenues investment income and transfers	432,745,539	77,372,380	1,146,635,672	34,500,303	11,660,951	1,702,914,845
EXPENSES AND TRANSFERS:						
Retirement allowances paid during the period	207,922,691	-	-	-	-	207,922,691
Transfer to Annuity Reserve	-	42,754,071	-	10,645,975	-	53,400,046
Transfer of post-DROP contributions	-	3,948,234	-	-	-	3,948,234
Refunds to members	-	20,212,930	-	-	-	20,212,930
Administrative expenses, OPEB and depreciation	-	-	2,293,603	-	-	2,293,603
Funds transferred to other systems	-	-	2,768,533	-	-	2,768,533
Pensions paid into DROP	30,533,556	-	-	-	-	30,533,556
Pensions paid out of DROP	-	-	-	22,356,350	-	22,356,350
Actuarial transfer	-	-	358,967,640	-	20,377,853	379,345,493
Total expenses and transfers	238,456,247	66,915,235	364,029,776	33,002,325	20,377,853	722,781,436
Net change	194,289,292	10,457,145	782,605,896	1,497,978	(8,716,902)	980,133,409
BALANCES - END OF YEAR	$ 2,184,276,685	$ 677,644,584	$ 1,846,684,013	$ 19,924,330	$ 91,674,532	$ 4,820,204,144

SHERIFFS' PENSION AND RELIEF FUND
SUPPLEMENTARY INFORMATION
SCHEDULES OF ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Building maintenance	$ 14,080	$ 11,438
Computer services	35,780	36,813
Equipment maintenance	29,747	23,072
Equipment rental	5,844	5,722
Group medical and bond insurance	208,347	155,254
Janitorial, garage, yard	22,399	24,693
Leases - office equipment	5,528	5,541
Medical fees - members	12,509	4,878
Members education	-	94
Office supplies and expense	86,081	124,010
Payroll taxes	17,160	16,483
Professional development	1,933	3,290
Professional retainers and legal fees	299,787	263,479
Salaries and related cost	966,044	897,055
Retirement contributions	187,904	175,876
Security	14,357	6,045
Telephone	20,279	24,648
Travel - Board and Committee meeting expenses	10,386	1,463
Travel - LSA conferences	21,873	-
Utilities	49,503	43,803
Total administrative expenses	$ 2,009,541	$ 1,823,657
Professional retainers and legal fees:		
Legal	$ 112,780	$ 82,652
GASB 67 and GASB 68 expenses	15,209	15,329
Professional services	53,358	47,058
Retainer - actuary	118,440	118,440
Total professional retainers and legal fees	$ 299,787	$ 263,479

SHERIFFS' PENSION AND RELIEF FUND
SUPPLEMENTARY INFORMATION
PER DIEM AND TRAVEL EXPENSES PAID TO BOARD OF TRUSTEES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022			* 2021		
	Per Diem	Travel Reimbursement	Total	Per Diem	Travel Reimbursement	Total
Wayne Melancon	$ 225	$ 267	$ 492	$ -	$ -	$ -
William Hilton	300	614	914	-	-	-
Debbie McBeth	225	415	640	-	-	-
Joe Seymour	225	715	940	-	-	-
Victor Jones Jr.	150	189	339	-	-	-
Donal L. Rittenberry	675	1,962	2,637	-	-	-
Totals	$ 1,800	$ 4,162	$ 5,962	$ -	$ -	$ -

* Due to the continued threat of the COVID-19 pandemic during the fiscal year ended June 30, 2021, all meetings were held virtually during the fiscal year, therefore no per diem or expense reimbursements were requested.

SHERIFFS' PENSION AND RELIEF FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

Agency head: Sheriff William Hilton, Chairman of the Board

Purpose	2022	2021
[1] Per Diem	$ 300	$ -
[1] Expense reimbursement	614	-
Total	$ 914	$ -

[1] Due to the continued threat of the COVID-19 pandemic during the fiscal year ended June 30, 2021, all meetings were held virtually during the fiscal year, therefore no per diem or expense reimbursements were requested. During the fiscal year ended June 30, 2022, all in person meetings were resumed.

DHHM
certified public accountants

Duplantier
Hrapmann
Hogan &
Maher, LLP

A.J. Duplantier, Jr., CPA
(1919-1985)
Felix J. Hrapmann, Jr., CPA
(1919-1990)
William R. Hogan, Jr., CPA
(1920-1996)
James Maher, Jr., CPA
(1921-1999)

Lindsay J. Calub, CPA, LLC
Guy L. Duplantier, CPA
Michelle H. Cunningham, CPA
Dennis W. Dillon, CPA
Grady C. Lloyd, III CPA

Heather M. Jovanovich, CPA
Terri L. Kitto, CPA

Robynn P. Beck, CPA
John P. Butler, CPA
Jason C. Montegut, CPA
Paul M. Novak, CPA, AVB, CVA
Wesley D. Wade, CPA

Michael J. O' Rourke, CPA
David A. Burgard, CPA
Clifford J. Giffin, Jr., CPA
William G. Stamm, CPA

New Orleans
1615 Poydras Street,
Suite 2100
New Orleans, LA 70112
Phone: (504) 586-8866
Fax: (504) 525-5888

Northshore
1290 Seventh Street
Slidell, LA 70458
Phone: (985) 641-1272
Fax: (985) 781-6497

Houma
247 Corporate Drive
Houma, LA 70360
Phone: (985) 868-2630
Fax: (985) 872-3833

Napoleonville
5047 Highway 1
P.O. Box 830
Napoleonville, LA 70390
Phone: (985) 369-6003
Fax: (985) 369-9941

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

December 30, 2022

Board of Trustees
Sheriffs' Pension and Relief Fund
State of Louisiana
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statements of fiduciary net position and the related statements of changes in fiduciary net position of the Sheriffs' Pension and Relief Fund, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Sheriffs' Pension and Relief Fund's basic financial statements, and have issued our report thereon dated December 30, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriffs' Pension and Relief Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan and Maher, LLP

New Orleans, Louisiana

SHERIFFS' PENSION AND RELIEF FUND
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

SUMMARY OF AUDITOR'S RESULTS:

1. The opinions issued on the financial statements of the Sheriffs' Pension and Relief Fund for the years ended June 30, 2022 and 2021, were unmodified.

2. Internal control over financial reporting:

   Material weaknesses: None noted
   Significant deficiencies: None noted

3. Compliance and other matters:

   Noncompliance material to financial statements: None noted

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

None

MANAGEMENT LETTER COMMENTS:

None

SUMMARY OF PRIOR YEAR FINDINGS:

None

SHERIFFS' PENSION AND RELIEF FUND

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

FOR FISCAL YEAR JULY 01, 2021
THROUGH JUNE 30, 2022

SHERIFFS' PENSION AND RELIEF FUND

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THROUGH JUNE 30, 2022

DHHM
certified public accountants

Duplantier
Hrapmann
Hogan &
Maher, LLP

A.J. Duplantier, Jr., CPA
(1919-1985)
Felix J. Hrapmann, Jr., CPA
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William R. Hogan, Jr., CPA
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Michael J. O' Rourke, CPA
David A. Burgard, CPA
Clifford J. Giffin, Jr., CPA
William G. Stamm, CPA

New Orleans
1615 Poydras Street,
Suite 2100
New Orleans, LA 70112
Phone: (504) 586-8866
Fax: (504) 525-5888

Northshore
1290 Seventh Street
Slidell, LA 70458
Phone: (985) 641-1272
Fax: (985) 781-6497

Houma
247 Corporate Drive
Houma, LA 70360
Phone: (985) 868-2630
Fax: (985) 872-3833

Napoleonville
5047 Highway 1
P.O. Box 830
Napoleonville, LA 70390
Phone: (985) 369-6003
Fax: (985) 369-9941

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE FISCAL YEAR
JULY 01, 2021 THROUGH JUNE 30, 2022

January 3, 2023

Board of Directors
Sheriffs' Pension and Relief Fund
Baton Rouge, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year July 01, 2021 through June 30, 2022. Sheriffs' Pension and Relief Fund's management is responsible for those C/C areas identified in the SAUPs.

Sheriffs' Pension and Relief Fund has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal year July 01, 2021 through June 30, 2022. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. **Procedure**: Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

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

   b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

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

   d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

   e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

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

   g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

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

   i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

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

k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

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

Results: We noted no findings as a result of applying the above agreed-upon procedures.

Board or Finance Committee

2. **Procedure**: Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results: We noted no findings as a result of applying the above agreed-upon procedures.

Bank Reconciliations

3. **Procedure**: Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's

main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

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

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

c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: We noted no findings as a result of applying the above agreed-upon procedures.

Collections (excluding electronic funds transfers)

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

   Results: We noted no findings as a result of applying the above agreed-upon procedures.

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

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

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

   c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

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

Results: We noted no findings as a result of applying the above agreed-upon procedures.

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

   Results: We noted no findings as a result of applying the above agreed-upon procedures.

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

   a) Observe that receipts are sequentially pre-numbered.

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

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

   d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer).

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

   Results: We noted no findings as a result of applying the above agreed-upon procedures.

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

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

   Results: We noted no findings as a result of applying the above agreed-upon procedures.

9. **Procedure**: For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

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

   c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

   d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

   [Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

   Results: We noted no findings as a result of applying the above agreed-upon procedures.

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

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

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

    Results: We noted no findings as a result of applying the above agreed-upon procedures.

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

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

    Results: We noted no findings as a result of applying the above agreed-upon procedures.

12. **Procedure**: Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

    a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

    b) Observe that finance charges and late fees were not assessed on the selected statements.

    Results: We noted no findings as a result of applying the above agreed-upon procedures.

13. **Procedure**: Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

    Results: We noted no findings as a result of applying the above agreed-upon procedures.

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

14. **Procedure**: Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

    a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration

    b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

    c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

    d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

    Results: We noted no findings as a result of applying the above agreed-upon procedures.

Contracts

15. **Procedure**: Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

    a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

    b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

    c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Results: We noted no findings as a result of applying the above agreed-upon procedures.

Payroll and Personnel

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

    Results: We noted no findings as a result of applying the above agreed-upon procedure.

17. **Procedure**: Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

    a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

    b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

    c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

    d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

    Results: We noted no findings as a result of applying the above agreed-upon procedures.

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

employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Results: We noted no findings as a result of applying the above agreed-upon procedure.

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

    Results: We noted no findings as a result of applying the above agreed-upon procedure.

Ethics

20. **Procedure**: Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

    a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

    b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

    Results: We noted no findings as a result of applying the above agreed-upon procedures.

Debt Service

21. **Procedure**: Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

    Results: The Fund does not have or issue debt, therefore, the debt service agreed upon procedures are not applicable.

22. **Procedure**: Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree

actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: The Fund does not have or issue debt, therefore, the debt service agreed upon procedures are not applicable.

Fraud Notice

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

    Results: We noted no findings as a result of applying the above agreed-upon procedures.

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

    Results: We noted no findings as a result of applying the above agreed-upon procedures.

Information Technology Disaster Recovery/Business Continuity

25. **Procedure**: Perform the following procedures:

    a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

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

    c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We performed the above agreed-upon procedure and discussed the results with management of the Sheriffs' Pension and Relief Fund.

Sexual Harassment

26. **Procedure**: Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the fiscal year.

    Results: We noted no findings as a result of applying the above agreed-upon procedures.

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

    Results: We noted no findings as a result of applying the above agreed-upon procedures.

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

    a) Number and percentage of public servants in the agency who have completed the training requirements;

    b) Number of sexual harassment complaints received by the agency;

    c) Number of complaints which resulted in a finding that sexual harassment occurred;

    d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

    e) Amount of time it took to resolve each complaint.

    Results: We noted no findings as a result of applying the above agreed-upon procedures.

Board of Directors
Sheriffs' Pension and Relief Fund
Baton Rouge, Louisiana

January 3, 2023

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

We are required to be independent of the Sheriffs' Pension and Relief Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Duplantier, Hrapmann, Hogan and Maher, LLP

New Orleans, Louisiana