

R E P O R T

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA

JUNE 30, 2023 AND 2022

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA

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# 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)

## INDEPENDENT AUDITOR'S REPORT

December 8, 2023

Lindsay J. Calub, CPA, LLC  
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  
Wesley D. Wade, CPA  
Gregory J. Binder, IT Director  
Colleen A. Casey, CPA

Michael J. O' Rourke, 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

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the District Attorneys' Retirement System (the System) of the State of Louisiana as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District Attorneys' Retirement System of the State of Louisiana as of June 30, 2023 and 2022, and the respective changes in its net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 District Attorneys' Retirement System (the System) of the State of Louisiana and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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American Institute of  
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Society of LA CPAs

## ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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, 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 District Attorneys' Retirement System (the System) of the State of Louisiana'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 District Attorneys' Retirement System (the System) of the State of Louisiana'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 a Matter***

As disclosed in Note 10 to the financial statements, the total pension liability for the District Attorneys Retirement System of Louisiana was \$606,116,554 and \$586,876,907 at June 30, 2023 and 2022, respectively. The actuarial valuations were based on various assumptions made by the System's actuary. Because actual experience may differ from the assumptions used in the actuarial valuation, there is a risk that the total pension liability at June 30, 2023 and 2022 could be understated or overstated.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated December 8, 2023 on our consideration of the District Attorneys' Retirement System of the State of Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District Attorneys' Retirement System's internal control over financial reporting and compliance and should be considered in assessing the results of our audit.

*Duplantier, Sharpner, Hogan and Grady, LLP*

New Orleans, Louisiana

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

The Management's Discussion and Analysis of the District Attorneys' Retirement System financial performance presents a narrative overview and analysis of the System's financial activities for the year ended June 30, 2023. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the information contained in the District Attorneys' Retirement System's financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

- The District Attorneys' Retirement System's assets exceeded its liabilities at the close of fiscal year 2023 by \$520,361,463, which represents an increase from last fiscal year. The net position held in trust for pension benefits increased by \$41,205,784, or 8.55%. At the close of the fiscal year ended 2022 the System's assets exceeded its liabilities by \$479,155,679 and net position held in trust for pension benefits decreased by \$58,111,461, or 10.82%, from fiscal year ended 2021.
- Contributions to the plan by members during the fiscal year ended 2023 totaled \$5,446,889, an increase of \$50,060, or 0.93%, from the prior year. During the fiscal year ended 2022 contributions by members totaled \$5,396,829, an increase of \$203,988, or 3.93%, from fiscal year ended 2021.
- Contributions to the plan by employers during the fiscal year ended 2023 totaled \$6,350,908, an increase of \$188,616, or 3.06%, from the prior year. During the fiscal year ended 2022 contributions by members totaled \$6,162,292, an increase of \$3,650,667, or 145.35%, from fiscal year ended 2021. The employer rate increased from 4.00% to 9.5% for fiscal year 2022.
- The fair value of investments as of June 30, 2023 is \$515,415,971 which is a net increase of \$40,514,577, or 8.52%. The fair value of investments as of June 30, 2022 was \$474,901,394, which was a net decrease of \$54,841,100, or 10.35%, from fiscal year ended 2021.
- The rate of return on the System's investments was 10.10% based on the market value. This is lower than the prior year's (10.00)% market rate of return. The rate of return on the System's investments for the year ended June 30, 2021 was 23.0%.
- Pension benefits paid to retirees and beneficiaries during the fiscal year ended 2023 was \$25,510,900, an increase by \$1,942,405, or 8.24%. This increase is due to an increase in the number of retirees and their benefit amounts. Pension benefits paid to retirees and beneficiaries during the fiscal year 2022 was \$23,568,495 an increase in the amount of \$2,016,329, or 9.36%, from fiscal year ended 2021.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The statement of fiduciary net position report the System's assets, liabilities, and resultant net position - restricted for pension benefits. It discloses the financial position of the System as of June 30, 2023.

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

FINANCIAL ANALYSIS OF THE SYSTEM

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

	Statement of Fiduciary Net Position		
	<u>June 30</u>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Cash and investments	\$ 517,883,349	\$ 477,645,041	\$ 532,185,460
Receivables	5,463,111	5,157,283	5,061,111
Prepaid expense	21,000	21,000	21,000
Total assets	523,367,460	482,823,324	537,267,571
Total Liabilities	3,005,997	3,667,645	431
Net Position - Restricted for Pension Benefits	\$ 520,361,463	\$ 479,155,679	\$ 537,267,140



DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

FINANCIAL ANALYSIS OF THE SYSTEM (Continued)

Statement of Changes in Fiduciary Net Position  
June 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Additions:			
Contributions	\$ 22,575,200	\$ 21,907,988	\$ 18,021,981
Net investment income (loss)	48,017,410	(53,344,865)	101,070,291
Other additions	848,217	1,365,492	958,304
Total additions	<u>71,440,827</u>	<u>(30,071,385)</u>	<u>120,050,576</u>
Deductions	30,235,043	28,040,076	26,736,687
(Decrease) Increase in Plan Net Position	<u>\$ 41,205,784</u>	<u>\$ (58,111,461)</u>	<u>\$ 93,313,889</u>

Fiduciary net position increased by 41,205,784, or 8.55%. The net position is restricted in use to provide monthly retirement allowances to members who contributed to the System as employees and their beneficiaries and administrative expenses. The increase in fiduciary net position was a result of the investment and contribution income exceeding the benefits paid.

Additions to Fiduciary Net Position

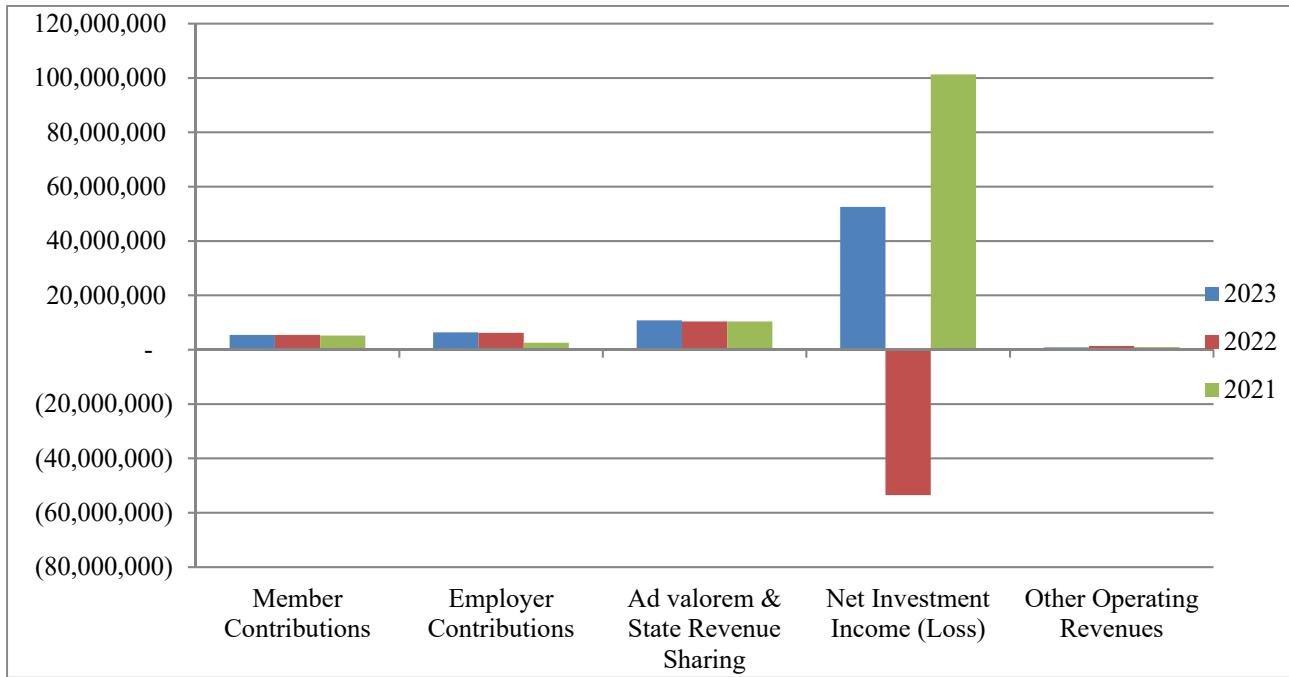
Additions to the System's fiduciary net position was derived from member and employer contributions, ad valorem taxes and state revenue sharing funds, and investment income. The System experienced a net investment income of 48,017,410 as compared to a net investment loss of \$53,344,865 in the previous year. Net investment income was \$101,070,291 for the year ended June 30, 2021.

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Member contributions	\$ 5,446,889	\$ 5,396,829	\$ 5,192,841
Employer contributions	6,350,908	6,162,292	2,511,625
Ad valorem & state revenue sharing	10,777,403	10,348,867	10,317,515
Net investment income (loss)	48,017,410	(53,344,865)	101,070,291
Other additions	848,217	1,365,492	958,304
Total	<u>\$ 71,440,827</u>	<u>\$ (30,071,385)</u>	<u>\$ 120,050,576</u>

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

FINANCIAL ANALYSIS OF THE SYSTEM (Continued)

Additions to Fiduciary Net Position (Continued)



Deductions from Fiduciary Net Position

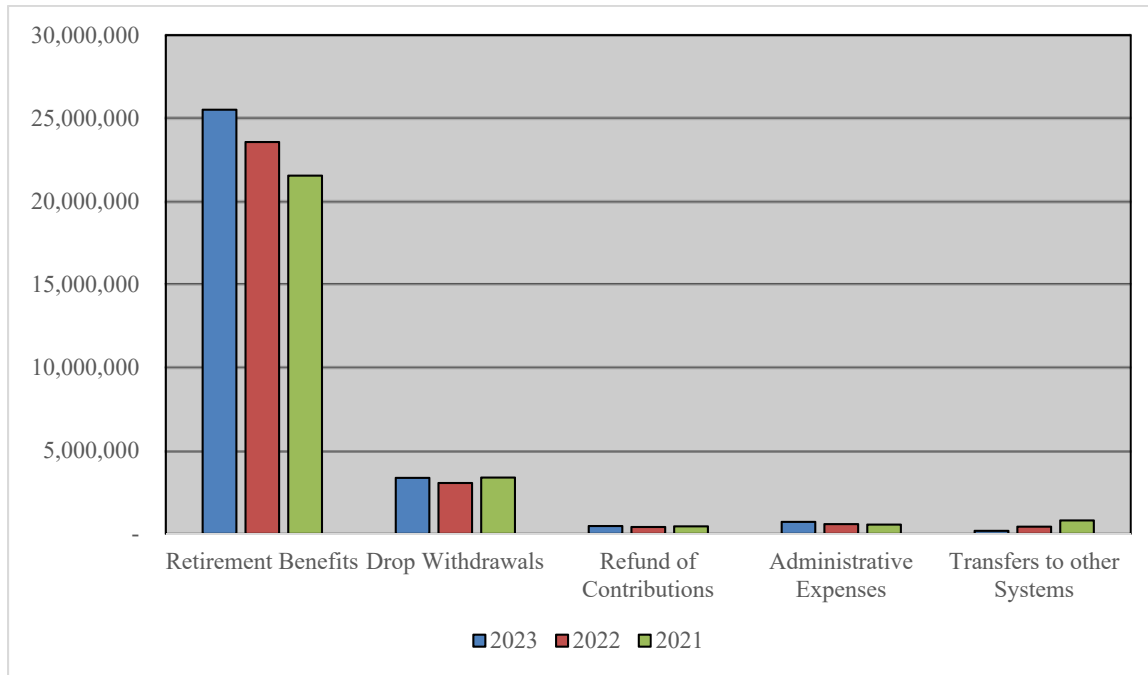
Deductions from fiduciary net position include retirement, death, and survivor benefits; administrative expenses; and transfers to other systems. Deductions from plan net position totaled \$30,235,043 in fiscal year 2023. Benefit payments during fiscal year ended June 30, 2023 and 2022 were \$25,510,900 and \$23,568,495, respectively. The increase in benefits is due largely to an increase in the number of retirees and newer retirees earning higher benefit amounts than previous retirees.

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Retirement benefits	\$ 25,510,900	\$ 23,568,495	\$ 21,552,166
DROP withdrawals	3,362,515	3,053,601	3,379,787
Refunds of contributions	467,251	404,048	448,108
Administrative expenses	718,665	584,825	550,758
Transfers to other systems	175,712	429,107	805,868
Total	<u>\$ 30,235,043</u>	<u>\$ 28,040,076</u>	<u>\$ 26,736,687</u>

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

FINANCIAL ANALYSIS OF THE SYSTEM (Continued)

Deductions to Fiduciary Net Position (Continued)



Investments

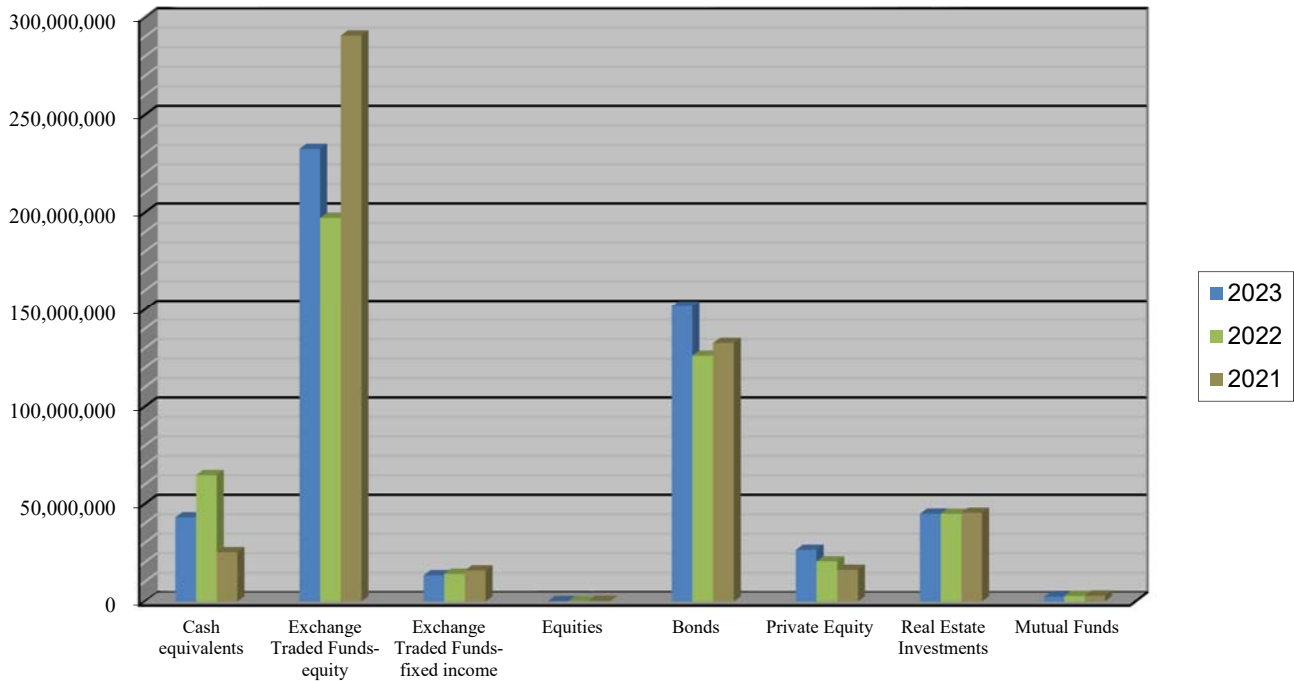
The District Attorneys' Retirement System is responsible for the prudent management of funds held in trust for the exclusive benefits of its members' pension benefits. Funds are invested to achieve maximum returns without exposing retirement assets to unacceptable risks. Total investments and cash equivalents at June 30, 2023 were \$515,415,971 as compared to \$474,901,394 at June 30, 2022, which is an increase of \$40,514,577 or 8.52%. The major factor contributing to this increase was the rebounding of the financial markets in 2023 compared to 2022. The System's investments in various markets at the end of the 2023 and 2022 and 2021 fiscal years are detailed in the following table:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Cash equivalents	\$ 43,183,428	\$ 68,514,483	\$ 25,291,302
Exchange traded funds - equity	232,712,225	197,378,837	290,737,128
Exchange traded funds - fixed income	13,441,855	14,145,875	15,889,110
Bonds	151,881,835	126,252,180	132,806,379
Equities	196,822	127,537	338,499
Private equity	26,541,018	20,680,187	16,240,307
Real estate investments	45,061,138	44,998,288	45,495,951
Mutual Funds	2,397,650	2,804,007	2,943,818
Total	<u>\$ 515,415,971</u>	<u>\$ 474,901,394</u>	<u>\$ 529,742,494</u>

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
 STATE OF LOUISIANA  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

FINANCIAL ANALYSIS OF THE SYSTEM (Continued)

Investments (Continued)



Requests for Information

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

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
STATEMENTS OF FIDUCIARY NET POSITION  
JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS:</b>		
Cash	\$ 2,467,378	\$ 2,743,647
Receivables:		
Employer contributions	540,089	419,358
Member contributions	640,895	497,163
Ad valorem & revenue sharing	171,787	124,583
Accrued interest and dividends	4,110,340	4,107,150
Miscellaneous receivables	-	9,029
Total	<u>5,463,111</u>	<u>5,157,283</u>
Prepaid expense:		
Prepaid rent	21,000	21,000
Total	<u>21,000</u>	<u>21,000</u>
Investments (at fair value):		
Cash equivalents	43,183,428	68,514,483
Bonds:		
Treasury notes	13,603,010	5,419,353
Mortgage backed securities	7,293,976	8,048,359
Municipal	50,127,457	47,109,253
Corporate	80,857,392	65,675,215
Equities	196,822	127,537
Private equity	26,541,018	20,680,187
Exchange traded funds - equity	232,712,225	197,378,837
Exchange traded funds - fixed income	13,441,855	14,145,875
Real estate	45,061,138	44,998,288
Mutual Funds	2,397,650	2,804,007
Total investments	<u>515,415,971</u>	<u>474,901,394</u>
Total assets	<u>523,367,460</u>	<u>482,823,324</u>
<b>LIABILITIES:</b>		
Accounts payable	5,997	1,909
Investment payables	3,000,000	3,665,736
Total liabilities	<u>3,005,997</u>	<u>3,667,645</u>
<b>NET POSITION - RESTRICTED FOR PENSION BENEFITS</b>	<u>\$ 520,361,463</u>	<u>\$ 479,155,679</u>

See accompanying notes.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ADDITIONS:		
Contributions:		
Members	\$ 5,446,889	\$ 5,396,829
Employer	6,350,908	6,162,292
Ad valorem taxes	10,540,359	10,135,514
State revenue sharing funds	237,044	213,353
Total contributions	<u>22,575,200</u>	<u>21,907,988</u>
Investment income:		
Interest and dividend income	15,412,282	9,958,445
Alternative Investment income	7,314,983	7,750,065
Net appreciation (depreciation) in fair value of investments	26,763,585	(70,292,710)
Less investment expense	(1,473,440)	(760,665)
Net investment income (loss)	<u>48,017,410</u>	<u>(53,344,865)</u>
Other additions:		
Transfers from other retirement systems	848,217	1,365,492
Total other additions	<u>848,217</u>	<u>1,365,492</u>
Total additions	<u>71,440,827</u>	<u>(30,071,385)</u>
DEDUCTIONS:		
Benefits	25,510,900	23,568,495
DROP withdrawal	3,362,515	3,053,601
Refund of contributions	467,251	404,048
Transfers to other retirement systems	175,712	429,107
Administrative expenses	718,665	584,825
Total deductions	<u>30,235,043</u>	<u>28,040,076</u>
NET INCREASE (DECREASE) IN PLAN NET POSITION	41,205,784	(58,111,461)
NET POSITION - RESTRICTED FOR PENSION BENEFITS:		
Beginning of year	<u>479,155,679</u>	<u>537,267,140</u>
END OF YEAR	<u>\$ 520,361,463</u>	<u>\$ 479,155,679</u>

See accompanying notes.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

Basis of Accounting:

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

Interest income is recognized when earned.

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

Expenditures are recognized in the period incurred.

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

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Method Used to Value Investments:

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

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

Leases:

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. This Statement outlines a single model for certain leases based on the foundational principle that leases are financings of the right to use an underlying asset. Other than short term leases, 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 System 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.



DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

New Accounting Pronouncement:

In May 2020, the Government Accounting Standards Board (GASB) issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. A SBITA is a contract that conveys control of the right to use another party's (a SBITA vendor) IT software, alone or in combination with tangible capital assets (with underlying IT assets), as specified in the contract for a period of time in an exchange or exchange like transaction. The statement established uniform accounting and financial reporting requirements for SBITAs; improved the comparability of governments' financial statements; and enhances the understandability, reliability, relevance, and consistence of information about SBITAs. The System has analyzed the provisions of GASB No. 96 and has concluded that there are no material contracts 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 District Attorneys' Retirement System State of Louisiana is the administrator of a cost-sharing, multiple employer defined benefit pension plan. The System was established on the first day of August, nineteen hundred and fifty-six and was placed under the management of the Board of Trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys, assistant district attorneys in each parish, and employees of this retirement system and the Louisiana District Attorneys' Association. The total number of participating employers was 105 and 109 for the years ended June 30, 2023 and 2022, respectively.

All persons who are district attorneys in the State of Louisiana, assistant district attorneys in any parish of the State of Louisiana, or employed by this retirement system and the Louisiana District Attorneys' Association, except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits, shall become members as a condition of their employment; provided, however, that in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the Louisiana District Attorneys' Retirement System Board of Trustees. At June 30, 2023 and 2022, the statewide retirement system membership consists of:

	<u>2023</u>	<u>2022</u>
Inactive plan members or beneficiaries		
currently receiving benefits	467	447
Inactive plan members entitled to but		
not yet receiving benefits	461	418
Active plan members	734	719
Total Participants	1,662	1,584

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

Benefits:

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

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

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

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

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

Benefits: (Continued)

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

Cost-of-Living:

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

BACK-DROP:

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

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

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
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3. CONTRIBUTIONS AND RESERVES:

Contributions:

The System is financed by employee contributions established by state statute at 8% of salary for active members at June 30, 2023 and 2022. In addition, the System receives revenue sharing funds as appropriated by the legislature and ad valorem taxes as determined by the Public Retirement Systems' Actuarial Committee. According to state statute, in the event that the contributions from ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contributions, the employer is required to make direct contributions as determined by the Public Retirement Systems' Actuarial Committee. The actuarially required employer contribution was 10.83% and 8.53% for the years ended June 30, 2023 and 2022, respectively.

The actual employer contribution was 9.5% for each of the years ended June 30, 2023 and 2022.

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

Reserves:

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

A) Pension Reserve:

The Pension Reserve consists of the reserves for all pensions, excluding cost-of-living increases, granted to members and is the reserve from which such pensions and annuities are paid. Survivors of deceased beneficiaries also receive benefits from this reserve. The Pension Reserve balance as of June 30, 2023 and 2022 was \$288,129,825 and \$273,712,691, respectively.

B) Annuity Savings:

The Annuity Savings is credited with contributions made by members of the System. When a member terminates his service, or upon his death before qualifying for a benefit, the refund of his contributions is made from this reserve. When a member retires, the amount of his accumulated contributions is transferred to the Pension Reserve to provide part of the benefits. The Annuity Savings balance as of June 30, 2023 and 2022 was \$64,541,314 and \$62,332,669, respectively.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

3. CONTRIBUTIONS AND RESERVES: (Continued)

Reserves: (Continued)

C) Pension Accumulation:

The Pension Accumulation consists of contributions paid by employers, interest earned on investments and any other income not covered by other accounts. This reserve is charged annually with an amount, determined by the actuary, to be transferred to the Pension Reserve to fund retirement benefits for existing recipients. It is also relieved when expenditures are not covered by other accounts. The Pension Accumulation balance as of June 30, 2023 and 2022 was \$162,606,340 and \$137,287,214, respectively.

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

The Back-Deferred Retirement Option Plan (Back-DROP) and Deferred Retirement Option Plan (DROP) Accounts consist of the reserves for all members who upon eligibility elect to deposit into the Back DROP or DROP account retirement benefits. A participant may receive a lump sum payment or systematic disbursements approved by the Board of Trustees of their Back DROP or DROP funds. The Back-DROP account balance as of June 30, 2023 and 2022 was \$5,083,984 and \$5,823,105, respectively.

4. DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS:

Following are the components of the System's deposits, cash equivalents, and investments at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash (bank balance)	\$ 2,397,883	\$ 2,604,290
Cash equivalents	43,183,428	68,514,483
Investments	472,232,543	406,386,911
Total	\$ 517,813,854	\$ 477,505,684

Cash Equivalents:

At June 30, 2023 and 2022, cash equivalents in the amount of \$35,820,402 and \$56,159,095, respectively, were held by a sub-custodian, managed by a separate money manager and are in the name of the System's custodian department.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
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JUNE 30, 2023 AND 2022

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

Cash Equivalents: (Continued)

At June 30, 2023 and 2022, cash equivalents in the amount of \$7,363,026 and \$12,355,388, respectively, consist of government pooled investments. The funds are managed by the Louisiana Asset Management Pool (LAMP), held by a custodial bank, and are in the name of the System. All of LAMP's investments are AAAM rated by S&P.

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

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

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

Investments:

State statutes authorize the System to invest under the Prudent-Man Rule. The Prudent-Man Rule shall require each fiduciary of a retirement system and each board of trustees acting collectively on behalf of the system to act with care, skill, prudence, and diligence under the circumstances prevailing that a prudent institutional investor acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. The System shall not invest more than 65% of the total portfolio in equity investments, as a result of legislation enacted during the 2004 regular session. At June 30, 2023 and 2022, the System was in compliance with this legislation.

Concentration of Credit Risk:

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of the System's investment in a single issuer. The System's investment policy states that no more than 5% (of cost) of the assets assigned to an investment manager may be invested in the securities of one issuer. This restriction applies to active investment management programs and does not apply to Index Funds or Exchange Traded Funds as they are diversified investment pools by definition and practice. At June 30, 2023 and 2022 there were no investments which exceeded 5% of net position restricted for benefits or 5% of the assets assigned to an investment manager.

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

Credit Risk:

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Following are the credit ratings of the System's investments in long-term debt securities at June 30, 2023 and 2022.

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

June 30, 2023				
	<u>Fair Value</u>	<u>Treasury notes and Mortgage-Backed Securities</u>	<u>Municipal Bonds</u>	<u>Corporate Bonds</u>
AAA	\$ 5,586,126	\$ -	\$ 5,586,126	\$ -
AA+	4,919,035	2,239,992	2,083,135	595,908
AA	18,898,374	-	17,794,161	1,104,213
AA-	8,853,802	-	8,562,858	290,944
A+	1,777,716	-	957,190	820,526
A	6,978,184	-	4,515,286	2,462,898
A-	4,339,372	-	-	4,339,372
BBB+	3,558,769	-	-	3,558,769
BBB	4,804,507	-	-	4,804,507
BBB-	532,707	-	-	532,707
Not Rated	91,633,243	18,656,994	10,628,701	62,347,548
	\$ 151,881,835	\$ 20,896,986	\$ 50,127,457	\$ 80,857,392

June 30, 2022				
	<u>Fair Value</u>	<u>Treasury notes and Mortgage-Backed Securities</u>	<u>Municipal Bonds</u>	<u>Corporate Bonds</u>
AAA	\$ 3,442,446	\$ 4,618	\$ 3,161,734	\$ 276,094
AA+	3,742,391	268,807	-	3,473,584
AA	10,833,206	2,930,282	6,430,441	1,472,483
AA-	4,029,776	202,902	581,027	3,245,847
A+	3,675,436	-	3,105,425	570,011
A	4,101,412	365,687	2,972,645	763,080
A-	8,067,883	1,399,164	4,029,867	2,638,852
BBB+	9,325,964	2,141,525	4,422,873	2,761,566
BBB	17,190,783	1,165,443	3,271,833	12,753,507
BBB-	313,515	-	-	313,515
Not Rated	61,529,368	4,989,284	19,133,408	37,406,676
	\$ 126,252,180	\$ 13,467,712	\$ 47,109,253	\$ 65,675,215

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
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4. DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS: (Continued)

Credit Risk: (Continued)

The System invests in an exchange traded bond fund with a balance of \$13,441,855 and \$14,145,875 at June 30, 2023 and 2022, respectively. The bond fund's credit quality rating had a range of AAA – BBB as of June 30, 2023 and 2022.

Custodial Credit Risk:

Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The System is not exposed to custodial credit risk for investments in the amount of \$400,630,387 and \$340,708,436 at June 30, 2023 and 2022, respectively.

The System's policy to mitigate the custodial credit risk is to obtain the custodian's audited financial statements, SSAE 18 (SOC 1) report and supplemental information as well as documentation outlining SIPC and supplemental insurance coverage. This information is reviewed by the investment consultant.

The System had 35,820,402 and \$56,159,095 as of June 30, 2023 and 2022, respectively, in cash equivalents, which is exposed to custodial credit risk since the investment is held in the name of the System's custodian's trust department.

Interest Rate Risk:

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

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

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



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

Interest Rate Risk: (Continued)

<u>June 30, 2023</u>		<u>In Years</u>			
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Greater than 10</u>
Treasury Bonds and Mortgage-Backed Securities	\$ 20,896,986	\$ 1,963,440	\$ 4,635,671	\$ 4,109,183	\$ 10,188,692
Municipal Bonds	50,127,457	9,616,616	19,374,911	9,554,097	11,581,833
Corporate Bonds	80,857,392	15,151,074	46,695,568	18,151,761	858,989
	<u>\$ 151,881,835</u>	<u>\$ 26,731,130</u>	<u>\$ 70,706,150</u>	<u>\$ 31,815,041</u>	<u>\$ 22,629,514</u>

<u>June 30, 2022</u>		<u>In Years</u>			
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Greater than 10</u>
Treasury Bonds and Mortgage-Backed Securities	\$ 13,467,712	\$ -	\$ 1,767,072	\$ 2,783,621	\$ 8,917,019
Municipal Bonds	47,109,253	5,018,745	29,580,216	5,330,540	7,179,752
Corporate Bonds	65,675,215	5,697,034	44,766,788	15,211,393	-
	<u>\$ 126,252,180</u>	<u>\$ 10,715,779</u>	<u>\$ 76,114,076</u>	<u>\$ 23,325,554</u>	<u>\$ 16,096,771</u>

The System also invests in an exchange traded bond fund with a balance of \$13,441,855 and \$14,145,875 at June 30, 2023 and 2022, respectively. The average portfolio duration of the fund ranged from 2.56 to 6.68 years at June 30, 2023. The average portfolio duration of the fund ranged from 2.58 to 6.88 years at June 30, 2022.

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

Money-Weighted Rate of Return:

For the years ended June 30, 2023 and 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.60% and (9.58)%, respectively. The money-weighted return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
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5. FAIR VALUE DISCLOSURES:

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The System has the following recurring fair value measurements as of June 30, 2023 and 2022:

	6/30/2023	Fair Value Measurements Using		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Cash Equivalents	\$ 43,183,428	43,183,428	\$ -	\$ -
Fixed Income Investments:				
Treasury notes	13,603,010	13,603,010	-	-
Mortgage backed securities	7,293,976	-	7,293,976	-
Municipal bonds	50,127,457	-	50,127,457	-
Corporate bonds	80,857,392	-	80,857,392	-
Exchange traded funds	13,441,855	13,441,855	-	-
Total Fixed Income Investments	165,323,690	27,044,865	138,278,825	-
Equity Securities:				
Common stocks	196,822	196,822	-	-
Exchange traded funds	232,712,225	232,712,225	-	-
Mutual funds	2,397,650	423,727	1,973,923	-
Total Equity Securities	235,306,697	233,332,774	1,973,923	-
Real estate investments	38,000,000	-	-	38,000,000
Total Investments at Fair Value Level	481,813,815	303,561,067	140,252,748	38,000,000
Investments measured at the Net Asset Value (NAV)				
Private equities	26,541,018			
Real estate investments	7,061,138			
Total Investments at NAV	33,602,156			
Total Investments	\$ 515,415,971			

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
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5. FAIR VALUE DISCLOSURES: (Continued)

	6/30/2022	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				
Cash Equivalents	\$ 68,514,483	68,514,483	\$ -	\$ -
Fixed Income Investments:				
Treasury notes	5,419,353	5,419,353	-	-
Mortgage backed securities	8,048,359	-	8,048,359	-
Municipal bonds	47,109,253	-	47,109,253	-
Corporate bonds	65,675,215	-	65,675,215	-
Exchange traded funds	14,145,875	14,145,875	-	-
Total Fixed Income Investments	140,398,055	19,565,228	120,832,827	-
Equity Securities:				
Common stocks	127,537	127,537	-	-
Exchange traded funds	197,378,837	197,378,837	-	-
Mutual funds	2,804,007	491,393	2,312,614	-
Total Equity Securities	200,310,381	197,997,767	2,312,614	-
Real estate investments	38,000,000	-	-	38,000,000
Total Investments at Fair Value Level	447,222,919	286,077,478	123,145,441	38,000,000
Investments measured at the Net Asset Value (NAV)				
Private equities	20,680,187			
Real estate investments	6,998,288			
Total Investments at NAV	27,678,475			
Total Investments	\$ 474,901,394			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Real estate classified as level 3 is valued at exit price which is the value received if the System chose to redeem the investment.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
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5. FAIR VALUE DISCLOSURES: (Continued)

The unfunded commitments and redemption terms for investments measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2023 are presented in the following table.

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Investments measured at the NAV				
Alternative assets:				
Private equities	\$ 26,541,018	\$10,641,027	n/a	n/a
Real estate investments	<u>7,061,138</u>	<u>-</u>	n/a	90 days
Total Investments measured at the NAV	<u>\$ 33,602,156</u>	<u>\$10,641,027</u>		

The unfunded commitments and redemption terms for investments measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2022 are presented in the following table.

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Investments measured at the NAV				
Alternative assets:				
Private equities	\$ 20,680,187	\$19,875,821	n/a	n/a
Real estate	<u>6,998,288</u>	<u>-</u>	n/a	90 days
Total Investments measured at the NAV	<u>\$ 27,678,475</u>	<u>\$19,875,821</u>		

Private Equity:

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

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
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5. FAIR VALUE DISCLOSURES: (Continued)

Real Estate Investments:

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

6. PRIVATE EQUITY:

The System committed to invest \$5,000,000 in three Louisiana Partnerships. One partnership, Louisiana Ventures, L.P., was transferred during the year ended June 30, 2019 to Louisiana Ventures LP Liquidating Trust. The fair value of the Louisiana partnerships as of June 30, 2023 and 2022 was \$5,229,919 and \$5,987,213, respectively.

Remaining Louisiana partnership commitments as of June 30, 2023 were as follows:

	<u>Committed</u>	<u>Contributed</u>	<u>Unfunded Commitment</u>
Louisiana Partnerships:			
Louisiana Fund I	1,000,000	1,000,000	-
Louisiana Fund II	2,000,000	2,000,000	-
Louisiana Ventures LT	2,000,000	2,000,000	-
	<u>5,000,000</u>	<u>5,000,000</u>	<u>-</u>

The System committed to invest \$42,000,000 in several other partnerships. The fair value of the partnerships as of June 30, 2023 and 2022 was \$21,311,099 and \$14,692,974, respectively. Remaining unfunded commitments in the other partnerships as of June 30, 2023 is as follows:

	<u>Committed</u>	<u>Contributed</u>	<u>Unfunded Commitment</u>
Other Partnerships:			
Themelios Ventures	2,000,000	2,000,000	-
Cotton Creek II	5,000,000	4,750,103	249,897
Cotton Creek III	5,000,000	3,758,148	1,241,852
TCW Direct Lending Structured Solutions	10,000,000	9,491,228	508,772
TCW Rescue Financing Fund	10,000,000	6,957,511	3,042,489
TCW Direct Lending VIII, LLC	10,000,000	4,401,983	5,598,017
	<u>42,000,000</u>	<u>31,358,973</u>	<u>10,641,027</u>

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7. REAL ESTATE INVESTMENTS:

The System invested in a real estate investment trust for the year ending June 30, 2023 and 2022. The fair value of the investment is calculated based on the estimated value of the company's assets less the estimated value of the company's liabilities divided by the number of shares of common stock outstanding. The company also engages an independent third-party valuation firm to perform a review of the estimated fair values of assets and liabilities. The fair market value of the System's investment in the real estate investment trust was \$3,107,573 and \$2,995,404 at June 30, 2023 and 2022, respectively.

The System committed and invested \$5,000,000 in Encore GP Fund which invests in real estate assets. The System's investment provides for an 8% simple interest priority return on their outstanding capital contributions. During the year ended June 30, 2022 the System received their original investment and all unpaid priority returns. The remaining investment consists of the net appreciation of the Fund which was \$3,953,565 and \$4,002,884 respectively, as of June 30, 2023 and 2022.

The System committed and invested \$23,000,000 in Rastegar Holding Company, LLC and \$15,000,000 in Rastegar Multi-Yield LLC which invest in real estate assets. The System's investments provide for a 7% priority return on their outstanding capital contributions. If the System were to request a redemption of their investment, it would be redeemed at 90% of their contributions. If Rastegar Holding Company LLC or Rastegar Multi-Yield LLC were to redeem the investment, it would be redeemed at a rate based on the time period invested by the System. The System does not share in any profits or loss of the Holding Company or Multi-Yield. The fair market value of the investment as of June 30, 2023 and 2022 is \$38,000,000.

There were no remaining commitments in real estate funds as of June 30, 2023.

8. USE OF ESTIMATES:

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

9. OFFICE LEASING:

The System has a 10-year lease for office space which began July 1, 2019 with a monthly rent of \$6,000. Total rent expense for each of the years ended June 30, 2023 and 2022 was \$72,000.

Minimum future rental payments under the lease is as follows:

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9. OFFICE LEASING: (Continued)

Year ended <u>June 30th</u>	<u>Amount</u>
2024	\$ 72,000
2025	72,000
2026	72,000
2027	72,000
2028	72,000
Thereafter	72,000
Total minimum future rental payments	<u>\$ 432,000</u>

10. NET PENSION LIABILITY OF EMPLOYERS:

The components of the net pension liability of the plan's employers determined in accordance with GASB No. 67 as of June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Total Pension Liability	\$ 606,116,554	\$ 586,876,907
Plan Fiduciary Net Position	<u>520,361,463</u>	<u>479,155,679</u>
Employers' Net Pension Liability	<u>\$ 85,755,091</u>	<u>\$ 107,721,228</u>
Plan Fiduciary Net Position as a % of the Total Pension Liability	85.85%	81.65%

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

The actuarial assumptions used in the June 30, 2023 and 2022 valuations (excluding mortality) was based on the results of an experience study for the period July 1, 2014 through June 30, 2019. The actuarial assumptions used in the June 30, 2023 and 2022 valuations were based on the assumptions used in the June 30, 2023 and 2022 actuarial funding valuation.

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10. NET PENSION LIABILITY OF EMPLOYERS: (continued)

Information on the actuarial valuation and assumptions is as follows:

Valuation date	June 30, 2023 and 2022
Actuarial cost method	Aggregate Actuarial Cost Method
Investment rate of return	6.10% for June 30, 2023 and 2022
Inflation Rate	2.20% for June 30, 2023 and 2022
Mortality	For current employees mortality rates are based on the Pub-2010 table for General Above-Median Employees multiplied by 115% for males and females, each with full generational projection using the MP2019 scale. Annuitants, survivors, and disabled retirees are modeled on the same tables and scales.
Salary increases	5.00% for both years

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long-term geometric expected rate of return was 7.70% and 7.69% as of June 30, 2023 and 2022, respectively.

Best estimates of real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Rates of Return</u>	
		<u>Real</u>	<u>Nominal</u>
Equities	50.11%	10.66%	
Fixed Income	32.82%	3.81%	
Alternatives	16.90%	6.50%	
Cash	0.20%	2.31%	
System Total			5.02%
Inflation			<u>2.68%</u>
Expected Arithmetic Nominal Return			<u>7.70%</u>



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10. NET PENSION LIABILITY OF EMPLOYERS: (Continued)

Best estimates of real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Rates of Return</u>	
		<u>Real</u>	<u>Nominal</u>
Equities	57.11%	10.57%	
Fixed Income	30.19%	2.95%	
Alternatives	12.67%	6.00%	
Cash	0.03%	0.00%	
System Total			5.01%
Inflation			<u>2.68%</u>
Expected Arithmetic Nominal Return			<u>7.69%</u>

The discount rate used to measure the total pension liability was 6.10% for each of the years ended June 30, 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contribution from participating employers and non-employer contributing entities will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In accordance with GASB 67, regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the following presents the net pension liability of the participating employers calculated using the discount rate of 6.10% as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, 5.10% or one percentage point higher, 7.10% than the current rate at June 30, 2023.

	<u>Changes in Discount Rate</u>		
	<u>2023</u>		
	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
	5.10%	6.10%	7.10%
Net Pension Liability	<u>\$ 160,261,466</u>	<u>\$ 85,755,091</u>	<u>\$ 23,250,092</u>

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10. NET PENSION LIABILITY OF EMPLOYERS: (Continued)

For the year ended June 30, 2022, the net pension liability of the participating employers was calculated using the discount rate of 6.10%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.10% or one percentage point higher 7.10% than the current rate at June 30, 2022.

	Changes in Discount Rate 2022		
	1% Decrease 5.10%	Current Discount Rate 6.10%	1% Increase 7.10%
Net Pension Liability	\$ 180,658,163	\$107,721,228	\$ 46,541,433

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SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
FOR THE TEN YEARS ENDED JUNE 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total Pension Liability				
Service cost	\$ 13,634,593	\$ 13,084,075	\$ 12,592,761	\$ 12,992,534
Interest	35,772,642	33,879,498	32,714,581	30,555,884
Changes of benefit terms	-	6,541,144	-	-
Differences between expected and actual experience	(1,595,174)	4,190,678	3,382,766	4,404,409
Changes of assumptions	-	-	8,259,455	29,494,313
Benefit payments	(28,873,415)	(26,622,096)	(24,931,953)	(22,398,425)
Refunds of member contributions	(467,251)	(404,048)	(448,108)	(421,866)
Other	768,252	1,137,285	320,371	443,288
Net change in total pension liability	<u>19,239,647</u>	<u>31,806,536</u>	<u>31,889,873</u>	<u>55,070,137</u>
Total pension liability - beginning	586,876,907	555,070,371	523,180,498	468,110,361
Total pension liability - ending (a)	<u>\$ 606,116,554</u>	<u>\$ 586,876,907</u>	<u>\$ 555,070,371</u>	<u>\$ 523,180,498</u>
Plan Fiduciary Net Position				
Contributions - member	\$ 5,446,889	\$ 5,195,929	\$ 5,024,906	\$ 4,991,814
Contributions - employer	6,350,908	6,162,292	2,511,625	2,492,875
Contributions - non-employer contributing entities	10,777,403	10,348,867	10,317,515	9,896,394
Net investment income (loss)	48,017,409	(53,344,865)	101,070,291	13,623,812
Benefit payments	(28,873,415)	(26,622,096)	(24,931,953)	(22,398,425)
Refunds of member contributions	(467,251)	(404,048)	(448,108)	(421,866)
Administrative expenses	(718,665)	(584,825)	(550,758)	(614,687)
Other	672,506	1,137,285	320,371	443,288
Net change in plan fiduciary net position	<u>41,205,784</u>	<u>(58,111,461)</u>	<u>93,313,889</u>	<u>8,013,205</u>
Plan fiduciary net position - beginning	479,155,679	537,267,140	443,953,251	435,940,046
Plan fiduciary net position - ending (b)	<u>\$ 520,361,463</u>	<u>\$ 479,155,679</u>	<u>\$ 537,267,140</u>	<u>\$ 443,953,251</u>
Net pension liability - ending (a) - (b)	<u>\$ 85,755,091</u>	<u>\$ 107,721,228</u>	<u>\$ 17,803,231</u>	<u>\$ 79,227,247</u>
Plan fiduciary net position as a percentage of total pension liability	85.85%	81.65%	96.79%	84.86%
Covered payroll	\$ 66,851,663	\$ 64,866,232	\$ 62,790,625	\$ 62,321,875
Net pension liability as a percentage of covered payroll	128.28%	166.07%	28.35%	127.13%

(Continued)

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
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SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
FOR THE TEN YEARS ENDED JUNE 30, 2023

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Pension Liability			
Service cost	\$ 12,944,169	\$ 12,205,873	\$ 11,645,505
Interest	29,754,249	28,539,171	27,456,268
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(9,338,975)	207,379	(1,796,724)
Changes of assumptions	-	12,292,550	11,300,225
Benefit payments	(19,877,476)	(19,474,451)	(18,789,893)
Refunds of member contributions	(272,696)	(368,351)	(599,683)
Other	336,893	1,586,019	477,132
Net change in total pension liability	<u>13,546,164</u>	<u>34,988,190</u>	<u>29,692,830</u>
Total pension liability - beginning	454,564,197	419,576,007	389,883,177
Total pension liability - ending (a)	<u>\$ 468,110,361</u>	<u>\$ 454,564,197</u>	<u>\$ 419,576,007</u>
Plan Fiduciary Net Position			
Contributions - member	\$ 4,926,590	\$ 4,973,945	\$ 4,865,302
Contributions - employer	775,650	-	-
Contributions - non-employer contributing entities	9,390,000	8,739,447	8,219,395
Net investment income	18,780,081	34,802,927	28,228,802
Benefit payments	(19,877,476)	(19,474,451)	(18,789,893)
Refunds of member contributions	(272,696)	(368,351)	(599,683)
Administrative expenses	(503,990)	(478,367)	(539,682)
Other	336,893	1,586,019	477,132
Net change in plan fiduciary net position	<u>13,555,052</u>	<u>29,781,169</u>	<u>21,861,373</u>
Plan fiduciary net position - beginning	422,384,994	392,603,825	370,742,452
Plan fiduciary net position - ending (b)	<u>\$ 435,940,046</u>	<u>\$ 422,384,994</u>	<u>\$ 392,603,825</u>
Net pension liability - ending (a) - (b)	<u>\$ 32,170,315</u>	<u>\$ 32,179,203</u>	<u>\$ 26,972,182</u>
Plan fiduciary net position as a percentage of total pension liability	93.13%	92.92%	93.57%
Covered payroll	\$ 62,052,000	\$ 62,174,313	\$ 60,816,275
Net pension liability as a percentage of covered payroll	51.84%	51.76%	44.35%

(Continued)

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
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REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
FOR THE TEN YEARS ENDED JUNE 30, 2023

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

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SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY  
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Fiscal Year Ended	Total Pension Liability	Plan Fiduciary Net Postion	Employers' Net Pension Liability	Plan Fiduciary Net Position as a Percentage of Total Pension Liability	Covered Payroll	Employers' Net Pension Liability as a Percentage of Covered Payroll
2023	\$ 606,116,554	\$ 520,361,463	\$ 85,755,091	85.85%	\$ 66,851,663	128.28%
2022	586,876,907	479,155,679	107,721,228	81.65%	64,866,232	166.07%
2021	555,070,371	537,267,140	17,803,231	96.79%	62,790,625	28.35%
2020	523,180,498	443,953,251	79,227,247	84.86%	62,321,876	127.13%
2019	468,110,361	435,940,046	32,170,315	93.13%	62,052,000	51.84%
2018	454,564,197	422,384,994	32,179,203	92.92%	62,174,313	51.76%
2017	419,576,007	392,603,825	26,972,182	93.57%	60,816,275	44.35%
2016	389,883,177	370,742,452	19,140,725	95.09%	60,740,000	31.51%
2015	374,440,828	369,054,289	5,386,539	98.56%	58,703,271	9.18%
2014	360,521,690	358,527,405	1,994,285	99.45%	57,747,897	3.45%

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REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
EMPLOYER AND NON-EMPLOYER CONTRIBUTING ENTITIES  
FOR THE TEN YEARS ENDED JUNE 30, 2023

<u>Fiscal Year Ended</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Liability</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2023	\$ 16,288,448	\$ 17,128,311	\$ (839,863)	\$ 66,851,663	25.62%
2022	16,930,787	16,511,159	419,628	64,866,232	25.45%
2021	12,308,352	12,829,140	(520,788)	62,790,625	20.43%
2020	12,105,048	12,389,269	(284,221)	62,321,875	19.88%
2019	10,173,810	10,165,650	8,160	62,052,000	16.38%
2018	8,978,608	8,739,447	239,161	62,174,313	14.06%
2017	8,035,045	8,219,395	(184,350)	60,816,275	13.52%
2016	8,645,340	10,783,854	(2,138,514)	60,740,000	17.75%
2015	12,807,925	12,423,846	384,079	58,703,271	21.16%
2014	12,426,112	13,750,791	(1,324,679)	57,747,897	23.81%

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
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SCHEDULE OF INVESTMENT RETURNS  
FOR THE TEN YEARS ENDED JUNE 30, 2023

<u>Fiscal Year End</u>	<u>Annual Money-Weighted Rate of Return*</u>
2023	10.60%
2022	-9.58%
2021	23.00%
2020	3.15%
2019	4.48%
2018	8.93%
2017	7.20%
2016	1.40%
2015	2.41%
2014	17.01%

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



DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023 AND 2022

1. SCHEDULE OF CHANGES IN NET PENSION LIABILITY:

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

2. SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY:

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

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

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

4. SCHEDULE OF INVESTMENT RETURNS:

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

5. ACTUARIAL ASSUMPTIONS:

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

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6. CHANGES IN ACTUARIAL ASSUMPTIONS:

For the year ended June 30, 2023, there were no changes to the actuarial assumptions. Other changes over the past ten years are as follows:

Valuation Date	Inflation Rate	Investment Rate of Return	Salary Increases	Mortality Rate Active Members	Mortality Rate Annuitant and Beneficiary	Mortality Rate Disabled
June 30, 2023	2.20%	6.10%	5.00%	Pub -2010 mortality table multiplied by 115% for males and females using the appropriate MP-2019 improvement scale.	Pub -2010 mortality table multiplied by 115% for males and females using the appropriate MP-2019 improvement scale.	Pub -2010 mortality table multiplied by 115% for males and females using the appropriate MP-2019 improvement scale.
June 30, 2022	2.20%	6.10%	5.00%	Pub -2010 mortality table multiplied by 115% for males and females using the appropriate MP-2019 improvement scale.	Pub -2010 mortality table multiplied by 115% for males and females using the appropriate MP-2019 improvement scale.	Pub -2010 mortality table multiplied by 115% for males and females using the appropriate MP-2019 improvement scale.
June 30, 2021	2.20%	6.10%	5.00%	Pub -2010 mortality table multiplied by 115% for males and females using the appropriate MP-2019 improvement scale.	Pub -2010 mortality table multiplied by 115% for males and females using the appropriate MP-2019 improvement scale.	Pub -2010 mortality table multiplied by 115% for males and females using the appropriate MP-2019 improvement scale.
June 30, 2020	2.30%	6.25%	5.00%	Pub -2010 mortality table multiplied by 115% for males and females using the appropriate MP-2019 improvement scale.	Pub -2010 mortality table multiplied by 115% for males and females using the appropriate MP-2019 improvement scale.	Pub -2010 mortality table multiplied by 115% for males and females using the appropriate MP-2019 improvement scale.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023 AND 2022

6. CHANGES IN ACTUARIAL ASSUMPTIONS: (continued)

Valuation Date	Inflation Rate	Investment Rate of Return	Salary Increases	Mortality Rate Active Members	Mortality Rate Annuitant and Beneficiary	Mortality Rate Disabled
June 30, 2019	2.40%	6.50%	5.50%	RP-2000 Set back 1 year for females	RP-2000 projected to 2032	RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females
June 30, 2018	2.40%	6.50%	5.50%	RP-2000 Set back 1 year for females	RP-2000 projected to 2032	RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females
June 30, 2017	2.50%	6.75%	5.50%	RP-2000 Set back 1 year for females	RP-2000 projected to 2032	RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females
June 30, 2016	2.50%	7.00%	5.50%	RP-2000 Set back 1 year for females	RP-2000 projected to 2032	RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females
June 30, 2015	2.50%	7.00%	5.50%	RP-2000 Set back 1 year for females	RP-2000 projected to 2032	RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females
June 30, 2014	2.75%	7.25%	6.25%	RP-2000 Set back 3 years for males and 1 year for females	RP-2000 Set back 3 years for males and 1 year for females	RP-2000 Disabled Lives Mortality Table

7. CHANGE IN BENEFITS:

A cost of living adjustment was granted effective July 1, 2022.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF ADMINISTRATIVE EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Actuarial fees	\$ 93,010	\$ 81,335
Accounting and Auditing	69,958	59,801
Bank charges	10,272	9,913
Computer services	20,100	11,638
Dues	1,388	1,098
Expense of board meetings	1,669	-
Equipment leasing and maintenance	13,718	-
Insurance	22,578	21,859
Legal	45,195	13,550
Miscellaneous	9,782	6,916
Office furnishings	-	7,370
Penalties	-	588
Per diem	3,675	2,850
Postage	3,171	1,509
Rent	72,000	72,000
Registration fees	1,805	2,051
Salaries and fringe benefits	279,779	242,644
Shared services - LDAA	12,000	12,000
Surety bond	29,446	21,584
Telephone	5,987	5,744
Travel	<u>23,132</u>	<u>10,375</u>
Total administrative expenses	<u>\$ 718,665</u>	<u>\$ 584,825</u>

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF PER DIEM AND TRAVEL EXPENSES TO TRUSTEES  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

June 30, 2023

<u>Trustee</u>	A M O U N T S   P A I D		
	<u>Per Diem</u>	<u>Travel</u>	<u>Total</u>
Don Burkett	\$ 450	\$ -	\$ 450
Anthony Falterman	150	-	150
Brad Burget	525	-	525
Don Burton	225	-	225
Houston Gascon III	525	-	525
Todd Nesom	375	-	375
Reed Walters	375	-	375
S. Andrew Shealy	525	-	525
Scott Perrilloux	525	-	525
	<u>\$ 3,675</u>	<u>\$ -</u>	<u>\$ 3,675</u>

June 30, 2022

<u>Trustee</u>	A M O U N T S   P A I D		
	<u>Per Diem</u>	<u>Travel</u>	<u>Total</u>
Don Burkett	\$ 300	\$ -	\$ 300
Anthony Falterman	450	-	450
Dale Lee	375	-	375
Todd Nesom	375	-	375
Reed Walters	450	-	450
S. Andrew Shealy	450	-	450
Scott Perrilloux	450	-	450
	<u>\$ 2,850</u>	<u>\$ -</u>	<u>\$ 2,850</u>

DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
 STATE OF LOUISIANA  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
 TO AGENCY HEAD  
FOR THE YEAR ENDED JUNE 30, 2023

<u>Philip Qualls, Executive Director (April 10, 2023 - June 30, 2023)</u>	<u>June 30, 2023</u>
Salary	\$ 32,887
Benefits - retirement	3,124
Travel	1,460
Reimbursements	715
Mobile Phone	1,988
Total	<u>\$ 40,174</u>

<u>Kristi Spinoso, Executive Director (July 1, 2022 - April 4, 2023)</u>	<u>June 30, 2023</u>
Salary	\$ 130,681
Benefits - insurance	8,372
Benefits - retirement	11,483
Travel	2,774
Registration fees	205
Reimbursements	470
Meals	62
Mobile Phone	2,425
Total	<u>\$ 156,472</u>



# 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  
Michelle H. Cunningham, CPA  
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Grady C. Lloyd, III CPA

Heather M. Jovanovich, CPA  
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Robynn P. Beck, CPA  
John P. Butler, CPA  
Jason C. Montegut, CPA  
Wesley D. Wade, CPA  
Gregory J. Binder, IT Director  
Colleen A. Casey, CPA

Michael J. O' Rourke, 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 8, 2023

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the District Attorneys' Retirement System of the State of Louisiana (the System), as of and for the year ended June 30, 2023, and the related notes to the financial statements which collectively comprise the System's basic financial statements, and have issued our report thereon dated December 8, 2023.

### Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as item 2023-01 that we consider to be a significant deficiency.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the System's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the 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*.

### **District Attorneys' Retirement System's Response to Audit Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the System's response to the findings identified in our audit and described in the accompanying schedule of findings. The System's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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 System's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over compliance. Accordingly, this communication is not suitable for any other purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Duplantier, Sharpner, Hogan and Oakes, LLP*

New Orleans, Louisiana



DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
STATE OF LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2023

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of the District Attorneys' Retirement System of the State of Louisiana for the year ended June 30, 2023 was unmodified.
2. Internal Control  
Material weakness - None noted  
Significant deficiency: 2023-01.
3. Compliance and Other Matters  
Noncompliance material to financial statements: None noted.

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

2023-01 Investments:

During the year there were numerous posting errors of investment transactions that resulted in misstatements in the balance of investments in addition to investment income. In addition, prior year journal entries were posted during current year resulting in reporting incorrect investment balances. All investment transactions should be posted per the custodian statement and reconciled to the general ledger. Not posting investment transactions correctly could result in incorrect investment balances and investment income balances. We recommend the System ensure all investment transactions are posted correctly and reconciled to the general ledger.

Management's response

The System will have its accounting firm make the correcting entries to align year-end balances. Going forward the System staff will reconcile accounting records for alternative investments with the manager statements and balance with the trust statements.

STATUS OF PRIOR YEAR'S FINDINGS:

2022-01 Management override of controls:

A membership interest redemption agreement was entered into on June 29, 2022 between Rastagar Multi Yield, LLC, Rastagar Holding LLC and DARS. Per the agreement, the redemption request was recommended and approved by Board of Directors of the System, however, there is no documentation that the board recommended and approved the redemption request. One of the System's internal controls over investments and investment transactions requires investment agreements to be approved by the Board. This ensures the Board's knowledge and full approval on investment agreements. Not obtaining board approval to enter into the redemption agreement is a violation of the System's controls. It appears that this was an isolated incident and has been resolved.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

FOR THE FISCAL YEAR JULY 1, 2022  
THROUGH JUNE 30, 2023

DISTRICT ATTORNEYS' RETIREMENT SYSTEM

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# Duplantier Hrapmann Hogan & Maher, LLP

A.J. Duplantier, Jr., CPA  
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Felix J. Hrapmann, Jr., CPA  
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Michael J. O' Rourke, 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, 2022 THROUGH JUNE 30, 2023

November 17, 2023

Board of Directors  
District Attorneys' Retirement System of Louisiana  
and Louisiana Legislative Auditor

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 1, 2022 through June 30, 2023. District Attorneys' Retirement System's management is responsible for those C/C areas identified in the SAUPs.

The District Attorneys' Retirement System of Louisiana 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 1, 2022 through June 30, 2023. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

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***1) Written Policies and Procedures***

---

- A. 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 rates 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) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
  - h) ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
  - 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) ***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.

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

**Results:** Upon applying the agreed-upon procedures above we noted that the System's policy on credit card usage does not contain a policy on monitoring card usage.

**Management's response:** The System's staff performs monthly reconciliations for all credit cards. We will add this process to the credit card policy and have it approved at the February board meeting.

## 2) ***Board or Finance Committee***

---

- A. 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. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - 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.
  - d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

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

### 3) *Bank Reconciliations*

---

- A. 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 written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (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.

### 4) *Collections (excluding electronic funds transfers)*

---

- A. 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.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
- a) Employees responsible for cash collections do not share cash drawers/registers;
  - b) Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
  - c) Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

- 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, is (are) not also 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.

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

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

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

- 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 that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

**Results:** Upon applying the above agreed-upon procedures, we noted a deposit of \$69,939 was made four days after receiving the checks. The checks were received on a Friday and deposited on the following Tuesday.

**Management's response:** Training will be provided to staff to ensure deposits are processed within the proper time frame.



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

---

- A. 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.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or 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; and
  - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

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

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
- a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
  - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

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

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

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

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

---

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

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

- B. 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 (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
  - 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.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals

participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

**Results:** Based on the procedures performed, we noted four personal charges totaling \$48 made by the previous executive director that had not been reimbursed as of the date of testing.

**Management’s response:** The four charges totaling \$48.24 were reimbursed on August 8, 2023.

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

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

### **8) Contracts**

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

- 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 that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
- 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 that 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.

#### ***9) Payroll and Personnel***

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- A. 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 procedures.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
  - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
  - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials;
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
  - d) Observe the rate paid to the employees or officials agrees 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.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two

employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

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

- D. 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 procedures.

### ***10) Ethics***

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
  - b) Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

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

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

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

### ***11) Fraud Notice***

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

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

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

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

### ***12) Information Technology Disaster Recovery/Business Continuity***

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- A. Perform the following procedures:

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- 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 procedure and discussed the results with management.

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

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

### ***13) Prevention of Sexual Harassment***

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

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

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

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

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

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

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

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

*Duplantier, Sharpner, Hogan and Oakes, LLP*  
New Orleans, Louisiana