

R E P O R T

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

JUNE 30, 2024 AND 2023

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

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## INDEPENDENT AUDITOR'S REPORT

December 10, 2024

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## Report on the Audit of the Financial Statements

### Opinions

We have audited the accompanying financial statements of the Registrars of Voters Employees' Retirement System (System), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Registrars of Voters Employees' Retirement System's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Registrars of Voters Employees' Retirement System, as of June 30, 2024 and 2023 and the respective changes in fiduciary net position for the years ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

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

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### ***Emphasis of Matter***

As disclosed in Note 4 to the financial statements, the total pension liability for the Registrars of Voters Employees' Retirement System was \$148,371,607 and \$143,162,922 as of June 30, 2024 and 2023, 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, 2024 and 2023 could be under or overstated.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registrars of Voters Employees' Retirement System's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Registrars of Voters Employees' Retirement System's ability to continue as a going concern for a reasonable period of time.

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

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

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

### ***Supplementary Information***

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



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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2024, on our consideration of the Registrars of Voters Employees' Retirement System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Registrars of Voters Employees' Retirement System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Registrars of Voters Employees' Retirement System's internal control over financial reporting and compliance.

*Duplantier, Chapman, Hogan and Parker, LLP*

New Orleans, Louisiana

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

The Management's Discussion and Analysis of the Registrars of Voters Employees' Retirement System of Louisiana (System) presents a narrative overview and analysis of the System's financial activities for the years ended June 30, 2024 and 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 Registrars of Voters Employees' Retirement System of Louisiana's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- » The System's assets exceeded its liabilities as of June 30, 2024 by \$137,648,551, which represents an increase from the prior year. The net position restricted for pension benefits increased by \$13,161,227 or 10.57%. The System's assets exceeded its liabilities as of June 30, 2023 by \$124,487,324. The net position restricted for pension benefits increased by \$8,814,295 or 7.62%.
- » Fiscal year 2024 contributions to the System by members, employers, and tax revenues totaled \$7,466,137, an increase of \$316,083 or 4.42% from prior year. Fiscal year 2023 contributions to the System by members, employers and tax revenues totaled \$7,150,054, an increase of \$423,257 or 6.29% over prior year.
- » Fiscal year 2024 pension benefits paid to retirees and beneficiaries totaled \$8,483,977, a decrease of \$265,615 or 3.04% over prior year. Fiscal year 2023 pension benefits paid to retirees and beneficiaries totaled \$8,749,592, a decrease of \$131,283 or 1.48% over prior year.
- » Fiscal year 2024 administrative expenses of the System totaled \$488,858, a decrease of \$37,138 or 7.06% over prior year. Fiscal year 2023 administrative expenses of the System totaled \$525,996 an increase of \$70,019 or 15.36% over prior year.
- » Net investment gain was \$14,773,839 for the year ended June 30, 2024, which represents an increase of \$3,982,789 compared to the prior year. The increase was primarily attributable to favorable market conditions in the current year compared to the prior year. For the year ended June 30, 2023 the System experienced a net investment gain of \$10,791,050.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- » Statements of fiduciary net position,
- » Statements of changes in fiduciary net position, and

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

» Notes to the financial statements.

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

The statement of fiduciary net position reports the System's assets, liabilities, and net position restricted for pension benefits. It discloses the financial position of the System as of June 30, 2024 and 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 fiduciary net position. It supports the change that has occurred to the prior year's net position on the statement of fiduciary net position.

FINANCIAL ANALYSIS OF THE SYSTEM

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

Condensed Statements of Fiduciary Net Position  
June 30, 2024, 2023 and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cash	\$ 3,325,826	\$ 2,820,536	\$ 3,464,422
Receivables	872,848	500,358	419,152
Investments	135,904,788	121,257,548	111,958,697
Capital assets	18,122	21,530	25,400
Total assets	<u>140,121,584</u>	<u>124,599,972</u>	<u>115,867,671</u>
Total liabilities	<u>2,473,033</u>	<u>112,648</u>	<u>194,642</u>
Net Position Restricted For Pension Benefits	<u>\$ 137,648,551</u>	<u>\$ 124,487,324</u>	<u>\$ 115,673,029</u>

Fiduciary net position increased by \$13,161,227 for the fiscal year ended June 30, 2024, increased by \$8,814,295 for fiscal year ended June 30, 2023, and decreased \$18,687,992 for fiscal year ended June 30, 2022. Assets are used to provide monthly retirement allowances to members who contributed to the System as employees and their beneficiaries. The increase in fiduciary net position for the fiscal year ended June 30, 2024 was a result of the increase in value of the investments due to favorable markets. The increase in fiduciary net position for the year ended June 30, 2023, was a result of the increase in value of the investments due to favorable markets.



REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

FINANCIAL ANALYSIS OF THE SYSTEM (Continued)

Condensed Statements of Changes in Fiduciary Net Position  
For the Years Ended June 30, 2024, 2023 and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Additions:			
Contributions	\$ 7,466,137	\$ 7,150,054	\$ 6,726,797
Net investment income (loss)	14,773,839	10,791,050	(17,002,508)
Transfers from other Systems	198,042	212,992	1,070,642
Total additions (deductions)	<u>22,438,018</u>	<u>18,154,096</u>	<u>(9,205,069)</u>
Total deductions	<u>(9,276,791)</u>	<u>(9,339,801)</u>	<u>(9,482,923)</u>
Increase (decrease) in Fiduciary Net Position	<u>\$ 13,161,227</u>	<u>\$ 8,814,295</u>	<u>\$ (18,687,992)</u>

Additions to Fiduciary Net Position

Additions to the System's fiduciary net position were derived primarily from member contributions, employer contributions, ad valorem taxes, state revenue sharing funds, and investment income. The System experienced a net investment gain of \$14,773,839 during the fiscal year ended June 30, 2024 and a net investment gain of \$10,791,050, and a net investment loss of \$17,002,508 during the fiscal years ended June 30, 2023, and 2022, respectively.

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Member contributions	\$ 976,232	\$ 962,668	\$ 917,826
Employer contributions	2,705,457	2,661,795	2,603,329
Ad valorem and state revenue sharing	3,784,448	3,525,591	3,205,642
Net investment income (loss)	14,773,839	10,791,050	(17,002,508)
Transfers from other Systems	198,042	212,992	1,070,642
Total Additions (deductions)	<u>\$ 22,438,018</u>	<u>\$ 18,154,096</u>	<u>\$ (9,205,069)</u>

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

FINANCIAL ANALYSIS OF THE SYSTEM (Continued)

Deductions from Fiduciary Net Position

Deductions from fiduciary net position include primarily retirement, death and survivor benefits, and administrative expenses. Deductions from fiduciary net position totaled \$9,276,791, \$9,339,801, and \$9,482,923, during the fiscal years ended June 30, 2024, 2023, and 2022, respectively.

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Retirement benefits	\$ 8,483,977	\$ 8,749,592	\$ 8,880,875
Refunds of contributions	144,287	44,111	140,468
Administrative expenses	488,858	525,996	455,977
Transfers to other Systems	154,082	14,232	-
Depreciation expense	5,587	5,870	5,603
Total deductions	<u>\$ 9,276,791</u>	<u>\$ 9,339,801</u>	<u>\$ 9,482,923</u>

Investments

The Registrars of Voters Employees' Retirement System is responsible for the prudent management of funds held in trust for the exclusive benefits of their members' pension benefits. Funds are invested to achieve maximum returns without exposing retirement assets to unacceptable risks. Total investments as of June 30, 2024 were valued at \$135,904,788 as compared to \$121,257,548 and \$111,958,697 as of June 30, 2023 and 2022, respectively.

The System's investments in various markets at the end of the 2024, 2023 and 2022 fiscal years are indicated in the following table:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cash equivalents	\$ 4,626,032	\$ 2,306,673	\$ 1,917,441
Fixed income	41,086,493	36,785,278	36,812,640
Equities	79,871,517	69,440,029	58,387,560
Real estate	10,192,568	12,500,996	14,559,952
Alternative investments	128,178	224,572	281,104
Total investments	<u>\$ 135,904,788</u>	<u>\$ 121,257,548</u>	<u>\$ 111,958,697</u>

Requests for Information

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

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
STATEMENTS OF FIDUCIARY NET POSITION  
JUNE 30, 2024 AND 2023

	2024			2023		
	Retirement System <u>Trust Fund</u>	Members' Supplemental Savings <u>Trust Fund</u>	Total (Memorandum Only) <u>Only</u>	Retirement System <u>Trust Fund</u>	Members' Supplemental Savings <u>Trust Fund</u>	Total (Memorandum Only) <u>Only</u>
<u>ASSETS</u>						
CASH:						
In bank	\$ 3,325,826	\$ -	\$ 3,325,826	\$ 2,820,536	\$ -	\$ 2,820,536
RECEIVABLES:						
Member contributions	72,344	-	72,344	98,317	-	98,317
Employer contributions	197,788	-	197,788	261,216	-	261,216
State revenue sharing	42,962	-	42,962	-	-	-
Investments receivable	13,178	-	13,178	26,272	-	26,272
Accrued interest and dividends	546,207	369	546,576	114,196	357	114,553
Total receivables	872,479	369	872,848	500,001	357	500,358
INVESTMENTS AT FAIR VALUE:						
Cash equivalents	4,597,953	28,079	4,626,032	2,272,520	34,153	2,306,673
Fixed income - domestic	40,419,867	150,443	40,570,310	36,218,237	173,901	36,392,138
Fixed income - international	516,183	-	516,183	393,140	-	393,140
Equities - domestic	49,559,512	82,510	49,642,022	44,126,215	101,129	44,227,344
Equities - international	30,213,092	16,403	30,229,495	25,193,200	19,485	25,212,685
Real estate	10,192,568	-	10,192,568	12,500,996	-	12,500,996
Alternative investments	128,178	-	128,178	224,572	-	224,572
Total investments	135,627,353	277,435	135,904,788	120,928,880	328,668	121,257,548
CAPITAL ASSETS:						
Net of accumulated depreciation of						
\$45,122 and \$39,535 for 2024 and 2023	18,122	-	18,122	21,530	-	21,530
Total assets	139,843,780	277,804	140,121,584	124,270,947	329,025	124,599,972
<u>LIABILITIES</u>						
Accounts payable	4,288	-	4,288	3,698	-	3,698
Investments payable	2,468,745	-	2,468,745	108,950	-	108,950
Total liabilities	2,473,033	-	2,473,033	112,648	-	112,648
NET POSITION RESTRICTED						
FOR PENSION BENEFITS	<u>\$ 137,370,747</u>	<u>\$ 277,804</u>	<u>\$ 137,648,551</u>	<u>\$ 124,158,299</u>	<u>\$ 329,025</u>	<u>\$ 124,487,324</u>

See accompanying notes.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023		
	Retirement System <u>Trust Fund</u>	Members' Supplemental Savings <u>Trust Fund</u>	Total (Memorandum Only)	Retirement System <u>Trust Fund</u>	Members' Supplemental Savings <u>Trust Fund</u>	Total (Memorandum Only)
ADDITIONS:						
Contributions:						
Members	\$ 976,232	\$ -	\$ 976,232	\$ 962,668	\$ -	\$ 962,668
Employers	2,705,457	-	2,705,457	2,661,795	-	2,661,795
Tax revenue	3,784,448	-	3,784,448	3,525,591	-	3,525,591
Total contributions	7,466,137	-	7,466,137	7,150,054	-	7,150,054
Investment income:						
Net appreciation in fair value of investments	11,610,442	17,292	11,627,734	8,520,344	9,523	8,529,867
Interest	1,204,536	8,678	1,213,214	620,227	7,869	628,096
Dividends	2,330,267	-	2,330,267	1,953,581	-	1,953,581
Alternative investment income	232,320	-	232,320	301,269	-	301,269
Other investment income	3,330	-	3,330	663	-	663
	15,380,895	25,970	15,406,865	11,396,084	17,392	11,413,476
Less: Investment management fees	505,969	-	505,969	474,419	-	474,419
Investment consulting fees	71,250	-	71,250	95,000	-	95,000
Custodial fees	55,807	-	55,807	53,007	-	53,007
Net investment income	14,747,869	25,970	14,773,839	10,773,658	17,392	10,791,050
Other additions:						
Transfers from other systems - employee	46,423	-	46,423	57,601	-	57,601
Transfers from other systems - employer/interest	151,619	-	151,619	155,391	-	155,391
Total other additions	198,042	-	198,042	212,992	-	212,992
Total additions	22,412,048	25,970	22,438,018	18,136,704	17,392	18,154,096
DEDUCTIONS:						
Pension payments	8,406,786	77,191	8,483,977	8,704,085	45,507	8,749,592
Refund of contributions	144,287	-	144,287	44,111	-	44,111
Administrative expenses	488,858	-	488,858	525,996	-	525,996
Depreciation	5,587	-	5,587	5,870	-	5,870
Transfers to other systems - employee	42,872	-	42,872	7,833	-	7,833
Transfer to other systems - employer/interest	111,210	-	111,210	6,399	-	6,399
Total deductions	9,199,600	77,191	9,276,791	9,294,294	45,507	9,339,801
NET INCREASE (DECREASE)	13,212,448	(51,221)	13,161,227	8,842,410	(28,115)	8,814,295
NET POSITION - RESTRICTED FOR PENSION BENEFITS:						
BEGINNING OF YEAR	124,158,299	329,025	124,487,324	115,315,889	357,140	115,673,029
END OF YEAR	\$ 137,370,747	\$ 277,804	\$ 137,648,551	\$ 124,158,299	\$ 329,025	\$ 124,487,324

See accompanying notes.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

Basis of Accounting:

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

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

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

Method Used to Value Investments:

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

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Method Used to Value Investments: (Continued)

This statement establishes a hierarchy of inputs to valuation techniques used to measure fair value based on three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, whether directly or indirectly. Lastly, Level 3 inputs are unobservable inputs, such as management's assumptions or investment manager assumptions that are unobservable. This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques used. These disclosures are organized by type of asset or liability. GASB Statement No. 72 also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent).

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

Capital Assets:

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

Memorandum Only Column:

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

2. PLAN DESCRIPTION:

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



REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

2. PLAN DESCRIPTION: (Continued)

of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:2032, as amended, for registrars of voters, their deputies, and their permanent employees in each parish. The total number of participating employers was 64 for the years ended June 30, 2024 and 2023.

As of June 30, 2024 and 2023, statewide retirement membership consisted of the following:

	<u>2024</u>	<u>2023</u>
Inactive plan members or beneficiaries receiving benefits	189	190
Inactive plan members entitled to but not yet receiving benefits	52	53
Active plan members	<u>239</u>	<u>231</u>
Total number of members	<u><u>480</u></u>	<u><u>474</u></u>

Retirement System Trust Fund:

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

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

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

Disability benefits are awarded to active contributing members with at least 10 years of service established in the System and who have been officially certified as disabled by the State Medical Disability Board. The disabled member who has attained the age of 60 years shall be entitled to a regular retirement allowance. The disabled member who has not yet attained age 60 shall be entitled to a disability benefit equal to the lesser of 3% of his average final compensation multiplied by the number of creditable years of service (not to be less than 15 years) or  $3\frac{1}{3}\%$  of average final compensation multiplied by the years of service assuming continued service to age 60. Disability benefits may not exceed two-thirds of earnable compensation.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

2. PLAN DESCRIPTION: (Continued)

Retirement System Trust Fund: (Continued)

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

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

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

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

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

2. PLAN DESCRIPTION: (Continued)

Retirement System Trust Fund: (Continued)

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

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

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

Members' Supplemental Savings Trust Fund:

The Members' Supplemental Savings Trust Fund (Fund) was established by LRS 11:2139 as a defined contribution plan. All registrars of voters, their deputies and active permanent employees participate in the plan. As of June 30, 2024 and 2023, the number of participants in the plan was 33 and 37, respectively.

In accordance with state statute, funds contributed to the System in excess of those required contributions to the Retirement Fund employer reserve, as established by the Public Retirement Systems' Actuarial Committee, are deposited in the Members' Supplemental Savings Fund. The amount of funds deposited with the Members' Supplemental Savings Fund is three percent of the salaries paid during the preceding fiscal year to members who were still employed by the employer at the end of the fiscal year unless the Public Retirement Systems' Actuarial Committee recommends a lesser percentage based on available funds and the requirements of the Defined Benefit Plan. As of June 30, 2024 and 2023, there were 64 active employers participating in the Fund. There were no contributions to the Member's Supplemental Savings Fund for the years ending June 30, 2024 and 2023.

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

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

2. PLAN DESCRIPTION: (Continued)

Members' Supplemental Savings Trust Fund: (Continued)

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

3. CONTRIBUTIONS AND RESERVES:

Contributions:

Contributions for all members are established by state statute at not less than 7% and not more than 9% of earnable compensation, as determined by the Board in consultation with the System's actuary. The member contribution rate for June 30, 2024 and 2023 was 7%. The contributions are deducted from the member's salary and remitted by the participating registrar. Member contribution revenue for the years ended June 30, 2024 and 2023 was \$976,232 and \$962,668, respectively.

According to state statute, contribution requirements for all employers are actuarially determined each year. The actual employer contribution rate was 18% for each of the years ended June 30, 2024 and 2023. Employer contribution revenue for the years ended June 30, 2024 and 2023 were \$2,705,457 and \$2,661,795, respectively.

In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Ad valorem tax and state revenue sharing funds received for the years ended June 30, 2024 and 2023 were \$3,784,448 and \$3,525,591, respectively.

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

Reserves:

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

A) Deferred Retirement Option Plan:

The Deferred Retirement Option Account consists of the reserves for all members who upon eligibility elect to deposit into this account an amount equal to the member's monthly benefit if he had retired. A member can only participate in the program for three years, and upon termination may receive his benefits in a lump sum payment or by a true annuity. The Deferred Retirement Option Account balance as of June 30, 2024 and 2023 was \$2,534,818 and \$2,649,211, respectively.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

3. CONTRIBUTIONS AND RESERVES: (Continued)

Reserves: (Continued)

B) Annuity Savings:

The Annuity Savings is credited with contributions made by members of the System. When a member terminates his service or upon his death, before qualifying for a benefit, the refund of his contributions is made from this fund. If a member dies and there is a survivor who is eligible for a benefit, the amount of the member's accumulated contributions is transferred from the Annuity Savings to the Annuity Reserve. When a member retires, the amount of his accumulated contributions is transferred to the Annuity Reserve to provide part of the benefits payable from that fund. The Annuity Savings balance as of June 30, 2024 and 2023 was \$8,544,506 and \$7,824,646, respectively.

C) Pension Accumulation:

The Pension Accumulation consists of contributions paid by employers, interest earned on investments, and any other income not covered by other accounts. This fund is charged annually with an amount, determined by the actuary, to be transferred to the Annuity Reserve to fund retirement benefits for existing recipients. It is also relieved when expenditures are not covered by other accounts. The Pension Accumulation balance as of June 30, 2024 and 2023 was \$38,042,552 and \$28,216,439, respectively.

D) Annuity Reserve:

The Annuity Reserve consists of the reserves for all pensions, excluding cost-of-living increases, granted to members and is the fund from which such pensions and annuities are paid. Survivors of deceased beneficiaries also receive benefits from this fund. The Annuity Reserve balance as of June 30, 2024 and 2023 was \$83,063,938 and \$79,331,442, respectively.

E) Funding Deposit Account:

The Funding Deposit Account consists of excess contributions collected by the System. The excess funds earn interest at the Board approved actuarial valuation rate and are credited to the fund at least once a year. These funds are due to the System freezing the employer rate at a higher rate than actuarially required. The excess funds can be used for the following purposes: (1) reduce the unfunded accrued liability, (2) reduce the present value of future normal costs, (3) pay all or a portion of any future net direct employer contributions, and/or (4) pay a cost-of-living adjustment. The Funding Deposit Account as of June 30, 2024 and 2023 was \$5,184,933 and \$6,136,561, respectively.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

3. CONTRIBUTIONS AND RESERVES: (Continued)

Reserves: (Continued)

F) Members' Supplemental Savings:

The Members' Supplemental Savings consists of contributions from the dedicated taxes to the System in excess of those required contributions to the Pension Accumulation, not to exceed three percent of the salaries paid during the fiscal year proceeding the year in which funds are received. Upon termination, a member is entitled to payment of all contributions and earnings credited to his account in the fund. The Members' Supplemental Savings balance as of June 30, 2024 and 2023 was \$277,804 and \$329,025, respectively.

4. NET PENSION LIABILITY OF EMPLOYERS:

The components of the liability of the System's employers to plan members for benefits provided through the pension plan was as follows as of June 30, 2024 and 2023:

				Plan Fiduciary Net Position as a Percentage of Total
<u>Year</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability</u>	<u>Pension Liability</u>
2024	\$ 148,371,607	\$ 137,370,747	\$ 11,000,860	92.59%
2023	143,162,922	124,158,299	19,004,623	86.73%

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

The actuarial assumptions used in the June 30, 2024 and 2023 valuations were based on the results of an experience study for the period from July 1, 2014 and June 30, 2019. The required Schedule of Employers' Net Pension Liability located in the required supplementary information following the *Notes to the Financial Statements* presents multi-year trend information regarding whether the plan fiduciary net position is increasing or decreasing over time relative to the total pension liability. The total pension liability as of June 30, 2024 and 2023 is based on actuarial valuation for the same period, updated using generally accepted actuarial procedures.



REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

4. NET PENSION LIABILITY OF EMPLOYERS: (Continued)

Information on the actuarial methods and assumptions used as of the June 30, 2024 and 2023 actuarial valuations is as follows:

Valuation Date	June 30, 2024 and 2023
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.25% and 6.25% net of pension plan investment expense, as of June 30, 2024 and 2023, respectively.
Inflation Rate	2.30% and 2.30% for 2024 and 2023, respectively.
Mortality	<p>Employees, Annuitants, and Beneficiaries - Pub-2010 Public Retirement Plans Mortality Table for General Employees or for General Healthy Retirees multiplied by 120% for males and 120% for females each with full generational projection using the appropriate MP-2019 improvement scale.</p> <p>Disabled Annuitants - Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 120% for males and 120% for females each with full generational projection using the appropriate MP-2019 improvement scale.</p>
Salary Increases	5.25% and 5.25% for June 30, 2024 and 2023, respectively.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board.

For the years ended June 30, 2024 and 2023, mortality assumptions were set after reviewing an experience study performed on plan data for the period from July 1, 2014 through June 30, 2019. The data was assigned credibility weightings and combined with a standard table to produce current levels of mortality.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return was 8.37% and 8.37% for the years ended June 30, 2024 and 2023, respectively.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

4. NET PENSION LIABILITY OF EMPLOYERS: (Continued)

The best estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2024 were as follows:

<u>Asset Class</u>	Long-Term Expected Rates of Return		
	Target Asset <u>Allocation</u>	Real Return Arithmetic <u>Basis</u>	Long-term Expected Portfolio Real Rate <u>of Return</u>
Domestic Equities	37.50 %	7.50 %	2.81 %
International Equities	20.00	8.50	1.70
Domestic Fixed Income	22.50	2.50	0.56
International Fixed Income	10.00	3.50	0.35
Real Estate	10.00	4.50	0.45
Totals	100.00 %		5.87 %
Inflation			2.50
Expected Arithmetic Nominal Return			8.37 %

The best estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2023 were as follows:

<u>Asset Class</u>	Long-Term Expected Rates of Return		
	Target Asset <u>Allocation</u>	Real Return Arithmetic <u>Basis</u>	Long-term Expected Portfolio Real Rate <u>of Return</u>
Domestic Equities	37.50 %	7.50 %	2.81 %
International Equities	20.00	8.50	1.70
Domestic Fixed Income	22.50	2.50	0.56
International Fixed Income	10.00	3.50	0.35
Real Estate	10.00	4.50	0.45
Totals	100.00 %		5.87 %
Inflation			2.50
Expected Arithmetic Nominal Return			8.37 %

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

4. NET PENSION LIABILITY OF EMPLOYERS: (Continued)

The discount rate used to measure the total pension liability was 6.25% and 6.25% as of June 30, 2024 and 2023, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In accordance with GASB 67, regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the following presents the net pension liability of the participating employers calculated using the discount rate, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate as of June 30, 2024 and 2023:

		<u>Change in Discount Rate</u>		
		1%	Current	1%
		<u>Decrease</u>	<u>Discount</u>	<u>Increase</u>
			<u>Rate</u>	
Net Pension Liability - 2024	\$	26,894,731	\$11,000,860	\$ (2,534,593)
Net Pension Liability - 2023		34,575,758	19,004,623	5,770,907

5. INVESTMENTS AT FAIR VALUE:

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The System has the following recurring fair value measurements as of June 30, 2024:

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

5. INVESTMENTS AT FAIR VALUE: (Continued)

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	June 30, 2024			
Investments by Fair Value Level:				
Cash Equivalents	\$ 4,626,032	\$ 4,626,032	\$ -	\$ -
Fixed Income Investments:				
U.S. government obligations	14,281,142	4,659,229	9,621,913	-
Municipal obligations	257,690	-	257,690	-
Collateralized mortgage obligation	249,550	-	249,550	-
Mortgage backed securities	256,534	-	256,534	-
Corporate bonds - domestic	13,109,130	-	13,109,130	-
Corporate bonds - international	516,183	-	516,183	-
Fixed income mutual funds - domestic	12,416,264	12,416,264	-	-
Total fixed income investments	41,086,493	17,075,493	24,011,000	-
Equity Securities:				
Corporate stocks - domestic	33,579,292	33,579,292	-	-
Corporate stocks - international	5,553,760	5,553,760	-	-
Equity mutual funds - domestic	16,062,730	16,062,730	-	-
Equity mutual funds - international	24,675,735	24,675,735	-	-
Total equity securities	79,871,517	79,871,517	-	-
Total investments by fair value level	125,584,042	101,573,042	24,011,000	-
Investments measured at NAV:				
Private equity	128,178			
Real estate	10,192,568			
Total investments at NAV	10,320,746			
Total investments at fair value	\$ 135,904,788			

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

5. INVESTMENTS AT FAIR VALUE: (Continued)

The System had the following recurring fair value measurements as of June 30, 2023:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	June 30, 2023			
Investments by Fair Value Level:				
Cash Equivalents	\$ 2,306,673	\$ 2,306,673	\$ -	\$ -
Fixed Income Investments:				
U.S. government obligations	5,807,811	674,257	5,133,554	-
Corporate bonds - domestic	9,132,008	-	9,132,008	-
Corporate bonds - international	393,140	393,140	-	-
Fixed income mutual funds - domestic	21,452,319	21,452,319	-	-
Total fixed income investments	36,785,278	22,519,716	14,265,562	-
Equity Securities:				
Corporate stocks - domestic	27,123,422	27,123,422	-	-
Corporate stocks - international	2,784,645	2,784,645	-	-
Equity mutual funds - domestic	17,103,922	17,103,922	-	-
Equity mutual funds - international	22,428,040	22,428,040	-	-
Total equity securities	69,440,029	69,440,029	-	-
Total investments by fair value level	108,531,980	94,266,418	14,265,562	-
Investments measured at NAV:				
Private equity	224,572			
Real estate	12,500,996			
Total investments at NAV	12,725,568			
Total investments at fair value	\$ 121,257,548			

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

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

5. INVESTMENTS AT FAIR VALUE: (Continued)

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

The unfunded commitments and redemption terms for investments measured at the net asset value (NAV) per share or its equivalent as of June 30, 2024 and 2023 is presented in the following tables:

	Net Asset Value	Unfunded	Redemption	Redemption
<u>2024</u>	<u>June 30, 2024</u>	<u>Commitments</u>	<u>Frequency</u>	<u>Notice Period</u>
Private equity	\$ 128,178	\$ -	N/A	N/A
Real estate	10,192,568	-	Quarterly	1 - 30 days
Total Investments at NAV	<u>\$ 10,320,746</u>	<u>\$ -</u>		

	Net Asset Value	Unfunded	Redemption	Redemption
<u>2023</u>	<u>June 30, 2023</u>	<u>Commitments</u>	<u>Frequency</u>	<u>Notice Period</u>
Private equity	\$ 224,572	\$ -	N/A	N/A
Real estate	12,500,996	-	Quarterly	1 - 30 days
Total Investments at NAV	<u>\$ 12,725,568</u>	<u>\$ -</u>		

Real Estate:

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

Private Equity:

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



REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

6. DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS:

The following are the components of the System's deposits, cash equivalents and investments as of June 30, 2024 and 2023:

	Retirement System <u>Trust Fund</u>	Members' Supplemental Savings <u>Trust Fund</u>	<u>Total</u>
<u>2024</u>			
Bank balance	\$ 3,320,990	\$ -	\$ 3,320,990
Cash equivalents	4,597,953	28,079	4,626,032
Investments	131,029,400	249,356	131,278,756
	<u>\$ 138,948,343</u>	<u>\$ 277,435</u>	<u>\$ 139,225,778</u>

	Retirement System <u>Trust Fund</u>	Members' Supplemental Savings <u>Trust Fund</u>	<u>Total</u>
<u>2023</u>			
Bank balance	\$ 2,832,307	\$ -	\$ 2,832,307
Cash equivalents	2,272,520	34,153	2,306,673
Investments	118,656,360	294,515	118,950,875
	<u>\$ 123,761,187</u>	<u>\$ 328,668</u>	<u>\$ 124,089,855</u>

Deposits:

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

Cash Equivalents:

Cash equivalents consisted of holdings in money market funds. The funds are classified as investments in the Statement of Fiduciary Net Position. The System reported a cash equivalent money market mutual fund in the amount of \$4,626,032 and \$2,306,673 as of June 30, 2024 and 2023, respectively. The money market mutual fund was rated AAA as of June 30, 2024 and 2023.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

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

Investments:

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

Concentration of Credit Risk:

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

The System's investment policy states that no manager will be allocated more than 15% of the System's assets. No single stock position or corporate debt instrument should represent more than 5% of the Plan's net assets. In addition, exposure to any single industry shall not exceed two times its weighting in the market or 20%, whichever is greater. As of June 30, 2024 and 2023 the System was in compliance with these policies.

As of June 30, 2024 and 2023, the System held the following investments that exceed 5% of the total investments at market value:

	<u>2024</u>	<u>2023</u>
PIMCO Diversified Income Fund	\$ 12,265,821	\$ 11,290,996
Fidelity Total Market Index Fund	16,062,730	17,002,793
American Core Realty Fund, LP	-	6,892,576
DFA International Value PRTF - Dimensional	7,174,614	6,318,044

Credit Risk:

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

The following were the credit risk ratings of the System's investments in long-term debt securities as of June 30, 2024:

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

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

Credit Risk: (Continued)

June 30, 2024						
	Corporate Bonds	US Govt Obligations, Municipal Obligations, CMO, and MBS	Federal Home Loan Mortgage Corporation (FHLMC)	Federal National Mortgage Association (FNMA)	Government National Mortgage Association (GNMA)	Total
AA+	\$ -	\$ 167,474	\$ -	\$ -	\$ -	\$ 167,474
A	2,241,515	-	-	-	-	2,241,515
A-	4,424,557	-	-	-	-	4,424,557
AA	627,008	-	-	-	-	627,008
AA-	1,207,430	-	-	-	-	1,207,430
AAA	-	763,774	-	-	-	763,774
BBB+	1,375,582	-	-	-	-	1,375,582
BBB	3,749,221	-	-	-	-	3,749,221
Not Rated	-	4,491,755	3,764,883	5,795,396	61,634	14,113,668
	<u>\$ 13,625,313</u>	<u>\$ 5,423,003</u>	<u>\$ 3,764,883</u>	<u>\$ 5,795,396</u>	<u>\$ 61,634</u>	<u>\$ 28,670,229</u>

The following were the credit risk ratings of the System's investments in long-term debt securities as of June 30, 2023:

June 30, 2023						
	Corporate Bonds	US Govt Obligations, Municipal Obligations, CMO, and MBS	Federal Home Loan Mortgage Corporation (FHLMC)	Federal National Mortgage Association (FNMA)	Government National Mortgage Association (GNMA)	Total
AA+	\$ -	\$ 462,363	\$ -	\$ -	\$ -	\$ 462,363
A	2,565,743	-	-	-	-	2,565,743
A-	2,419,266	-	-	-	-	2,419,266
AA	380,766	-	-	-	-	380,766
AA-	275,688	-	-	-	-	275,688
AAA	-	211,894	-	-	-	211,894
BBB+	1,529,093	-	-	-	-	1,529,093
BBB	2,354,592	-	-	-	-	2,354,592
Not Rated	-	-	3,566,213	1,498,113	69,228	5,133,554
	<u>\$ 9,525,148</u>	<u>\$ 674,257</u>	<u>\$ 3,566,213</u>	<u>\$ 1,498,113</u>	<u>\$ 69,228</u>	<u>\$ 15,332,959</u>

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

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

Credit Risk: (Continued)

As of June 30, 2024 and 2023 the System's investment in unrated bond mutual funds are as follows:

Unrated Bond Mutual Funds:

	<u>2024</u>	<u>2023</u>
Blackrock Multi-Asset Income Fund	\$ -	\$ 5,057,047
PIMCO Diversified Income Fund	12,265,821	11,290,996
JP Morgan Income Builder Fund	-	4,930,375
Exchange Traded Funds	9,024	9,153
Federated Hermes Intermediate Corporate Bonds	6,796	19,315
Fidelity Treasury Bonds	60,499	64,562
Vanguard Bonds and Index Funds	74,124	80,871
	<u>\$ 12,416,264</u>	<u>\$ 21,452,319</u>

Custodial Credit Risk:

Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The System is not exposed to custodial credit risk as of June 30, 2024 and 2023 for investments in the amount of \$131,278,756 and \$118,950,875, respectively, since the investments are held in the name of the System.

The System is exposed to custodial credit risk in the amount of \$4,626,032 and \$2,306,673 as of June 30, 2024 and 2023, respectively, related to investment holdings in money market mutual funds that are held by the counter party's agent but are not in the name of the System. The System has no formal policy regarding custodial credit risk.

Interest Rate Risk:

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

As of June 30, 2024, the System had the following investments in long-term debt securities and maturities:

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

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

Interest Rate Risk: (Continued)

	<u>Less than 1 year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>Greater than 10 years</u>	<u>Fair Value</u>
Corporate Bonds	\$ 686,818	\$ 3,153,985	\$ 5,321,665	\$ 4,462,845	\$ 13,625,313
Other Bonds:					
Municipal Obligations	\$ -	\$ -	\$ 257,690	\$ -	\$ 257,690
CMO	-	249,550	-	-	249,550
MBS	-	256,534	-	-	256,534
	<u>\$ -</u>	<u>\$ 506,084</u>	<u>\$ 257,690</u>	<u>\$ -</u>	<u>\$ 763,774</u>
Government Bonds:					
US Govt Obligations	\$ -	\$ 1,395,690	\$ 2,075,290	\$ 1,188,249	\$ 4,659,229
FHLMC	-	-	-	3,764,883	3,764,883
FNMA	-	-	194,369	5,601,027	5,795,396
GNMA	-	-	7,938	53,696	61,634
Total Governmental Bonds	<u>\$ -</u>	<u>\$ 1,395,690</u>	<u>\$ 2,277,597</u>	<u>\$ 10,607,855</u>	<u>\$ 14,281,142</u>
Bond Mutual Funds	<u>\$ -</u>	<u>\$ 60,623</u>	<u>\$ 12,355,641</u>	<u>\$ -</u>	<u>\$ 12,416,264</u>

As of June 30, 2023, the System had the following investments in long-term debt securities and maturities:

	<u>Less than 1 year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>Greater than 10 years</u>	<u>Fair Value</u>
Corporate Bonds	\$ -	\$ 3,882,277	\$ 3,336,439	\$ 2,306,432	\$ 9,525,148
Government Bonds:					
US Govt Obligations	\$ 298,455	\$ -	\$ 163,908	\$ 211,894	\$ 674,257
FHLMC	-	-	6,261	3,559,952	3,566,213
FNMA	-	-	232,795	1,265,318	1,498,113
GNMA	-	-	-	69,228	69,228
Total Governmental Bonds	<u>\$ 298,455</u>	<u>\$ -</u>	<u>\$ 402,964</u>	<u>\$ 5,106,392</u>	<u>\$ 5,807,811</u>
Bond Mutual Funds	<u>\$ -</u>	<u>\$ 10,058,781</u>	<u>\$ 11,393,538</u>	<u>\$ -</u>	<u>\$ 21,452,319</u>

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

Foreign Currency Risk:

Foreign currency risk is defined as the risk that changes in exchange rates will adversely affect the fair value of an investment. The System's investment policy has a target not to exceed 25% of total investments in foreign marketable securities and a target not to exceed 25% of total investments in fixed income. The System's exposure for foreign currency risk consisted of its investment in foreign marketable securities as of June 30, 2024 and 2023:

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

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

Foreign Currency Risk: (Continued)

<u>Country / Currency</u>	<u>2024</u>	<u>2023</u>
Canada / Canadian Dollar	\$ 79,018	\$ 161,195
Denmark / Kroner	429,597	194,298
France / Euro	24,069	296,527
Ireland / Euro	864,579	839,210
Netherlands / Euro	708,902	527,419
Luxembourg / Euro	516,183	245,438
Israel / Shekel	463,805	-
Germany / Euro	889,797	299,101
United Kingdom / British Pound	303,490	614,738
Switzerland / Franc	126,100	-
Guernsey / British Pound	115,114	-
Cayman Islands / Kyd	197,091	-
Taiwan / New Taiwan Dollar	968,470	-
Singapore / Singapore Dollar	194,044	-
Puerto Rico / US Dollar	173,281	-
Total	<u>\$ 6,053,540</u>	<u>\$ 3,177,926</u>

The System also holds investments in exchange traded funds and mutual funds that invest in foreign entities but are denominated in US dollars. These investments for the years ended June 30, 2024 and 2023 totaled \$24,692,138 and \$22,427,900, respectively.

Commitments:

As of June 30, 2024 and 2023, the System has no commitments to purchase any additional investments.

Money-Weighted Rate of Return:

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for the years ended June 30, 2024 and 2023 was 12.13% and 9.54%, respectively. The money-weighted return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.



REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

7. CAPITAL ASSETS:

The change in capital assets consisted of the following for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Balance - Beginning of year	\$ 61,065	\$ 59,065
Additions	2,179	2,000
Deletions	-	-
	<u>63,244</u>	<u>61,065</u>
Less: Accumulated Depreciation	<u>(45,122)</u>	<u>(39,535)</u>
Balance - End of Year	<u>\$ 18,122</u>	<u>\$ 21,530</u>

Depreciation expense was \$5,587 and \$5,870 for each of the years ended June 30, 2024 and 2023, respectively.

8. USE OF ESTIMATES:

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

9. TAX QUALIFICATION:

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

10. RECLASSIFICATIONS:

Certain amounts in 2023 have been reclassified to conform to 2024 presentation. There were no changes to net assets as of June 30, 2023.

## REQUIRED SUPPLEMENTARY INFORMATION

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF CHANGES IN NET PENSION LIABILITY  
FOR THE TEN YEARS ENDED JUNE 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total Pension Liability:			
Service Cost	\$ 3,247,741	\$ 3,129,625	\$ 3,277,941
Interest	8,888,848	8,672,255	8,524,373
Changes of Benefit Terms	3,123,062	-	-
Differences Between Expected and Actual Experience	(1,543,853)	73,851	(1,144,537)
Changes of Assumptions	-	-	-
Pension Payments	(8,406,786)	(8,704,085)	(8,682,026)
Refunds and Transfers of Member Contributions	(100,327)	155,114	932,184
Net Change in Total Pension Liability	<u>5,208,685</u>	<u>3,326,760</u>	<u>2,907,935</u>
Total Pension Liability - Beginning	<u>143,162,922</u>	<u>139,836,162</u>	<u>136,928,227</u>
Total Pension Liability - Ending (a)	<u><u>\$ 148,371,607</u></u>	<u><u>\$ 143,162,922</u></u>	<u><u>\$ 139,836,162</u></u>
Plan Fiduciary Net Position:			
Contributions - Employer	\$ 2,705,457	\$ 2,661,795	\$ 2,603,329
Contributions - Member	976,232	962,668	915,814
Contributions - Non-employers Contributing Entities	3,784,448	3,525,591	3,205,642
Net Investment Income (Loss)	14,747,869	10,773,658	(16,953,510)
Pension Payments	(8,406,786)	(8,704,085)	(8,682,026)
Refunds and Transfers of Member Contributions	(100,327)	154,649	932,184
Administrative Expenses	(488,858)	(525,996)	(455,977)
Other	(5,587)	(5,870)	(5,603)
Net Change in Plan Fiduciary Net Position	<u>13,212,448</u>	<u>8,842,410</u>	<u>(18,440,147)</u>
Plan Fiduciary Net Position - Beginning	<u>124,158,299</u>	<u>115,315,889</u>	<u>133,756,036</u>
Plan Fiduciary Net Position - Ending (b)	<u>137,370,747</u>	<u>124,158,299</u>	<u>115,315,889</u>
Net Pension Liability - Ending (a) - (b)	<u><u>\$ 11,000,860</u></u>	<u><u>\$ 19,004,623</u></u>	<u><u>\$ 24,520,273</u></u>
Plan Fiduciary Net Position as a % of Total Pension Liability	92.59%	86.73%	82.46%
Covered Payroll	\$ 15,030,317	\$ 14,787,750	\$ 14,462,939
Net Pension Liability as a % of Covered Payroll	73.19%	128.52%	169.54%

(Continued)

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF CHANGES IN NET PENSION LIABILITY  
FOR THE TEN YEARS ENDED JUNE 30, 2024

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Pension Liability:			
Service Cost	\$ 2,911,627	\$ 3,080,101	\$ 3,159,898
Interest	8,196,122	7,981,023	7,896,866
Changes of Benefit Terms	1,480,821	-	-
Differences Between Expected and Actual Experience	1,827,375	(837,689)	(2,908,666)
Changes of Assumptions	1,490,618	2,877,832	-
Pension Payments	(8,084,922)	(7,267,196)	(7,360,001)
Refunds and Transfers of Member Contributions	(51,151)	83,500	983,806
Net Change in Total Pension Liability	<u>7,770,490</u>	<u>5,917,571</u>	<u>1,771,903</u>
Total Pension Liability - Beginning	<u>129,157,738</u>	<u>123,240,167</u>	<u>121,468,264</u>
Total Pension Liability - Ending (a)	<u><u>\$ 136,928,227</u></u>	<u><u>\$ 129,157,738</u></u>	<u><u>\$ 123,240,167</u></u>
Plan Fiduciary Net Position:			
Contributions - Employer	\$ 2,708,221	\$ 2,452,012	\$ 2,349,733
Contributions - Member	954,639	824,295	836,475
Contributions - Non-employers contributing entities	3,258,765	3,168,661	2,992,387
Net Investment Income (Loss)	27,743,804	4,214,886	7,262,222
Pension Payments	(8,084,922)	(7,267,196)	(7,360,001)
Refunds and Transfers of Member Contributions	(51,151)	83,500	983,806
Administrative Expenses	(382,626)	(395,652)	(383,312)
Depreciation Expense	(5,603)	(5,572)	(5,299)
Net Change in Plan Fiduciary Net Position	<u>26,141,127</u>	<u>3,074,934</u>	<u>6,676,011</u>
Plan Fiduciary Net Position - Beginning	<u>107,614,909</u>	<u>104,539,975</u>	<u>97,863,964</u>
Plan Fiduciary Net Position - Ending (b)	<u>133,756,036</u>	<u>107,614,909</u>	<u>104,539,975</u>
Net Pension Liability - Ending (a) - (b)	<u><u>\$ 3,172,191</u></u>	<u><u>\$ 21,542,829</u></u>	<u><u>\$ 18,700,192</u></u>
Plan Fiduciary Net Position as a % of Total Pension Liability	97.68%	83.32%	84.83%
Covered Payroll	\$ 15,045,672	\$ 13,622,289	\$ 13,821,959
Net Pension Liability as a % of Covered Payroll	21.08%	158.14%	135.29%

(Continued)

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF CHANGES IN NET PENSION LIABILITY  
FOR THE TEN YEARS ENDED JUNE 30, 2024

	2018	2017	2016	2015
Total Pension Liability:				
Service Cost	\$ 3,125,205	\$ 3,112,302	\$ 2,997,127	\$ 2,729,681
Interest	7,653,135	7,638,656	7,426,607	7,252,760
Changes of Benefit Terms	846,455	-	-	-
Differences Between Expected and Actual Experience	(836,101)	(3,638,201)	(1,645,123)	(458,797)
Changes of Assumptions	2,856,143	2,635,915	-	(1,773,716)
Pension Payments	(5,545,127)	(6,214,152)	(5,544,922)	(5,489,023)
Refunds and Transfers of Member Contributions	760,954	14,149	4,757	(38,725)
Net Change in Total Pension Liability	8,860,664	3,548,669	3,238,446	2,222,180
Total Pension Liability - Beginning	112,607,600	109,058,931	105,820,485	103,598,305
Total Pension Liability - Ending (a)	<u>\$ 121,468,264</u>	<u>\$ 112,607,600</u>	<u>\$ 109,058,931</u>	<u>\$ 105,820,485</u>
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 2,364,781	\$ 2,754,758	\$ 3,108,605	\$ 3,305,989
Contributions - Member	845,571	882,644	895,995	844,602
Contributions - Non-employers contributing entities	2,931,797	2,828,601	2,791,647	2,722,290
Net Investment Income (Loss)	6,241,507	10,001,787	(1,595,836)	(201,771)
Pension Payments	(5,545,127)	(6,214,152)	(5,544,922)	(5,489,023)
Refunds and Transfers of Member Contributions	760,954	14,149	4,757	(38,725)
Administrative Expenses	(386,001)	(294,052)	(305,644)	(291,132)
Depreciation Expense	(6,085)	(929)	(928)	(834)
Net Change in Plan Fiduciary Net Position	7,207,397	9,972,806	(646,326)	851,396
Plan Fiduciary Net Position - Beginning	90,656,567	80,683,761	81,330,087	80,478,691
Plan Fiduciary Net Position - Ending (b)	97,863,964	90,656,567	80,683,761	81,330,087
Net Pension Liability - Ending (a) - (b)	<u>\$ 23,604,300</u>	<u>\$ 21,951,033</u>	<u>\$ 28,375,170</u>	<u>\$ 24,490,398</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	80.57%	80.51%	73.98%	76.86%
Covered Payroll	\$ 13,910,476	\$ 13,773,790	\$ 13,816,022	\$ 13,632,944
Net Pension Liability as a % of Covered Payroll	169.69%	159.37%	205.38%	179.64%

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF EMPLOYERS' NET PENSION LIABILITY  
FOR THE TEN YEARS ENDED JUNE 30, 2024

Fiscal Year <u>End</u>	Total Pension <u>Liability</u>	Plan Fiduciary <u>Net Position</u>	Employers' Net Pension <u>Liability</u>	Plan Fiduciary Net Position as a % of Total <u>Pension Liability</u>	Covered <u>Payroll</u>	Employers' Net Pension Liability as a % of Covered <u>Payroll</u>
2024	\$ 148,371,607	\$ 137,370,747	\$ 11,000,860	92.59 %	\$ 15,030,317	73.19 %
2023	143,162,922	124,158,299	19,004,623	86.73	14,787,750	128.52
2022	139,836,162	115,315,889	24,520,273	82.46	14,462,939	169.54
2021	136,928,227	133,756,035	3,172,192	97.68	15,045,672	21.08
2020	129,157,737	107,614,909	21,542,828	83.32	13,622,289	158.14
2019	123,240,167	104,539,975	18,700,192	84.83	13,821,959	135.29
2018	121,468,264	97,863,964	23,604,300	80.57	13,910,476	169.69
2017	112,607,600	90,656,567	21,951,033	80.51	13,773,790	159.37
2016	109,058,931	80,683,761	28,375,170	73.98	13,816,022	205.38
2015	105,820,485	81,330,087	24,490,398	76.86	13,632,944	179.64

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF CONTRIBUTIONS  
EMPLOYER AND NON-EMPLOYER CONTRIBUTING ENTITIES  
FOR THE TEN YEARS ENDED JUNE 30, 2024

Fiscal Year <u>End</u>	Actuarially Determined <u>Contribution</u>	Contributions in Relation to the Actuarially Determined <u>Liability</u>	Contribution Deficiency <u>(Excess)</u>	Covered <u>Payroll</u>	Contributions as a Percentage of Covered <u>Payroll</u>
2024	\$ 5,199,335	\$ 6,489,905	\$ (1,290,570)	\$ 15,030,317	43.18 %
2023	4,900,707	6,187,386	(1,286,679)	14,787,750	41.84
2022	5,264,443	5,808,971	(544,528)	14,462,939	40.16
2021	5,486,347	5,966,986	(480,639)	15,045,672	39.66
2020	5,380,772	5,620,673	(239,901)	13,622,289	41.26
2019	4,973,846	5,342,120	(368,274)	13,821,959	38.65
2018	4,845,012	5,296,578	(451,566)	13,910,476	38.08
2017	5,011,608	5,583,359	(571,751)	13,773,790	40.54
2016	5,286,296	5,900,252	(613,956)	13,816,022	42.71
2015	5,814,298	6,028,279	(213,981)	13,632,944	44.22

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF INVESTMENT RETURNS  
FOR THE TEN YEARS ENDED JUNE 30, 2024

<u>Fiscal Year-End</u>	<u>Annual Money-Weighted Rate of Return*</u>
2024	12.13 %
2023	9.54
2022	(13.14)
2021	26.82
2020	4.28
2019	7.78
2018	6.87
2017	12.74
2016	(1.84)
2015	(0.47)

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



REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2024 AND 2023

1. SCHEDULE OF CHANGES IN NET PENSION LIABILITY:

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

2. SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY:

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

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

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

4. SCHEDULE OF INVESTMENT RETURNS:

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

5. ACTUARIAL ASSUMPTIONS:

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

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2024 AND 2023

6. ACTUARIAL ASSUMPTIONS:

Actuarial assumptions over the past ten years are as follows:

<b>Actuarial Assumptions</b>			
Valuation Date	June 30, 2024	June 30, 2023	June 30, 2022
Investment Rate of Return	6.25%	6.25%	6.25%
Inflation Rate	2.30%	2.30%	2.30%
Salary Increases	5.25%	5.25%	5.25%
Mortality Rate - Active Members	Pub-2010 mortality table multiplied by 120% for males and females using the appropriate MP-2019 improvement scale.	Pub-2010 mortality table multiplied by 120% for males and females using the appropriate MP-2019 improvement scale.	Pub-2010 mortality table multiplied by 120% for males and females using the appropriate MP-2019 improvement scale.
Mortality Rate - Annuitant and Beneficiary	Pub-2010 mortality table multiplied by 120% for males and females using the appropriate MP-2019 improvement scale.	Pub-2010 mortality table multiplied by 120% for males and females using the appropriate MP-2019 improvement scale.	Pub-2010 mortality table multiplied by 120% for males and females using the appropriate MP-2019 improvement scale.
Mortality Rate - Disabled	Pub-2010 mortality table multiplied by 120% for males and females using the appropriate MP-2019 improvement scale.	Pub-2010 mortality table multiplied by 120% for males and females using the appropriate MP-2019 improvement scale.	Pub-2010 mortality table multiplied by 120% for males and females using the appropriate MP-2019 improvement scale.

(Continued)

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2024 AND 2023

6. ACTUARIAL ASSUMPTIONS: (Continued)

<b>Actuarial Assumptions</b>			
Valuation Date	June 30, 2021	June 30, 2020	June 30, 2019
Investment Rate of Return	6.25%	6.40%	6.50%
Inflation Rate	2.30%	2.30%	2.40%
Salary Increases	5.25%	5.25%	6.00%
Mortality Rate - Active Members	Pub-2010 mortality table multiplied by 120% for males and females using the appropriate MP-2019 improvement scale.	Pub-2010 mortality table multiplied by 120% for males and females using the appropriate MP-2019 improvement scale.	RP-2000 Set forward 1 year for males
Mortality Rate - Annuitant and Beneficiary	Pub-2010 mortality table multiplied by 120% for males and females using the appropriate MP-2019 improvement scale.	Pub-2010 mortality table multiplied by 120% for males and females using the appropriate MP-2019 improvement scale.	RP-2000 projected to 2030
Mortality Rate - Disabled	Pub-2010 mortality table multiplied by 120% for males and females using the appropriate MP-2019 improvement scale.	Pub-2010 mortality table multiplied by 120% for males and females using the appropriate MP-2019 improvement scale.	RP-2000 set back 5 years for males and 3 years for females

(Continued)

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2024 AND 2023

6. ACTUARIAL ASSUMPTIONS: (Continued)

<b>Actuarial Assumptions</b>				
Valuation Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Investment Rate of Return	6.50%	6.75%	7.00%	7.00%
Inflation Rate	2.40%	2.50%	2.50%	2.50%
Salary Increases	6.00%	6.00%	6.00%	6.00%
Mortality Rate - Active Members	RP-2000 Set forward 1 year for males	RP-2000 Set forward 1 year for males	RP-2000 Set forward 1 year for males	RP-2000 Set forward 1 year for males
Mortality Rate - Annuitant and Beneficiary	RP-2000 projected to 2030	RP-2000 projected to 2030	RP-2000 projected to 2030	RP-2000 projected to 2030
Mortality Rate - Disabled	RP-2000 set back 5 years for males and 3 years for females	RP-2000 set back 5 years for males and 3 years for females	RP-2000 set back 5 years for males and 3 years for females	RP-2000 set back 5 years for males and 3 years for females

7. CHANGES OF BENEFITS:

The System granted a cost-of-living adjustment to retirees effective July 1, 2024, January 1, 2021, and January 1, 2018.

## SUPPLEMENTARY INFORMATION

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
RETIREMENT SYSTEM TRUST FUND  
SUPPLEMENTARY INFORMATION  
SCHEDULES OF INVESTMENTS  
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
FIXED INCOME - DOMESTIC:		
Bonds:		
Federal Home Loan Mortgage Corporation	\$ 3,764,883	\$ 3,566,213
Federal National Mortgage Association	5,795,396	1,498,113
Government National Mortgage Association	61,634	69,228
United States Government Obligations	4,659,229	674,257
Municipal Obligations	257,690	-
Collateralized Mortgage Obligation	249,550	-
Mortgage Backed Security	256,534	-
Corporate Bonds	13,109,130	9,132,008
Total Bonds	<u>28,154,046</u>	<u>14,939,819</u>
Mutual Funds:		
Blackrock Multi-Asset Income Fund	-	5,057,047
PIMCO Diversified Income Fund	12,265,821	11,290,996
JP Morgan Income Builder Fund	-	4,930,375
Total Mutual Funds	<u>12,265,821</u>	<u>21,278,418</u>
TOTAL FIXED INCOME - DOMESTIC	<u>\$ 40,419,867</u>	<u>\$ 36,218,237</u>
FIXED INCOME - INTERNATIONAL:		
Foreign Bonds, Notes, and Debt:		
Schlumberger Investments	\$ 516,183	\$ 393,140
TOTAL FIXED INCOME - INTERNATIONAL	<u>\$ 516,183</u>	<u>\$ 393,140</u>
EQUITIES - DOMESTIC:		
Marketable Securities:		
Common stock	\$ 33,496,782	\$ 27,123,422
Mutual Funds:		
Fidelity Total Market Index Fund	16,062,730	17,002,793
TOTAL EQUITIES - DOMESTIC	<u>\$ 49,559,512</u>	<u>\$ 44,126,215</u>
EQUITIES - INTERNATIONAL:		
Marketable Securities:		
Westfield - Foreign Stock	\$ 2,087,517	\$ 970,891
Eagle - Foreign Stock	2,624,659	1,813,754
Barrow Hanley - Foreign Stock	825,181	-
Total Marketable Securities	<u>\$ 5,537,357</u>	<u>\$ 2,784,645</u>
Mutual Funds:		
DFA International Value PRTF - Dimensional	7,174,614	6,318,044
Driehaus International Small Cap Growth Fund	5,768,771	5,075,083
Fidelity Total International Index Fund	6,131,488	5,513,543
MFS International Growth Fund	5,600,862	5,501,885
Total Mutual Funds	<u>24,675,735</u>	<u>22,408,555</u>
TOTAL EQUITIES - INTERNATIONAL	<u>\$ 30,213,092</u>	<u>\$ 25,193,200</u>
REAL ESTATE:		
American Core Realty Fund, LP	\$ 6,116,475	\$ 6,892,578
JP Morgan Special Situation Property Fund	4,076,093	5,608,418
TOTAL REAL ESTATE	<u>\$ 10,192,568</u>	<u>\$ 12,500,996</u>
ALTERNATIVE INVESTMENTS:		
StepStone Crossover Ventures I, L.P.	128,178	224,572
TOTAL ALTERNATIVE INVESTMENTS	<u>\$ 128,178</u>	<u>\$ 224,572</u>

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
MEMBERS' SUPPLEMENTAL SAVINGS TRUST FUND  
SUPPLEMENTARY INFORMATION  
SCHEDULES OF INVESTMENTS  
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
FIXED INCOME - DOMESTIC:		
Mutual Funds:		
Federated Hermes Intermediate Corporate Bonds	\$ 6,796	\$ 19,315
Fidelity Short Term Treasury Bonds	34,036	33,361
Fidelity Interim Treasury Bonds	26,463	31,201
Vanguard Short-Term Corporate Bonds	19,789	18,683
Vanguard Mortgage-Backed Security Index	54,335	62,188
Total Mutual Funds	<u>\$ 141,419</u>	<u>\$ 164,748</u>
Exchange Traded Funds:		
iShares 5-10 Year Investment Grade Corporate Bond ETF	\$ 9,024	\$ 9,153
Total Exchange Traded Funds	<u>\$ 9,024</u>	<u>\$ 9,153</u>
 TOTAL FIXED INCOME - DOMESTIC	 <u><u>\$ 150,443</u></u>	 <u><u>\$ 173,901</u></u>
EQUITIES - DOMESTIC:		
Exchange Traded Funds:		
iShares Core S&P Small Cap ETF	\$ 5,440	\$ 6,378
iShares Core S&P Mid-Cap ETF	16,327	19,872
iShares Core S&P 500 ETF	60,743	74,879
Total Exchange Traded Funds	<u>\$ 82,510</u>	<u>\$ 101,129</u>
 TOTAL EQUITIES - DOMESTIC	 <u><u>\$ 82,510</u></u>	 <u><u>\$ 101,129</u></u>
EQUITIES - INTERNATIONAL:		
Exchange Traded Funds:		
iShares Core MSCI EAFE ETF	\$ 9,443	\$ 11,610
iShares S&P Global Infrastructure ETF	2,731	3,099
iShares Core MSCI Emerging Markets	1,124	3,155
iShares Core MSCI Emerging Markets China ETF	1,717	-
Schwab Intl Small Cap Equity ETF	1,388	1,621
TOTAL EQUITIES - INTERNATIONAL	<u><u>\$ 16,403</u></u>	<u><u>\$ 19,485</u></u>

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULES OF ADMINISTRATIVE EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Accounting	\$ 86,422	\$ 83,519
Actuarial	55,050	53,190
Administrative	57,780	55,800
Bank charges	6,117	5,782
Board of trustees - Meeting / Travel	14,938	14,727
Board trustees - per diem	1,875	1,950
Computer	3,595	3,875
Insurance	44,275	45,257
Legal	78,547	62,517
Membership dues and subscriptions	250	300
Miscellaneous	16,514	27,574
Office expense	6,540	8,027
Payroll expenses	98,916	145,168
Rent	14,400	14,400
Telephone	<u>3,639</u>	<u>3,910</u>
 TOTAL EXPENSES	 <u><u>\$ 488,858</u></u>	 <u><u>\$ 525,996</u></u>



REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULES OF BOARD COMPENSATION  
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

<u>TRUSTEE</u>	<u>2024</u>	<u>2023</u>
Charlene Menard	\$ 300	\$ 300
Brian Champagne	375	375
Billie Meyer	225	225
Shanika Olinde	225	375
Joanne Reed	375	375
Dwayne Wall	<u>375</u>	<u>300</u>
	<u>\$ 1,875</u>	<u>\$ 1,950</u>

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
TO AGENCY HEAD  
FOR THE YEAR ENDED JUNE 30, 2024

Agency head: Chairman of the Board

	Joanne Reed July 1, 2023 - December 30, 2023	Dwayne Wall January 1, 2024 - June 30, 2024	Total
<u>Purpose</u>			
Per diem	\$ 150	\$ 225	\$ 375
Travel	-	260	260
Mileage	104	178	282
Hotel	-	485	485
Meals	72	55	127
Total	<u>\$ 326</u>	<u>\$ 1,203</u>	<u>\$ 1,529</u>



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

December 10, 2024

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Registrars of Voters Employees' Retirement System, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Registrars of Voters Employees' Retirement System's basic financial statements, and have issued our report thereon dated December 10, 2024.

## Report on Internal Control over Financial Reporting

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

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

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

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

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

### **Purpose of this Report**

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

*Duplantier, Chapman, Hogan and Parker, LLP*

New Orleans, Louisiana

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM  
SUMMARY SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED JUNE 30, 2024

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of Registrars of Voters Employees' Retirement System for the year ended June 30, 2024 was unmodified.
2. The audit disclosed no instances of noncompliance.
3. Findings required to be reported under Generally Accepted Government Auditing Standards:  
None
4. Status of prior year comments:  
None

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

FOR THE FISCAL YEAR JULY 01, 2023  
THROUGH JUNE 30, 2024

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM

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INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
FOR THE FISCAL YEAR JULY 01, 2023  
THROUGH JUNE 30, 2024

November 5, 2024

Registrars of Voters Employees' Retirement System 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 period July 01, 2023 through June 30, 2024. The Registrars of Voters Employees' Retirement System's management is responsible for those C/C areas identified in the SAUPs.

The Registrars of Voters Employees' Retirement System has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period July 01, 2023 through June 30, 2024. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

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

---

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

- xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Results:** As a result of performing the above procedures we noted the following:

- The ethics policy does not include reference to the prohibitions in LRS 42:1111-1121
- The information, technology, disaster recover/business continuity policy does not include timely application of all available systems and software patches/updates
- The sexual harassment policy does not include the requirement for annual sexual harassment training

**Management's Response:**

Management will update its policies to include information noted above.

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

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

period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

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

### **3) Bank Reconciliations**

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- A. **Procedure**: Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
  - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

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

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

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

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

- B. **Procedure**: For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures

relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

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

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

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

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

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

- v. Trace the actual deposit per the bank statement to the general ledger.

**Results:** As a result of performing the above procedures we noted following:

- One instance in which the Collection / Received Date is not documented
- One instance in which a deposit was not made within 1 business day of collection/receipt

**Management's Response:**

Management will ensure receipt of funds will be deposited within one day of receipt and the receipt date documented.

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

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

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

- B. **Procedure:** For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
  - ii. At least two employees are involved in processing and approving payments to vendors;
  - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
  - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
  - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

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

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

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

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

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

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

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

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

- B. **Procedure**: Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such

approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

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

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

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

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

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

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

## 8) *Contracts*

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- A. **Procedure**: Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
  - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
  - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
  - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

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

## 9) *Payroll and Personnel*

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

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

- B. **Procedure**: Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
  - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;



- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

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

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

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

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

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

## 10) *Ethics*

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

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

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

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

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

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

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

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

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

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

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

**Results:** We performed the above agreed-upon procedure and discussed the results with management of Registrars of Voters Employees' Retirement System.

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

**Results**: We performed the above agreed-upon procedure and discussed the results with management of Registrars of Voters Employees' Retirement System.

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

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

**Results**: We performed the above agreed-upon procedure and discussed the results with management of Registrars of Voters Employees' Retirement System.

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

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

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

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

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

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

- i. Number and percentage of public servants in the agency who have completed the training requirements;

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

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

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

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

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

*Duplantier, Chapman, Hogan and Parker, LLP*

New Orleans, Louisiana