

Louisiana Clerks' of Court
Retirement and Relief Fund

Financial Report
2021 and 2020



10202 Jefferson Highway, Building A
Baton Rouge, LA 70809

www.laclerksofcourt.org

LOUISIANA CLERKS' OF COURT
 RETIREMENT AND RELIEF FUND
 JUNE 30, 2021 AND 2020

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November 10, 2021

Louisiana Clerks' of Court
Retirement and Relief Fund
Board of Trustees
10202 Jefferson Highway, Bldg. A
Baton Rouge, LA 70809

Report on the Financial Statements

We have audited the accompanying financial statements of the Louisiana Clerks' of Court Retirement and Relief Fund (the Fund), as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Clerks' of Court Retirement and Relief Fund as of June 30, 2021 and 2020, and the respective changes in net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As disclosed in Note 4 to the financial statements, the total pension liability for the Louisiana Clerks' of Court Retirement and Relief Fund was \$911,412,187 and \$862,128,293 at June 30, 2021 and 2020, respectively. The actuarial valuations were based on various assumptions made by the Fund's actuary. Because actual experience may differ from the assumptions used in the actuarial valuation, there is a risk that the total pension liability at June 30, 2021 and 2020 could be understated or overstated.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fund'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.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 10, 2021 on our consideration of the Louisiana Clerks' of Court Retirement and Relief Fund's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Louisiana Clerks' of Court Retirement and Relief Fund's internal control over financial reporting and compliance.

Duplantier, Sharpner, Hogan and Oakes, LLP

New Orleans, Louisiana

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

The Management's Discussion and Analysis of the Louisiana Clerks' of Court Retirement and Relief Fund's (the Fund) financial performance presents a narrative overview and analysis of the Fund's financial activities for the year ended June 30, 2021. 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 financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS:

- The Fund's assets exceeded its liabilities at the close of fiscal year 2021 by \$778,388,343. The net position restricted for pension benefits increased by \$156,846,557 or 25.24%. The Fund's assets exceeded its liabilities at the close of fiscal year 2020 by \$621,541,786. The net position restricted for pension benefits decreased by \$19,662,972 or 3.07%.
- Contributions to the plan by members and employers totaled \$28,857,027, an increase of \$2,653,307 or 10.13% over the prior year. Fiscal year 2020 contributions to the plan by members and employers totaled \$26,203,720, an increase of 548,165 or 2.14% over the prior year.
- Funds collected from ad valorem taxes within the respective parishes totaled \$11,711,704, an increase of \$457,699 from the prior year. Funds collected in fiscal year 2020 from ad valorem taxes within the respective parishes totaled \$11,254,005, an increase of \$577,740 from the prior year.
- Funds collected from state revenue sharing funds totaled \$319,580, an increase of \$17 from the prior year. Funds collected in fiscal year 2020 from state revenue sharing funds totaled \$319,563, an increase of \$48 from the prior year.
- Net appreciation in the fair value of investments was \$163,770,796 as of June 30, 2021 as compared to a net depreciation of \$(17,857,787) as of June 30, 2020. Net appreciation in the fair value of investments was \$11,065,033 as of June 30, 2019.
- The total return on the Fund's investments for the year ended June 30, 2021 was 29.94%.
- Pension benefits paid to retirees and beneficiaries increased by \$3,290,495 or 8.08%. Pension benefits paid to retirees and beneficiaries for fiscal year 2020 increased by \$2,278,648 or 5.93% from the prior year.
- DROP benefits paid to participants increased by \$2,125,758 or 52% over the previous year. DROP benefits paid to participants in fiscal year 2020 increased by \$284,563 or 7.48% over the previous year.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

OVERVIEW OF THE FINANCIAL STATEMENTS:

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

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

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

The statements of fiduciary net position report the Fund's assets, liabilities, and results in net position restricted for pension benefits. It discloses the financial position of the Fund as of June 30, 2021 and 2020.

The statements of changes in fiduciary net position report the results of the Fund's operations during the years, disclosing the additions to and deductions from 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 FUND:

Louisiana Clerks' of Court Retirement and Relief Fund provides benefits to the Clerk of the Supreme Court, each of the courts of appeal, each of the district courts, and each of the city and traffic courts in cities having a population in excess of four hundred thousand and the employees of such clerks, whether full-time or part-time throughout the State of Louisiana, and the employees of the Louisiana Clerks' of Court Association. Employee contributions, employer contributions, and earnings on investments fund these benefits.

Condensed Statement of Fiduciary Position
As of June 30, 2021, 2020 and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Cash and investments	\$ 774,609,599	\$ 618,733,163	\$ 638,979,085
Receivables	5,752,412	3,191,590	3,163,036
Property and equipment, net	680,498	695,062	723,532
Total assets	781,042,509	622,619,815	642,865,653
Total liabilities	2,654,166	1,078,029	1,660,895
Net position restricted for pension benefits	\$ 778,388,343	\$ 621,541,786	\$ 641,204,758

Fiduciary net position increased by \$156,846,557, or 25.24%, for fiscal year 2021. Assets are used to provide monthly retirement allowances to members who contributed to the Fund as employees and their beneficiaries. The increase in fiduciary net position was a result of the increase in the value of investments due to favorable market performance.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

FINANCIAL ANALYSIS OF THE FUND: (Continued)

Condensed Statement of Changes in Fiduciary Position
For the Years Ending June 30, 2021, 2020 and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Additions:			
Contributions	\$ 40,888,311	\$ 37,777,288	\$ 36,651,335
Net investment income (loss)	167,823,074	(12,246,469)	19,848,485
Other	491,369	1,263,838	522,859
Total additions	<u>209,202,754</u>	<u>26,794,657</u>	<u>57,022,679</u>
Less: deductions	<u>52,356,197</u>	<u>46,457,629</u>	<u>44,255,572</u>
Increase (decrease) in net position	<u>\$ 156,846,557</u>	<u>\$ (19,662,972)</u>	<u>\$ 12,767,107</u>

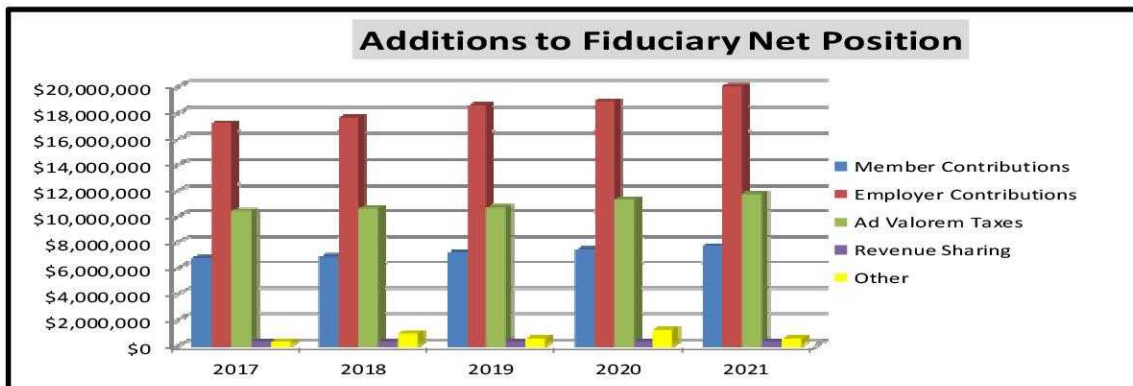
Additions to Fiduciary Net Position:

Additions to the Fund's fiduciary net position were derived from member and employer contributions and net investment income. Member contributions increased by \$295,228, or 4.02% and employer contributions increased by \$2,358,079, or 12.5%, for fiscal year 2021. The Fund experienced net investment income (loss) of \$167,823,074 and \$(12,246,469) during the years ended June 30, 2021 and 2020, respectively.

Additions to Fiduciary Net Position

June 30, 2021, 2020 and 2019

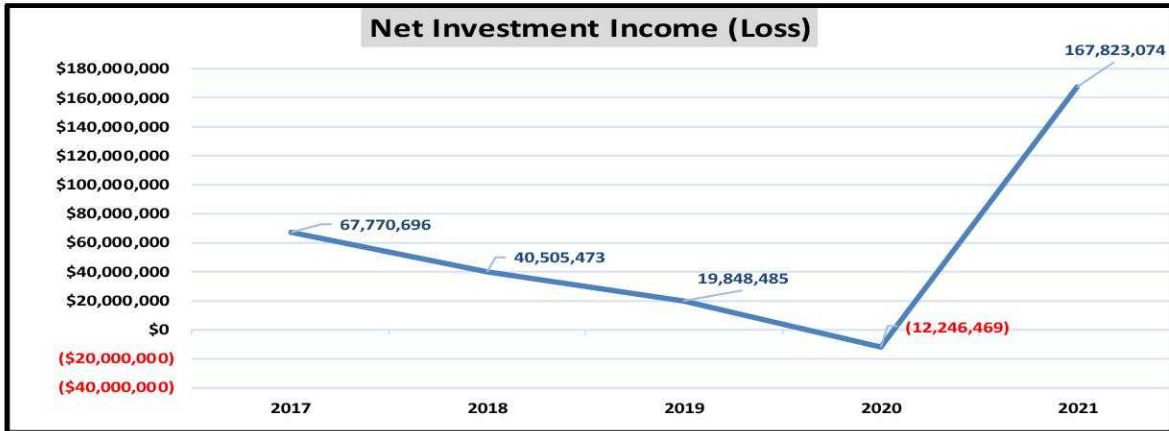
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Member Contributions	\$ 7,639,816	\$ 7,344,588	\$ 7,169,254
Employer Contributions	21,217,211	18,859,132	18,486,301
Ad valorem taxes	11,711,704	11,254,005	10,676,265
Revenue sharing	319,580	319,563	319,515
Net investment income (loss)	167,823,074	(12,246,469)	19,848,485
Other additions	491,369	1,263,838	522,859
Total additions	<u>\$ 209,202,754</u>	<u>\$ 26,794,657</u>	<u>\$ 57,022,679</u>



LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

FINANCIAL ANALYSIS OF THE FUND: (Continued)

Additions to Fiduciary Net Position: (Continued)

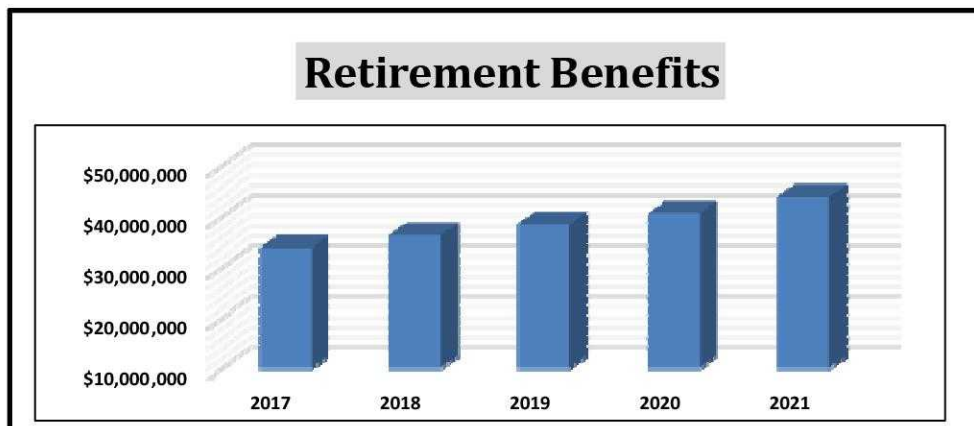


Deductions from Fiduciary Net Position:

Deductions from fiduciary net position consist mainly of retirement, death and survivor benefits and administrative expenses. Deductions from fiduciary net position totaled \$52,356,197 for fiscal year 2021, which is an increase of \$5,898,568 from fiscal year 2020. The increase was primarily due to the increase in retirement benefits. Deductions from fiduciary net position totaled \$44,255,572 for fiscal year 2019.

Deductions from Fiduciary Net Position

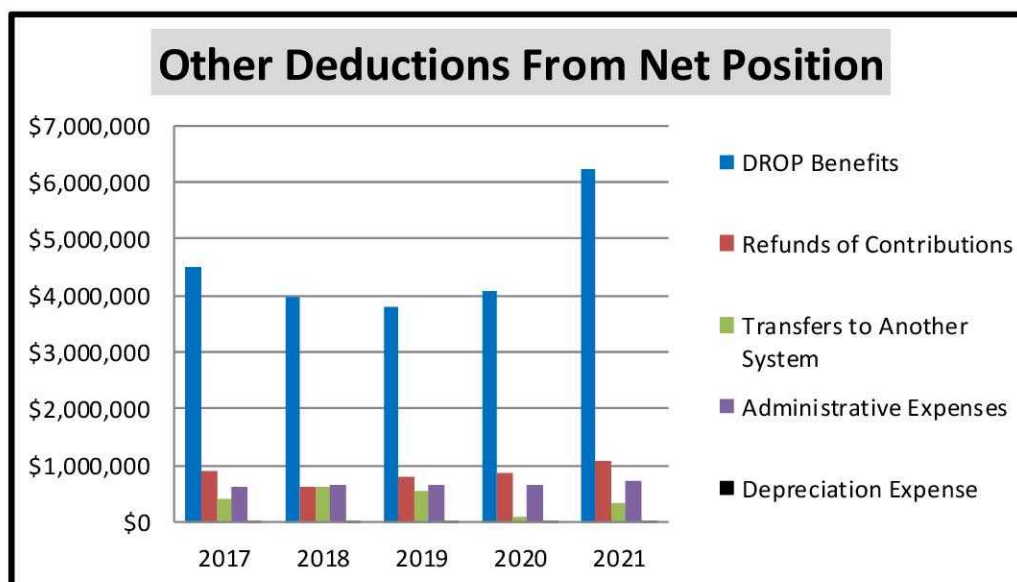
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Retirement Benefits	\$ 43,996,154	\$ 40,705,659	\$ 38,427,011
DROP Benefits	6,214,033	4,088,275	3,803,712
Refunds of contributions	1,064,011	871,015	803,328
Transfers to another system	335,437	105,512	554,267
Administrative expenses	731,998	658,698	638,419
Depreciation	14,564	28,470	28,835
Total deductions	\$ 52,356,197	\$ 46,457,629	\$ 44,255,572



LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

FINANCIAL ANALYSIS OF THE FUND: (Continued)

Deductions from Fiduciary Net Position: (Continued)



Investments:

Louisiana Clerks' of Court Retirement and Relief Fund 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 at June 30, 2021 amounted to \$773,394,125 as compared to \$618,291,740 at June 30, 2020, which is an increase of \$155,102,385 or 25.09%. Total investments at June 30, 2019 amounted to \$637,816,709.

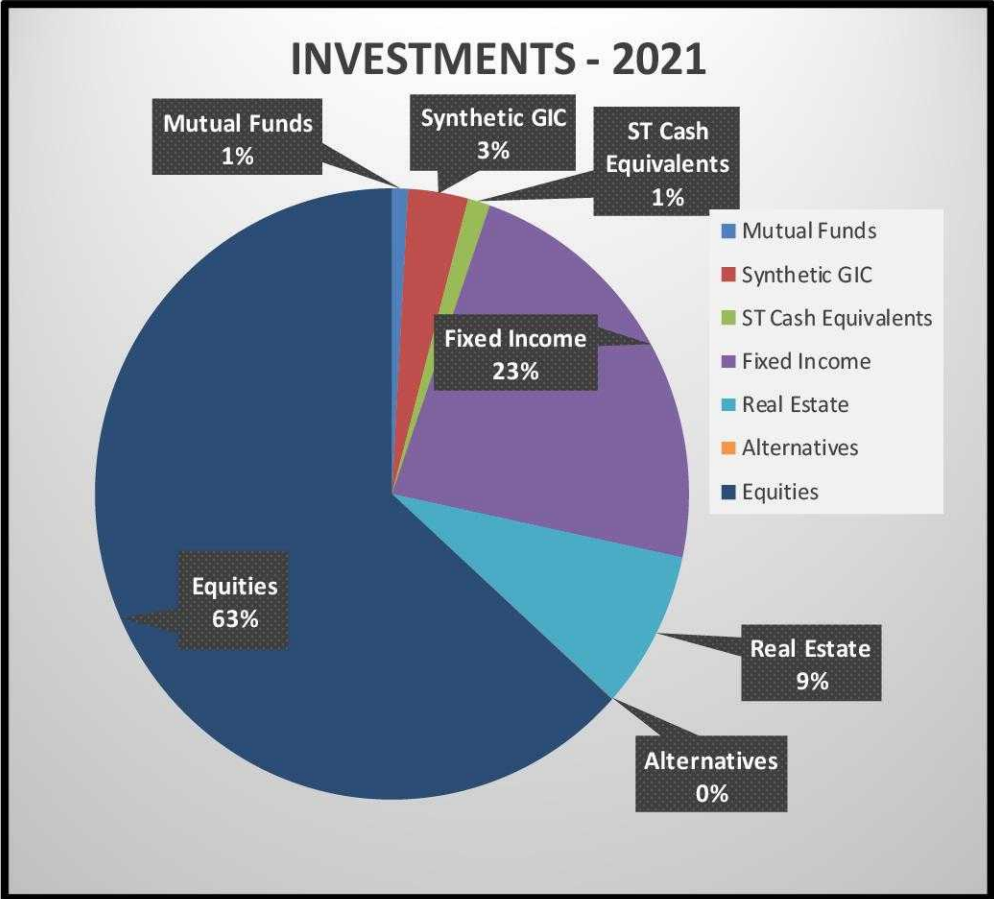
The Fund's investments in various markets at the end of the 2021, 2020, and 2019 fiscal years are as follows:

<u>Investments</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Investments - fair value:			
Short-term cash equivalents	\$ 9,327,887	\$ 43,419,820	\$ 12,267,563
Equities	489,460,944	332,276,751	342,507,718
Alternative investments	54,755	50,620,014	76,800,612
Fixed income	177,751,175	131,550,561	122,774,278
Real estate fund	64,767,760	30,479,978	55,154,171
Mutual funds	6,758,614	4,918,739	4,433,798
	<u>748,121,135</u>	<u>593,265,863</u>	<u>613,938,140</u>
Investments - contract value:			
Synthetic guaranteed investment contract	<u>25,272,990</u>	<u>25,025,877</u>	<u>23,878,569</u>
Total investments	<u>\$ 773,394,125</u>	<u>\$ 618,291,740</u>	<u>\$ 637,816,709</u>

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

FINANCIAL ANALYSIS OF THE FUND: (Continued)

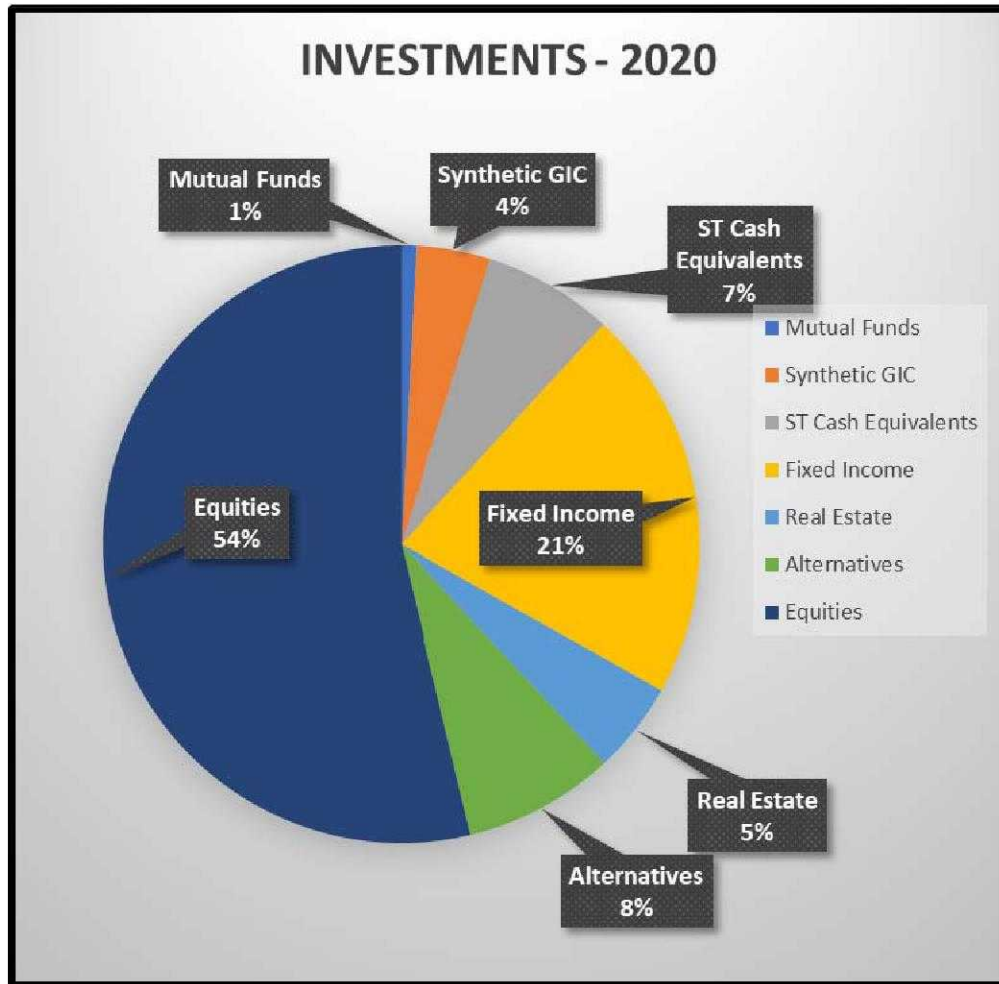
Investments: (Continued)



LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

FINANCIAL ANALYSIS OF THE FUND: (Continued)

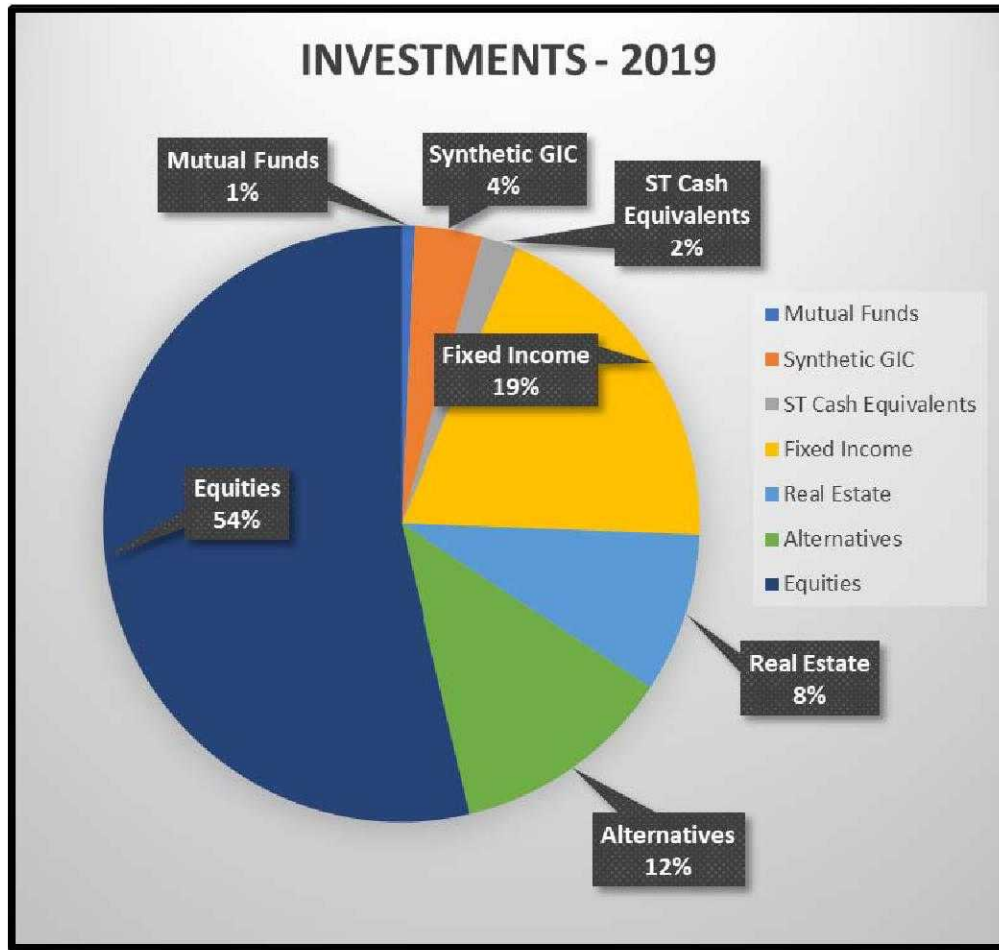
Investments: (Continued)



LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

FINANCIAL ANALYSIS OF THE FUND: (Continued)

Investments: (Continued)



REQUESTS FOR INFORMATION:

Questions concerning any of the information provided or requests for additional financial information should be addressed to Debbie Hudnall, Executive Director of the Louisiana Clerks' of Court Retirement and Relief Fund, 10202 Jefferson Highway, Bldg. A., Baton Rouge, Louisiana 70809, (225) 293-1162.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2021 AND 2020

	<u>ASSETS</u>	
	<u>2021</u>	<u>2020</u>
CASH:		
In bank	\$ 1,215,474	\$ 441,423
RECEIVABLES:		
Member contributions	560,378	544,028
Employer contributions	1,570,688	1,387,530
Investment receivable	3,072,962	953,675
Accrued interest and dividends	547,887	289,479
Revenue sharing funds receivable	497	-
Miscellaneous receivables	-	16,878
Total receivables	<u>5,752,412</u>	<u>3,191,590</u>
INVESTMENTS AT FAIR VALUE:		
Short term cash equivalents	9,327,887	43,419,820
Equities	489,460,944	332,276,751
Fixed income	177,751,175	131,550,561
Real estate	64,767,760	30,479,978
Alternative investments	54,755	50,620,014
Mutual funds	6,758,614	4,918,739
Total investments at fair value	<u>748,121,135</u>	<u>593,265,863</u>
INVESTMENTS AT CONTRACT VALUE:		
Synthetic guaranteed investment contracts	<u>25,272,990</u>	<u>25,025,877</u>
Total investments at contract value	<u>25,272,990</u>	<u>25,025,877</u>
PROPERTY AND EQUIPMENT, NET	<u>680,498</u>	<u>695,062</u>
Total assets	<u>\$781,042,509</u>	<u>\$622,619,815</u>
<u>LIABILITIES AND NET POSITION</u>		
LIABILITIES:		
Accounts payable	\$ 705,295	\$ 519,528
Investment payable	1,910,184	528,759
Deferred rent	-	29,742
Miscellaneous payables	38,687	-
Total liabilities	<u>2,654,166</u>	<u>1,078,029</u>
NET POSITION - RESTRICTED FOR PENSION BENEFITS	<u>\$778,388,343</u>	<u>\$621,541,786</u>

The accompanying notes are an integral part of these financial statements.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ADDITIONS:		
Contributions:		
Member	\$ 7,639,816	\$ 7,344,588
Employer	21,217,211	18,859,132
Ad valorem tax	11,711,704	11,254,005
Revenue sharing	319,580	319,563
Total contributions	<u>40,888,311</u>	<u>37,777,288</u>
Investment income:		
Net appreciation (depreciation) in fair value of investments	163,770,796	(17,857,787)
Interest income	1,754,487	916,835
Dividend income	5,264,633	7,521,325
	<u>170,789,916</u>	<u>(9,419,627)</u>
Less investment expense:		
Custodial fees	65,900	57,903
Money manager fees	2,775,942	2,643,939
Consultant fees	125,000	125,000
	<u>2,966,842</u>	<u>2,826,842</u>
Net investment income (loss)	<u>167,823,074</u>	<u>(12,246,469)</u>
Other additions:		
Transfer fees collected	600	600
Refund pay back	168,872	-
Transfers from another system	189,509	968,055
Miscellaneous	132,388	295,183
Total other additions	<u>491,369</u>	<u>1,263,838</u>
Total additions	<u>209,202,754</u>	<u>26,794,657</u>
DEDUCTIONS:		
Annuity benefits	43,810,478	40,517,898
Disability benefits	185,676	187,761
Refund to terminated employees	1,064,011	871,015
DROP benefits	6,214,033	4,088,275
Transfer to another system	335,437	105,512
Reimbursement to affiliate for administrative expenses	498,000	420,000
Administrative expenses	233,998	238,698
Depreciation	14,564	28,470
Total deductions	<u>52,356,197</u>	<u>46,457,629</u>
NET INCREASE (DECREASE)	156,846,557	(19,662,972)
NET POSITION - RESTRICTED FOR PENSION BENEFITS:		
Beginning of year	<u>621,541,786</u>	<u>641,204,758</u>
END OF YEAR	<u>\$ 778,388,343</u>	<u>\$ 621,541,786</u>

The accompanying notes are an integral part of these financial statements.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

The Louisiana Clerks' of Court Retirement and Relief Fund (the Fund) was established and provided for by R.S. 11:1501 of the Louisiana Revised Statutes (LRS). In accordance with this law, the Fund is administered by a Board of Trustees made up of 11 members composed of the president, first vice-president, treasurer, second vice-president, and immediate past president of the Clerks' Association, one retired clerk elected by the Clerk's Association, three additional members elected by the Clerk's Association, a member of the House Committee on Retirement, appointed by the Speaker of the House Representatives or his designee, and the chairman of the Senate Committee on Retirement or his designee.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements are prepared in accordance with the standards established by the Governmental Accounting Standards Board (GASB). The financial statements include GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments and related standards*. This standard provides for inclusion of a management discussion and analysis as supplementary information and other changes.

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

Basis of Accounting:

Louisiana Clerks' of Court Retirement and Relief Fund's financial statements are prepared using the accrual basis of accounting.

Accounting Policies:

The Fund's significant accounting policies related to the following financial statement categories are summarized below:

Cash and Cash Equivalents:

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments:

In accordance with GASB Statement No. 72 (GASB 72), investments are reported at fair value which is described as an exit price. GASB 72 requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. GASB 72 established a hierarchy of

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Accounting Policies: (Continued)

Investments: (Continued)

inputs to valuation techniques used to measure fair value. That hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs – other than quoted prices – included within Level 1 that are observable for the asset or liability, whether directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security.

GASB 72 requires disclosures to be made about fair value measurements within the level of fair value hierarchy and valuation techniques. These disclosures are organized by type of asset or liability. GASB 72 also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent). These disclosures are located in Note 5.

Fair value of short-term investments approximates cost. Fair value of securities traded on a national or international exchange is calculated using the last reported sales price at current exchange rates. Fair value of mutual funds not traded on a national or international exchange is calculated using the net asset value reported by the mutual funds. Fair value of investments in partnerships is calculated as the Fund's percentage of ownership of the partner's capital reported by the partnership. The Fund invests in short-term highly liquid external investment pools. Shares in external investment pools are reported at cost value of the external investment pool which approximates fair value.

Synthetic Guaranteed Investment Contracts are carried at contract value as required by GASB Statement No. 53.

Property and Equipment:

Land, building, furniture, and equipment are reported at historical cost. Depreciation is computed using the straight-line method based on useful lives.

Revenue and Expenditures:

Employer and employee contributions are recognized in the period in which the employee is compensated for services performed.

Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Revenue and Expenditures: (Continued)

Interest income is recognized when earned and dividends are recognized at the declaration date.

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

Expenditures are recognized in the period incurred.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates. The Fund utilizes various investment instruments, which by nature, are exposed to a variety of risk levels and risk types, such as interest rate risk, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and those changes could materially affect the amounts reported in the statements of fiduciary net position.

2. PLAN DESCRIPTION:

The Louisiana Clerks' of Court Retirement and Relief Fund is the administrator of a cost-sharing, multiple-employer defined benefit plan. The Fund is a statewide retirement plan for the Clerk of the Supreme Court, each of the courts of appeal, each of the district courts, and each of the city and traffic courts in cities having a population in excess of four hundred thousand at the time of their entrance into the Fund. The Fund includes the employees of such clerks and the employees of the Louisiana Clerks' of Court Association.

As of June 30, 2021 and 2020, participating employers consisted of the following:

	<u>2021</u>	<u>2020</u>
Parish Courts	63	63
Supreme Court	1	1
Circuit Courts of Appeals	5	5
City Courts of New Orleans	2	2
Civil Court of New Orleans	1	1
Criminal Court of New Orleans	1	1
Louisiana Clerks' of Court Association	1	1
Total Participating Employers	<u>74</u>	<u>74</u>

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

2. PLAN DESCRIPTION: (Continued)

As of June 30, 2021 and 2020, plan membership consisted of the following:

	<u>2021</u>	<u>2020</u>
Inactive plan members or beneficiaries currently receiving benefits	1,513	1,459
Inactive plan members entitled to but not yet receiving benefits	831	749
Active plan members	<u>2,186</u>	<u>2,209</u>
Total Plan Membership	<u>4,530</u>	<u>4,417</u>

Those employees considered eligible for membership to the Louisiana Clerks' of Court Retirement and Relief Fund include all regular employees who work more than an average of 20 hours per week. Members are vested after 12 years of service time.

Retirement Benefits:

A member or former member shall be eligible for regular retirement benefits upon attaining 12 or more years of credited service, attaining the age of 55 years (age 60 if hired on or after January 1, 2011), and terminating employment. Regular retirement benefits, payable monthly for life, is equal to 3% percent of the member's monthly average final compensation multiplied by the number of years of credited service, not to exceed 100% of the monthly average final compensation. The retirement benefit accrual rate is increased to 3½% for all service credit accrued after June 30, 1999 (for members hired prior to January 1, 2011). For members hired before July 1, 2006 and who retire prior to January 1, 2011, monthly average final compensation is based on the highest 36 consecutive months, with a limit increase of 10% in each of the last three years of measurement. For members hired after July 1, 2006, monthly average final compensation is based on the highest compensated 60 consecutive months, or successive joined months if service was interrupted, with a limit increase of 10% in each of the last five years of measurement. For members who were employed prior to July 1, 2006 and who retire after December 31, 2010, the period of final average compensation is 36 months plus the number of whole months elapsed since January 1, 2011, not to exceed 60 months.

Disability Benefits:

Disability benefits are awarded to active members who are totally and permanently disabled as a result of injuries sustained in the line of duty or to active members with 10 or more years of credible service who are totally disabled due to any cause. A member who is officially certified as totally or permanently disabled by the State Medical Disability Board will be paid monthly disability retirement benefits equal to the greater of forty percent of their monthly average final compensation or 75% of their monthly regular retirement benefit computed as per R.S. 11:1521 (C).

Survivor Benefits:

Upon the death of any active contributing member with less than five years of credited service, his/her accumulated contributions are paid to his/her designated beneficiary. Upon the death of any

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

2. PLAN DESCRIPTION: (Continued)

Survivor Benefits: (Continued)

active contributing member with five or more years of credited service, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option factors used as if the member had continued in service to earliest normal retirement age. Benefit payments are to commence on the date a member would have first become eligible for normal retirement assuming continued service until that time. In lieu of a deferred survivor benefit, the surviving spouse may elect benefits payable immediately with benefits reduced $\frac{1}{4}$ of 1% for each month by which payments commence in advance of member's earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children shall be paid $\frac{1}{2}$ of the member's accrued retirement benefit in equal shares. Upon the death of any former member with less than 12 years of service, the designated beneficiary may receive his/her accumulated contributions. Upon the death of any former member with 12 or more years of service, automatic option 2 benefits are payable to the surviving spouse with payments to commence on the member's retirement eligibility date. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

Deferred Retirement Option Plan (DROP):

In lieu of terminating employment and accepting a service retirement allowance, any member of the Fund who is eligible for a service retirement allowance may elect to participate in the Deferred Retirement Option Plan (DROP) for up to 36 months and defer the receipt of benefits. Upon commencement of participation in the plan, active membership in the Fund terminates and the participant's contributions cease; however, employer contributions continue. Compensation and creditable service remain as they existed on the effective date of commencement of participation in the plan. The monthly retirement benefits that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the DROP account. Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the DROP account equal to the payments to the account or a true annuity based upon his account (subject to approval by the Board of Trustees). In addition, the member receives the monthly benefits that were paid into the DROP fund during his period of participation.

If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the Fund. Interest is paid on DROP account balances for members who complete their DROP participation but do not terminate employment. The interest earnings are based on the actual rate of return on funds in such accounts. These interest accruals cease upon termination of employment. Upon termination, the member receives a lump sum payment from the DROP fund equal to the payments made to that fund on his behalf or a true annuity based in his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

2. PLAN DESCRIPTION: (Continued)

Deferred Retirement Option Plan (DROP): (Continued)

retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation. Prior to January 1, 2011, the average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least 36 months. Effective January 1, 2011, the average compensation for members whose additional service is less than 36 months is equal to the lesser amount used to calculate the original benefit or the compensation earned in the period of additional service divided by the number of months of additional service. For former DROP participants who retire after December 30, 2010, the period used to determine final average compensation for post-DROP service is 36 months plus the number of whole months elapsed from January 1, 2011 to the date of DROP entry. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

Cost of Living Increases (COLAs):

The Board of Trustees is authorized to grant retired members and widows of members who have been retired for at least one full calendar year an annual cost of 2.5% of their benefit (not to exceed \$40 per month), and all retired members and widows who are 65 years of age or older a 2% increase in their original benefit (or their benefit as of October 1, 1977, if they retired prior to that time). In order to grant the 2.5% COLA, the increase in the consumer price index must have exceeded 3% since the last COLA granted. In order for the Board to grant either of these increases, the Fund must meet certain other criteria as detailed in the Louisiana statute relating to funding status. In lieu of granting the above cost of living increases, Louisiana statutes allow the Board to grant a cost of living increase where the benefits shall be calculated using the number of years of service at retirement or at death plus the number of years since retirement or death multiplied by the cost of living amount which cannot exceed \$1. Effective January 1, 2021, the Fund granted a COLA to their retirees.

3. CONTRIBUTIONS AND RESERVES:

Contributions:

Contributions for all members are established by state statute at 8.25% of earnable compensation. The contribution is deducted from the member's salary and remitted by the participating parish or court.

According to state statute, contributions for all employers are actuarially determined each year. The actuarially determined employer contribution rate for the fiscal years ended June 30, 2021 and 2020 was 21.24% and 18.99%, respectively. The actual employer contribution rate for the fiscal years ended June 30, 2021 and 2020 was 21% and 19%, respectively.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

3. CONTRIBUTIONS AND RESERVES: (Continued)

Contributions: (Continued)

In accordance with state statute the Fund also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected by each parish and state revenue sharing funds. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Administrative costs of the Fund are financed through employer contributions.

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

Reserves:

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

A) Annuity Savings Fund:

The Annuity Savings Fund is credited with contributions made by members of the Fund. When a member terminates his service or upon his death before qualifying for a benefit, the refund of his contributions is made from this 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 Fund to the Annuity Reserve Fund. When a member retires, the amount of his accumulated contributions is transferred to the Annuity Reserve Fund to provide part of the benefits payable. The Annuity Savings Fund balance as of June 30, 2021 and 2020 was \$65,542,198 and \$64,174,484, respectively.

B) Pension Accumulation Fund:

The Pension Accumulation Fund 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 Fund to fund retirement benefits for existing recipients. It is also relieved when expenditures are not covered by other accounts. The Pension Accumulation Fund balance as of June 30, 2021 and 2020 was \$194,329,632 and \$81,162,592, respectively.

C) Annuity Reserve Fund:

The Annuity Reserve Fund consists of the reserves for all pensions, excluding cost-of-living increases, granted to members and is the fund from which such pensions and

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

3. CONTRIBUTIONS AND RESERVES: (Continued)

Reserves: (Continued)

C) Annuity Reserve Fund: (Continued)

annuities are paid. Survivors of deceased beneficiaries also receive benefits from this fund. The Annuity Reserve Fund balance as of June 30, 2021 and 2020 was \$469,159,532 and \$422,883,734, respectively.

D) Deferred Retirement Option Account:

The Deferred Retirement Option Account was created by state law and 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, at which time the member may receive his benefits in a lump sum payment or by a true annuity. The Deferred Retirement Option Account balance as of June 30, 2021 and 2020 was \$43,138,314 and \$42,517,185, respectively.

E) Funding Deposit Account:

The Funding Deposit Account was created by state law and consists of excess contribution collected by the Fund. The excess funds earn interest at the board approved actuarial valuation rate and are credited to the fund at least once a year. These funds are due to the Fund 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, and/or (3) pay all or a portion of any future net direct employer contributions or (4) to provide for cost of living increases, in accordance with applicable law. The Funding Deposit Account balance as of June 30, 2021 and 2020 was \$6,218,667 and \$10,803,791, respectively.

4. NET PENSION LIABILITY OF EMPLOYERS:

Components of net pension liability for the Fund's employers determined in accordance with GASB No. 67 as of June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Total Pension Liability	\$ 911,412,187	\$ 862,128,293
Plan Fiduciary Net Position	<u>778,388,343</u>	<u>621,541,786</u>
Employers' Net Pension Liability	<u>\$ 133,023,844</u>	<u>\$ 240,586,507</u>
Plan Fiduciary Net Position as a % of the Total Pension Liability	85.40%	72.09%

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

4. NET PENSION LIABILITY OF EMPLOYERS: (Continued)

The required Schedules of Employers' Net Pension Liability located in required supplementary information presents multi-year trend information regarding whether the plan fiduciary net positions are increasing or decreasing over time relative to the total pension liability. The total pension liability as of June 30, 2021 and 2020 is based on actuarial valuations for the same period, updated using generally accepted actuarial procedures.

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

The actuarial assumptions used in the valuations (excluding mortality) were based on actuarial funding valuation and the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019 for the years ended June 30, 2021 and 2020, unless otherwise specified. In cases where benefits structures were changed after the experience study period, assumptions were based on estimates of future experiences.

Information on the actuarial methods and assumptions used in determining the total net pension liability as of June 30, 2021 and 2020 is as follows:

Valuation Date	June 30, 2021	June 30, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	6.55%	6.75%
Inflation Rate	2.40%	2.50%
Estimated remaining service lives	5 years	5 years
Salary Increases	1-5 years of service - 6.2% 5 years or more - 5%	1-5 years of service - 6.2% 5 years or more - 5%
Mortality Rate - Active Members	Pub-2010 Public Retirement Plans multiplied by 120%. Mortality Table with full generational projection using the appropriate MP-2019 improvement scale	Pub-2010 Public Retirement Plans multiplied by 120%. Mortality Table with full generational projection using the appropriate MP-2019 improvement scale
Mortality Rate - Annuitant and Beneficiary	Pub-2010 Public Retirement Plans multiplied by 120%. Mortality Table with full generational projection using the appropriate MP-2019 improvement scale	Pub-2010 Public Retirement Plans multiplied by 120%. Mortality Table with full generational projection using the appropriate MP-2019 improvement scale

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

4. NET PENSION LIABILITY OF EMPLOYERS: (Continued)

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected rate of return was 6.02%, for the year ended June 30, 2021, and 6.18% for the year ended June 30, 2020. Best estimates of geometric real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2021 and 2020 are summarized in the following tables:

Asset Class	2021	
	Target Asset Allocation	Long-Term Expected Real Rate of Return
Fixed Income:		
Domestic Bonds	25.0%	2.50%
International Bonds		3.50%
Domestic Equity	38.0%	7.50%
International Equity	22.0%	8.50%
Real Estate	15.0%	4.50%
	<u>100.0%</u>	

Asset Class	2020	
	Target Asset Allocation	Long-Term Expected Real Rate of Return
Fixed Income:		
Domestic Bonds	20.0%	2.50%
International Bonds		3.50%
Domestic Equity	33.0%	7.50%
International Equity	22.0%	8.50%
Real Estate	15.0%	4.50%
Hedge Funds	10.0%	6.59%
	<u>100.0%</u>	

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

4. NET PENSION LIABILITY OF EMPLOYERS: (Continued)

The discount rate used to measure the total pension liability was 6.55% and 6.75%, respectively, for the years ended June 30, 2021 and 2020. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at current contribution rates, and that contributions from participating employers and non-employer contributing entities will be made at actuarially determined contribution rates approved by the Board of Trustees and the Public Retirement System's Actuarial Committee (PRSAC) taking into consideration the recommendation of the Fund's actuary. Based on these assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In accordance with GASB 67, regarding the disclosure of the sensitivity of the net pension liability 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.

	Changes in Discount Rate		
	1% Decrease <u>5.55%</u>	Current Discount Rate <u>6.55%</u>	1% Increase <u>7.55%</u>
2021 Net Pension Liability	\$ 234,483,284	\$ 133,023,844	\$ 47,561,057
	1% Decrease <u>5.75%</u>	Discount Rate <u>6.75%</u>	1% Increase <u>7.75%</u>
2020 Net Pension Liability	\$ 335,734,995	\$ 240,586,507	\$ 160,388,205

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS:

Following are the components of the Fund's deposits, cash equivalents, and investments at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Deposits (bank balance)	\$ 1,341,718	\$ 606,206
Cash equivalents	9,327,887	43,419,820
Investments	764,066,238	574,871,920
	\$ 774,735,843	\$ 618,897,946

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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

Deposits:

The Fund's bank deposits were entirely covered by federal depository insurance and securities pledged. The pledged securities are held in joint custody with the Fund's bank.

Cash Equivalents:

The Fund invested in cash equivalents at June 30, 2021 and 2020 in the amount of \$9,327,887 and \$43,419,820, respectively. Cash equivalents in the amount of \$4,217,720 and \$4,076,912 as of June 30, 2021 and 2020, respectively, consist of federated U.S. treasury cash reserves held in the nominee name. Cash equivalents at June 30, 2021 and 2020 in the amount of \$5,110,167 and \$39,342,908, respectively, consist of governmental pooled investments. The funds are managed by the Louisiana Asset Management Pool (LAMP), held by a custodial bank and are in the name of the Fund.

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

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 316 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool share.

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

Investments:

Statutes authorize the Fund 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 Fund 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 Fund shall invest 60% of the total portfolio. Also, at least 10% of the equity allocation must remain indexed to the S&P 500 index.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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

Investments: (Continued)

The Fund's policy regarding investments is established and amended by the Fund's Board. The Fund shall be managed at all times in accordance with Louisiana statutes and any other applicable law. The policy states that the investment of the Fund's assets shall be for the exclusive purpose of providing benefits for the participants and their beneficiaries and paying the Fund's administrative expenses. The Fund's investment shall be prudently selected and properly diversified so as to minimize the risk of large losses.

Synthetic Guaranteed Investment Contract:

The Fund provides a fully benefit-responsive Synthetic Guaranteed Investment Contract option for members of the Deferred Retirement Option Plan. This investment consists of two parts: an asset owned directly by the Fund and a wrap contract providing book value protection for participant withdrawals prior to maturity. The investment objective of this investment is to protect members from loss of their original investment and to provide a competitive interest rate. This investment is reported at contract value in the amount of \$25,272,990 and \$25,025,877 as of June 30, 2021 and 2020, respectively. The market value is unknown as of June 30, 2021 and 2020.

Fair Value Disclosures:

Louisiana Clerks' of Court Retirement and Relief Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Fund has the following recurring fair value measurements as of June 30, 2021 and 2020, respectively:

	6/30/2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Cash Equivalents	\$ 9,327,887	\$ -	\$ 9,327,887	\$ -
Fixed Income				
U.S. Government Obligations	12,773,456	-	12,773,456	-
Corporate Bonds	33,384,565	-	33,384,565	-
Total Fixed Income	46,158,021	-	46,158,021	-

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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

Fair Value Disclosures: (Continued)

	6/30/2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity Securities				
Large Cap	137,470,691	137,470,691	-	-
Small Cap	86,478,530	86,478,530	-	-
Total Equity Securities	223,949,221	223,949,221	-	-
Mutual funds	6,758,614	6,758,614	-	-
Total Investments at Fair Value Level	\$ 286,193,743	\$ 230,707,835	\$ 55,485,908	\$ -
Investments measured at the Net Asset Value (NAV):				
Fixed Income:				
Commingled Pools	\$ 131,593,154			
Domestic Equity Fund	83,821,696			
International Equity Funds	181,690,027			
Alternative Investments:				
Hedge Funds	54,755			
Real Estate Fund	64,767,760			
Total Investments at NAV	\$ 461,927,392			
Total Investments at Fair Value	\$ 748,121,135			

	6/30/2020	Fair Value Measurements Using		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Cash Equivalents	\$ 43,419,820	\$ -	\$ 43,419,820	\$ -
Fixed Income				
U.S. Treasury	2,293,750	2,293,750	-	-
U.S. Government Obligations	7,454,364	-	7,454,364	-
Corporate Bonds	20,338,896	-	20,338,896	-
Total Fixed Income	30,087,010	2,293,750	27,793,260	-
Equity Securities				
Large Cap	103,470,016	103,470,016	-	-
Small Cap	37,931,713	37,931,713	-	-
Total Equity Securities	141,401,729	141,401,729	-	-
Mutual funds	4,918,739	4,918,739	-	-
Total Investments at Fair Value Level	\$ 219,827,298	\$ 148,614,218	\$ 71,213,080	\$ -

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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

Fair Value Disclosures: (Continued)

	<u>6/30/2020</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments measured at the Net Asset Value (NAV):				
Fixed Income:				
Commingled Pools	\$ 101,463,551			
Domestic Equity Fund	59,859,035			
International Equity Funds	131,015,987			
Alternative Investments:				
Hedge Funds	40,069,401			
Private Equity	10,550,613			
Real Estate Fund	30,479,978			
Total Investments at NAV	<u>\$ 373,438,565</u>			
Total Investments at Fair Value	<u>\$ 593,265,863</u>			

Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Cash equivalents and debt investments 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.

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

	<u>Fair Value 2021</u>	<u>Unfunded Commitments</u>	<u>Frequency (If Currenty Eligible)</u>	<u>Notice Period</u>
Commingled Pools	\$ 131,593,154	-	Daily	5 days
Domestic Equity Fund	83,821,696	-	Daily	5 days
International Equity Funds	181,690,027	-	Daily, Monthly	2 - 30 days
Hedge Funds	54,755	-	Quarterly	95 days
Real Estate Fund	64,767,760	-	Quarterly	90 days
Total Investments at NAV	<u>\$ 461,927,392</u>			

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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

Fair Value Disclosures: (Continued)

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

	Fair Value 2020	Unfunded Commitments	Frequency (If Currenty Eligible)	Notice Period
Commingled Pools	\$ 101,463,551	-	Daily	5 days
Domestic Equity Fund	59,859,035	-	Daily	5 days
International Equity Funds	131,015,987	-	Daily, Monthly	2 - 30 days
Hedge Funds	40,069,401	-	Quarterly	95 days
Private Equity - MLP	10,550,613	-	Daily	Not required
Real Estate Fund	30,479,978	-	Quarterly	90 days
Total Investments at NAV	<u>\$ 373,438,565</u>			

Commingled Pools:

Commingled pool funds consist of the following:

Pyramis Core Plus - has a strategy with a duration neutral approach focused on bottom-up, fundamental credit analysis. It is a benchmark aware strategy with the ability to add value through constrained allocations to a broad opportunity set of “plus” sectors.

Pyramis Tactical fund - has a flexible strategy with ability to add value through managing duration and allowing a broader allowable opportunity set than more traditional, benchmark constrained managers resulting in a true “best idea” fixed income portfolio.

Domestic Equity Fund:

This fund includes QMA US Core Equity, which employs an active, systematic, bottom up investment process based on company fundamentals to determine the relative attractiveness of all stocks within a broad universe using their proprietary stock selection model.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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

Fair Value Disclosures: (Continued)

Hedge Funds:

The objective of the hedge fund is to manage a portfolio of alternative or non-traditional managers that will seek to earn above-average, risk-adjusted, long-term returns. The hedge fund consisted of the following:

Summit fund - is diversified global multi-strategy hedge fund of funds. The product invests in 15-20 direct hedge fund strategies across different sub-styles typically. The portfolio is designed to target superior risk-adjusted returns with an emphasis on capital preservation. The redemption notice period is 95 days with quarterly redemptions available.

International Equity Funds:

International equity funds consisted of the following:

LSV fund - is country neutral to the index and value is added through stock selection. The portfolio decision-making process is primarily quantitative and driven by a proprietary model that consists of three groups of factors: value multiples (cash flow-to-price and book-to-market), long-term past performance (changes in stock price and earnings over the previous five years; poor performance ranked highly), and price momentum factors (near-term performance expectations; is the market beginning to change its assessment). At least 65% of the model will consist of value-related factors. The redemption notice period is seven days with monthly redemptions available.

TS&W - this portfolio utilizes a bottom-up, value-driven, risk-managed approach to international investing and invests in a diversified portfolio of common stocks of primarily non-U.S. issuer. The redemption notice period is two days with daily redemptions available.

Segall Bryant & Hamill - uses disciplined, valuation-based, quantitative approach targeting companies with improving fundamentals and price momentum. The strategy targets securities deemed attractive on valuation and momentum. The redemption notice period is 30 days with monthly redemptions available.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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

Fair Value Disclosures: (Continued)

International Equity Funds: (Continued)

Driehaus International Small Cap Fund - this portfolio utilizes a bottom-up, growth oriented, risk managed approach to international investing and invests in a diversified portfolio of small company common stocks of primarily non-U.S. issuers. Holdings will be a blend of companies in both developed and emerging markets. The redemption notice period is two days with daily redemptions available.

WCM – this portfolio utilizes a bottom-up approach that seeks to identify companies with attractive fundamentals, such as long-term growth in revenue, earnings and show a high probability for superior future growth. The fund invests primarily in equity securities of non-U.S. companies. The fund may invest in companies of any size but generally focuses on companies with large capitalization.

Private Equity:

Harvest Fund - employs a combination of strategies to earn superior risk-adjusted returns. This master limited partnership invests in equities of other limited partnerships which are publicly traded. The redemption notice period for Harvest fund is not explicitly required, but is preferred two days in advance with daily redemptions available. This fund was redeemed in 2021.

Real Estate Fund:

Clarion (Core Real Estate) – this fund is an open-ended, private perpetual life comingled investment fund. The investment strategy is diversified primarily institutional quality real estate assets and real estate-related investments within the United States. Clarion seeks to actively manage investments through continuous examination of real estate cycles, national and regional market fundamentals, and property characteristics to emphasize sectors of relative value.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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

Fair Value Disclosures: (Continued)

Real Estate Fund: (Continued)

Principal (Enhanced Property Fund) – this is an open-end, commingled fund which pursues nationally diverse portfolio of high-quality real estate assets. The fund pursues an enhanced or core plus investment strategy and seeks to provide market competitive total returns.

Money-Weighted Rate of Return:

During the years ended June 30, 2021 and 2020, the annual money-weighted rate of return on the Fund's investments, net of investment expense, was 29.67% and (1.85)%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Concentration of Credit Risk:

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

The Fund's investment policy states that no more than 30% of the equity portfolio market value may be invested in any one economic sector. Generally, the equity holdings in any single corporation shall not exceed 5% of the market value of the equity portfolio. In addition, no more than 7% of any fixed income portfolio based on market value at the time of purchase may be invested in any one issuer's securities (exclusive of issues of the U.S. Treasury or other Federal Agencies). At June 30, 2021 and 2020, there were no investment holdings that exceeded the Fund's concentration of credit risk investment policy.

The investment policy states that the allocation to international equities will be made by investing in a commingled or mutual fund. Exposure to emerging market countries within developed international funds should not exceed 20% of the portfolio. In addition, investments in international large cap equity, small cap equity and emerging markets cannot exceed 17%, 10%, and 7.5%, respectively, of the portfolio. The Fund invested in several international equity funds which had a total market value of \$181,690,027 and \$131,015,987 at June 30, 2021 and 2020, respectively. The Fund is in compliance with the investment policy limits of emerging market countries.

The Fund has no investments of any single organization (other than those issued or guaranteed by the U.S. Government) that represents 5% or more of the Fund's fiduciary net position, nor does the Fund hold more than 5% of any corporation's stock.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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

Custodial Credit Risk:

Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Fund is not exposed to custodial credit risk at June 30, 2021 and 2020 for investments in the amount of \$754,738,351 and \$531,452,100, respectively, since these investments are in the name of the Fund. The Fund was exposed to custodial credit risk in the amount of \$4,217,720 and \$4,076,912 at June 30, 2021 and 2020, respectively, as these funds are held in nominee name and not in the name of the Fund. The Fund has no formal investment policy regarding custodial credit risk.

Interest Rate Risk and Credit Risk:

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The Fund has no formal policy on interest rate risk.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Fund's policy regarding credit risk states that fixed income securities shall be limited to those with an S&P/Moody's rating of BBB/Baa or better.

At June 30, 2021, the Fund had the following investments subject to interest rate risk and credit risk:

<u>Investments in Fixed Income Funds</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Average Maturity</u>
Pyramis Core Commingled Fund	\$88,026,534	A	8.63 years
Pyramis Tactical Plus Commingled Bond Pool	\$43,566,620	BBB+	11.61 years

Fixed Income Investments - Interest Rate Risk

	<u>Total</u>	<u><1 yr</u>	<u>1-5 yrs</u>	<u>5-10yrs</u>	<u>>10 yrs</u>
US Govt Obligations	\$ 12,773,456	\$ -	\$ -	\$ 450,267	\$ 12,323,189
Corporate Bonds	33,384,565	760,882	12,522,023	11,971,698	8,129,962
Total	<u>\$ 46,158,021</u>	<u>\$ 760,882</u>	<u>\$ 12,522,023</u>	<u>\$12,421,965</u>	<u>\$ 20,453,151</u>

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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

Interest Rate Risk and Credit Risk: (Continued)

Fixed Income Investments – Credit Risk

	US Govt Agency Obligations	Corporate Bonds	Total
A+	\$ -	\$ 1,543,924	\$ 1,543,924
A	-	3,582,753	3,582,753
A-	-	9,924,383	9,924,383
AA+	450,267	778,110	1,228,377
AA	-	798,030	798,030
AA-	-	1,641,600	1,641,600
BBB+	-	9,566,164	9,566,164
BBB	-	5,549,601	5,549,601
NR	12,323,189	-	12,323,189
Total	<u>\$ 12,773,456</u>	<u>\$ 33,384,565</u>	<u>\$ 46,158,021</u>

At June 30, 2020, the Fund had the following investments subject to interest rate risk and credit risk:

<u>Investments in Fixed Income Funds</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Average Maturity</u>
Pyramis Core Commingled Fund	\$65,758,941	A+	8.33 years
Pyramis Tactical Plus Commingled Bond Pool	\$35,704,610	BBB	11.38 years

Fixed Income Investments - Interest Rate Risk

	Total	<1 yr	1-5 yrs	5-10yrs	>10 yrs
US Treasury	\$ 2,293,750	\$ -	\$ -	\$ 1,091,130	\$ 1,202,620
US Govt Obligations	7,454,364	-	-	-	7,454,364
Corporate Bonds	20,338,896	1,535,138	12,121,080	3,325,800	3,356,878
Total	<u>\$ 30,087,010</u>	<u>\$ 1,535,138</u>	<u>\$ 12,121,080</u>	<u>\$ 4,416,930</u>	<u>\$ 12,013,862</u>

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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

Interest Rate Risk and Credit Risk: (Continued)

Fixed Income Investments – Credit Risk

	US Treasury	US Govt Agency Obligations	Corporate Bonds	Total
A+	\$ -	\$ -	\$ 1,532,415	\$ 1,532,415
A	-	-	3,113,370	3,113,370
A-	-	-	4,103,359	4,103,359
AA+	-	-	792,803	792,803
AA-	-	-	1,650,352	1,650,352
BBB+	-	-	6,702,759	6,702,759
BBB	-	-	2,443,838	2,443,838
NR	2,293,750	7,454,364	-	9,748,114
Total	<u>\$ 2,293,750</u>	<u>\$ 7,454,364</u>	<u>\$ 20,338,896</u>	<u>\$30,087,010</u>

6. RELATED PARTIES:

The Fund's Board of Trustees includes five trustees from the Clerks of Court Association (Association) and one additional trustee elected by the Association. The Association also appoints the board members of the Clerks of Court Insurance Trust (Insurance Trust). The Fund, Association and Insurance Trust share employees and office space.

In 2013, the Fund constructed a new building. The new facility is also occupied by the Association and the Insurance Trust. In June 2013, the Board passed a resolution approving the recoupment of construction costs through the Association and Insurance Trust prepaying eight years of rent to the Retirement and Relief Fund. The Association's and Insurance Trust's share of rent for the eight-year period totaled \$170,000 and \$85,000, respectively. These amounts were recorded as deferred rent in the accompanying financial statements and are being amortized over eight years. Deferred Rent as of June 30, 2021 and 2020 is \$-0- and \$29,742, respectively. Rental income for the years ended June 30, 2021 and 2020 was \$29,742 and \$34,123, respectively. There is no formal lease between the related parties. Remaining deferred amounts were recognized during 2021.

The Fund shares equipment and other office expenses with the Association and Insurance Trust. Most of the expenses, including the salaries of employees of all three funds, are paid out of the Association. The Fund reimbursed the Association \$498,000 and \$420,000 for shared expenses for the years ended June 30, 2021 and 2020, respectively.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

7. PROPERTY AND EQUIPMENT:

Changes in property and equipment for the year ended June 30, 2021 are as follows:

	<u>07/01/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>06/30/21</u>
Land	\$ 284,023	\$ -	\$ -	\$ 284,023
Office Building	494,086	-	-	494,086
Office Equipment	16,343	-	-	16,343
Furniture & Fixtures	80,674	-	-	80,674
Software	28,999	-	-	28,999
Subtotal	904,125	-	-	904,125
Accumulated Depreciation	(209,063)	(14,564)	-	(223,627)
Net Property and Equipment	<u>\$ 695,062</u>	<u>\$ (14,564)</u>	<u>\$ -</u>	<u>\$ 680,498</u>

Changes in property and equipment for the year ended June 30, 2020 are as follows:

	<u>07/01/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>06/30/20</u>
Land	\$ 284,023	\$ -	\$ -	\$ 284,023
Office Building	494,086	-	-	494,086
Office Equipment	16,343	-	-	16,343
Furniture & Fixtures	80,674	-	-	80,674
Software	28,999	-	-	28,999
Subtotal	904,125	-	-	904,125
Accumulated Depreciation	(180,593)	(28,470)	-	(209,063)
Net Property and Equipment	<u>\$ 723,532</u>	<u>\$ (28,470)</u>	<u>\$ -</u>	<u>\$ 695,062</u>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$14,564 and \$28,470, respectively.

8. TAX QUALIFICATION:

The Fund is a tax-qualified plan under IRS Code Section 401(a).

9. UNCERTAINTIES:

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which could have a significant impact on the market values of the Fund's investments. The extent of the financial impact cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN NET PENSION LIABILITY
FOR THE EIGHT YEARS ENDED JUNE 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Pension Liability:				
Service Cost	\$ 16,062,391	\$ 15,447,744	\$ 15,088,408	\$ 14,069,093
Interest	57,580,800	55,104,417	53,235,561	51,717,617
Changes of benefit terms	5,543,283	-	-	4,422,397
Differences between expected and actual experience	2,904,257	(3,719,950)	2,777,735	1,369,822
Changes of assumptions	18,311,429	16,998,759	-	19,347,376
Retirement benefits	(50,210,187)	(44,793,934)	(42,230,723)	(40,191,708)
Refunds of member contributions	(1,064,011)	(871,015)	(803,328)	(620,524)
Other	155,932	1,158,326	(31,409)	(317,355)
Net Change in Total Pension Liability	<u>49,283,894</u>	<u>39,324,347</u>	<u>28,036,244</u>	<u>49,796,718</u>
Total Pension Liability - Beginning	<u>862,128,293</u>	<u>822,803,946</u>	<u>794,767,702</u>	<u>744,970,984</u>
Total Pension Liability - Ending (a)	<u>\$ 911,412,187</u>	<u>\$ 862,128,293</u>	<u>\$ 822,803,946</u>	<u>\$ 794,767,702</u>
Plan Fiduciary Net Position:				
Contributions - member	\$ 7,639,816	\$ 7,344,588	\$ 7,169,254	\$ 6,865,645
Contributions - employer	21,217,211	18,859,132	18,486,301	17,644,700
Contributions - non-employer contributing entities	12,031,284	11,573,568	10,995,780	10,969,148
Net investment income (loss)	167,823,074	(12,246,469)	19,848,485	41,112,500
Retirement benefits	(50,210,187)	(44,793,934)	(42,230,723)	(40,191,708)
Refunds of member contributions	(1,064,011)	(871,015)	(803,328)	(620,524)
Administrative expenses	(746,562)	(687,168)	(667,253)	(702,337)
Other	155,932	1,158,326	(31,409)	(317,355)
Net Change in Plan Fiduciary Net Position	<u>156,846,557</u>	<u>(19,662,972)</u>	<u>12,767,107</u>	<u>34,760,069</u>
Plan Fiduciary Net Position - Beginning	<u>621,541,786</u>	<u>641,204,758</u>	<u>628,437,651</u>	<u>593,677,582</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 778,388,343</u>	<u>\$ 621,541,786</u>	<u>\$ 641,204,758</u>	<u>\$ 628,437,651</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 133,023,844</u>	<u>\$ 240,586,507</u>	<u>\$ 181,599,188</u>	<u>\$ 166,330,051</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	85.40%	72.09%	77.93%	79.07%
Covered Payroll	\$ 101,034,338	\$ 99,258,589	\$ 97,296,321	\$ 92,866,842
Net Pension Liability as a % of Covered Payroll	131.66%	242.38%	186.65%	179.11%

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

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN NET PENSION LIABILITY
FOR THE EIGHT YEARS ENDED JUNE 30, 2021

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability:				
Service Cost	\$ 14,334,517	\$ 14,583,080	\$ 14,909,285	\$ 14,108,218
Interest	49,785,613	47,846,207	47,379,127	45,607,263
Changes of benefit terms	-	-	-	3,790,830
Differences between expected and actual experience	3,957,320	2,359,911	(8,215,690)	(3,418,653)
Changes of assumptions	-	-	9,016,237	14,959,618
Retirement benefits	(38,299,160)	(33,032,405)	(30,071,623)	(28,629,491)
Refunds of member contributions	(916,974)	(1,068,211)	(963,484)	(730,697)
Other	<u>(108,744)</u>	<u>(327,007)</u>	<u>(76,639)</u>	<u>(414,096)</u>
Net Change in Total Pension Liability	28,752,572	30,361,575	31,977,213	45,272,992
Total Pension Liability - Beginning	<u>716,218,412</u>	<u>685,856,837</u>	<u>653,879,624</u>	<u>608,606,632</u>
Total Pension Liability - Ending (a)	<u>\$ 744,970,984</u>	<u>\$ 716,218,412</u>	<u>\$ 685,856,837</u>	<u>\$ 653,879,624</u>
Plan Fiduciary Net Position:				
Contributions - member	\$ 6,804,087	\$ 6,914,444	\$ 6,895,027	\$ 6,850,006
Contributions - employer	17,149,329	17,325,010	17,195,133	16,642,988
Contributions - non-employer contributing entities	10,704,574	10,489,546	10,257,920	9,687,222
Net investment income (loss)	67,770,696	(4,357,804)	14,165,659	72,622,374
Retirement benefits	(38,299,160)	(33,032,405)	(30,071,623)	(28,629,491)
Refunds of member contributions	(916,974)	(1,068,211)	(963,484)	(730,697)
Administrative expenses	(647,220)	(569,128)	(541,752)	(465,639)
Other	<u>(108,744)</u>	<u>(334,147)</u>	<u>(76,639)</u>	<u>(414,096)</u>
Net Change in Plan Fiduciary Net Position	62,456,588	(4,632,695)	16,860,241	75,562,667
Plan Fiduciary Net Position - Beginning	<u>531,220,994</u>	<u>535,853,689</u>	<u>518,993,448</u>	<u>443,430,781</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 593,677,582</u>	<u>\$ 531,220,994</u>	<u>\$ 535,853,689</u>	<u>\$ 518,993,448</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 151,293,402</u>	<u>\$ 184,997,418</u>	<u>\$ 150,003,148</u>	<u>\$ 134,886,176</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	79.69%	74.17%	78.13%	79.37%
Covered Payroll	\$ 90,259,626	\$ 91,184,263	\$ 90,500,700	\$ 89,962,097
Net Pension Liability as a % of Covered Payroll	167.62%	202.88%	165.75%	149.94%

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

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF EMPLOYERS' NET PENSION LIABILITY
FOR THE EIGHT YEARS ENDED JUNE 30, 2021

	<u>Total Pension Liability</u>	<u>Fund's Fiduciary Net Postion</u>	<u>Employers' Net Pension Liability</u>	<u>Fund's Fiduciary Net Position as a % of Total Pension Liability</u>	<u>Covered Payroll</u>	<u>Net Pension Liability as a % of Covered Payroll</u>
2021	\$ 911,412,187	\$ 778,388,343	\$ 133,023,844	85.40%	\$ 101,034,338	131.66%
2020	862,128,293	621,541,786	240,586,507	72.09%	99,258,589	242.38%
2019	822,803,946	641,204,758	181,599,188	77.93%	97,296,321	186.65%
2018	794,767,702	628,437,651	166,330,051	79.07%	92,866,842	179.11%
2017	744,970,984	593,677,582	151,293,402	79.69%	90,259,626	167.62%
2016	716,218,412	531,220,994	184,997,418	74.17%	91,184,263	202.88%
2015	685,856,837	535,853,689	150,003,148	78.13%	90,500,700	165.75%
2014	653,879,624	518,993,448	134,886,176	79.37%	89,962,097	149.94%

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

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF CONTRIBUTIONS
 EMPLOYER AND NON-EMPLOYER CONTRIBUTING ENTITIES
FOR THE EIGHT YEARS ENDED JUNE 30, 2021

<u>Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution (Excess) Deficiency</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2021	\$ 31,257,852	\$ 33,248,495	\$ (1,990,643)	\$ 101,034,338	32.91%
2020	29,883,991	30,432,700	(548,709)	99,258,589	30.66%
2019	27,635,177	29,482,081	(1,846,904)	97,296,321	30.30%
2018	27,181,553	28,613,848	(1,432,295)	92,866,842	30.81%
2017	23,688,306	27,853,903	(4,165,597)	90,259,626	30.86%
2016	26,457,181	27,814,556	(1,357,375)	91,184,263	30.50%
2015	26,913,363	27,453,053	(539,690)	90,500,700	30.33%
2014	26,231,039	26,330,210	(99,171)	89,962,097	29.27%

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

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF INVESTMENT RETURN
FOR THE EIGHT YEARS ENDED JUNE 30, 2021

	Annual Money-Weighted <u>Rate of Return*</u>
2021	29.67%
2020	-1.85%
2019	3.56%
2018	8.80%
2017	15.18%
2016	-0.54%
2015	2.62%
2014	17.34%

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

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

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE EIGHT YEARS ENDED JUNE 30, 2021

1. SCHEDULE OF CHANGES IN NET PENSION LIABILITY:

The total pension liability contained in this schedule was provided by the Fund's actuary, G. S. Curran & Company, Ltd. The net pension liability is measured as the total pension liability less the amount of the fiduciary net position of the Fund.

2. SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY:

The schedule of employers' net pension liability shows the percentage of the Fund'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 Fund. Covered payroll is the payroll of all employees that are provided with benefits through the Fund.

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

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

4. SCHEDULE OF INVESTMENT RETURNS:

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

5. ACTUARIAL ASSUMPTIONS:

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

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE EIGHT YEARS ENDED JUNE 30, 2021

6. CHANGES IN ACTUARIAL ASSUMPTIONS:

Actuarial assumption changes over the last eight years are as follow:

Valuation Date	Investment Rate of Return	Inflation Rate	Estimated Remaining Service Lives	Salary Increases	Mortality Rate Active Members	Mortality Rate Annuitant and Beneficiary
June 30, 2021	6.55%	2.50%	5 years	1-5 years 6.2% 5+ years 5%	Pub-2010 Public Retirement Plans Mortality Table with full generational projection using the appropriate MP-2019 improvement scale	Pub-2010 Public Retirement Plans Mortality Table for with full generational projection using the appropriate MP-2019 improvement scale
June 30, 2020	6.75%	2.50%	5 years	1-5 years 6.2% 5+ years 5%	Pub-2010 Public Retirement Plans Mortality Table with full generational projection using the appropriate MP-2019 improvement scale	Pub-2010 Public Retirement Plans Mortality Table for with full generational projection using the appropriate MP-2019 improvement scale
June 30, 2019	6.75%	2.50%	5 years	5.00%	RP 2000 employee table set back 4 years for males and 3 years for females	RP 2000 healthy annuitant table set forward 1 year for males and projected to 2030 using scale AA for males and females
June 30, 2018	6.75%	2.50%	5 years	5.00%	RP 2000 employee table set back 4 years for males and 3 years for females	RP 2000 healthy annuitant table set forward 1 year for males and projected to 2030 using scale AA for males and females

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE EIGHT YEARS ENDED JUNE 30, 2021

6. CHANGES IN ACTUARIAL ASSUMPTIONS: (Continued)

Valuation Date	Investment Rate of Return	Inflation Rate	Estimated Remaining Service Lives	Salary Increases	Mortality Rate Active Members	Mortality Rate Annuitant and Beneficiary
June 30, 2017	7.00%	2.50%	5 years	5.00%	RP 2000 employee table set back 4 years for males and 3 years for females	RP 2000 healthy annuitant table set forward 1 year for males and projected to 2030 using scale AA for males and females
June 30, 2016	7.00%	2.50%	5 years	5.00%	RP 2000 employee table set back 4 years for males and 3 years for females	RP 2000 healthy annuitant table set forward 1 year for males and projected to 2030 for males and females
June 30, 2015	7.00%	2.50%	5 years	5.00%	RP 2000 employee table set back 4 years for males and 3 years for females	RP 2000 healthy annuitant table set forward 1 year for males and projected to 2030 for males and females
June 30, 2014	7.25%	2.50%	5 years	5.75%	RP 2000 combined healthy mortality table set back 3 years for males and 1 year for females	RP 2000 combined healthy mortality table set back 3 years for males and 1 year for females

7. CHANGES IN BENEFIT TERMS:

A cost of living adjustment (COLA) was granted effective January 1, 2018 and January 1, 2021. There were no other changes in benefits.

OTHER SUPPLEMENTARY INFORMATION

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SUPPLEMENTARY INFORMATION
 STATEMENT OF CHANGES IN RESERVE BALANCES
JUNE 30, 2021

	ANNUITY SAVINGS	DROP	FUNDING DEPOSIT ACCOUNT	ANNUITY RESERVE	PENSION ACCUMULATION	TOTAL
BALANCE - BEGINNING OF YEAR	\$ 64,174,484	\$ 42,517,185	\$ 10,803,791	\$ 422,883,734	\$ 81,162,592	\$ 621,541,786
REVENUES AND TRANSFERS:						
Employee contributions	7,639,816	-	-	-	-	7,639,816
Employer contributions	-	-	228,903	-	20,988,308	21,217,211
Net investment income (loss)	-	-	729,256	-	167,093,818	167,823,074
Tax collector contributions	-	-	-	-	11,711,704	11,711,704
Revenue sharing contributions	-	-	-	-	319,580	319,580
Repayment of refund	31,703	-	-	-	137,169	168,872
Miscellaneous income	-	-	-	-	132,988	132,988
Transfer from another system	49,032	-	-	-	140,477	189,509
Transfer from Annuity Savings	-	-	-	5,235,939	-	5,235,939
Transfer from Annuity Reserve	-	6,835,162	-	-	-	6,835,162
Transfer from Funding Deposit Account	-	-	-	5,543,283	-	5,543,283
Actuarial transfer	-	-	-	86,327,892	-	86,327,892
	<u>7,720,551</u>	<u>6,835,162</u>	<u>958,159</u>	<u>97,107,114</u>	<u>200,524,044</u>	<u>313,145,030</u>
EXPENDITURES AND TRANSFERS:						
Refunds to terminated employees	1,064,011	-	-	-	-	1,064,011
Pensions paid	-	-	-	43,996,154	-	43,996,154
Administrative	-	-	-	-	731,998	731,998
Depreciation	-	-	-	-	14,564	14,564
DROP benefits	-	6,214,033	-	-	-	6,214,033
Transfers to another system	52,887	-	-	-	282,550	335,437
Transfer to Annuity Reserve	5,235,939	-	5,543,283	-	-	10,779,222
Transfer to DROP	-	-	-	6,835,162	-	6,835,162
Actuarial transfer	-	-	-	-	86,327,892	86,327,892
	<u>6,352,837</u>	<u>6,214,033</u>	<u>5,543,283</u>	<u>50,831,316</u>	<u>87,357,004</u>	<u>156,298,473</u>
NET INCREASE (DECREASE)	<u>1,367,714</u>	<u>621,129</u>	<u>(4,585,124)</u>	<u>46,275,798</u>	<u>113,167,040</u>	<u>156,846,557</u>
BALANCE - END OF YEAR	<u>\$ 65,542,198</u>	<u>\$ 43,138,314</u>	<u>\$ 6,218,667</u>	<u>\$ 469,159,532</u>	<u>\$ 194,329,632</u>	<u>\$ 778,388,343</u>

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SUPPLEMENTARY INFORMATION
 STATEMENT OF CHANGES IN RESERVE BALANCES
JUNE 30, 2020

	ANNUITY SAVINGS	DROP	FUNDING DEPOSIT ACCOUNT	ANNUITY RESERVE	PENSION ACCUMULATION	TOTAL
BALANCE - BEGINNING OF YEAR	\$ 63,155,399	\$ 39,514,595	\$ 9,429,752	\$ 396,452,835	\$ 132,652,177	\$ 641,204,758
REVENUES AND TRANSFERS:						
Employee contributions	7,344,588	-	-	-	-	7,344,588
Employer contributions	-	-	737,531	-	18,121,601	18,859,132
Net investment income	-	-	636,508	-	(12,882,977)	(12,246,469)
Tax collector contributions	-	-	-	-	11,254,005	11,254,005
Revenue sharing contributions	-	-	-	-	319,563	319,563
Repayment of refund	-	-	-	-	-	-
Miscellaneous income	-	-	-	-	295,783	295,783
Transfer from another system	259,917	-	-	-	708,138	968,055
Transfer from Annuity Savings	-	-	-	5,685,782	-	5,685,782
Transfer from Annuity Reserve	-	7,090,865	-	-	-	7,090,865
Transfer from Funding Deposit Account	-	-	-	-	-	-
Actuarial transfer	-	-	-	68,541,641	-	68,541,641
	<u>7,604,505</u>	<u>7,090,865</u>	<u>1,374,039</u>	<u>74,227,423</u>	<u>17,816,113</u>	<u>108,112,945</u>
EXPENDITURES AND TRANSFERS:						
Refunds to terminated employees	871,016	-	-	-	-	871,016
Pensions paid	-	-	-	40,705,659	-	40,705,659
Administrative	-	-	-	-	658,698	658,698
Depreciation	-	-	-	-	28,469	28,469
DROP benefits	-	4,088,275	-	-	-	4,088,275
Transfers to another system	28,622	-	-	-	76,890	105,512
Transfer to Annuity Reserve	5,685,782	-	-	-	-	5,685,782
Transfer to DROP	-	-	-	7,090,865	-	7,090,865
Actuarial transfer	-	-	-	-	68,541,641	68,541,641
	<u>6,585,420</u>	<u>4,088,275</u>	<u>-</u>	<u>47,796,524</u>	<u>69,305,698</u>	<u>127,775,917</u>
NET INCREASE (DECREASE)	<u>1,019,085</u>	<u>3,002,590</u>	<u>1,374,039</u>	<u>26,430,899</u>	<u>(51,489,585)</u>	<u>(19,662,972)</u>
BALANCE - END OF YEAR	<u>\$ 64,174,484</u>	<u>\$ 42,517,185</u>	<u>\$ 10,803,791</u>	<u>\$ 422,883,734</u>	<u>\$ 81,162,592</u>	<u>\$ 621,541,786</u>

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SUPPLEMENTARY INFORMATION
 SCHEDULES OF ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
PERSONAL SERVICES:		
Board Member - per diem	\$ <u>1,800</u>	\$ <u>1,650</u>
PROFESSIONAL SERVICES:		
Accountant	45,569	55,649
Actuarial	76,158	83,285
Legal	31,146	25,585
Program consultant	<u>16,260</u>	<u>12,104</u>
	<u>169,133</u>	<u>176,623</u>
COMMUNICATION:		
Travel	<u>-</u>	<u>5,371</u>
OTHER:		
Bank charges	11,206	11,461
Insurance	30,433	27,280
Meetings and seminars	6,345	3,945
Postage and office supplies	3,813	2,841
Repairs and maintenance	<u>11,268</u>	<u>9,527</u>
	<u>63,065</u>	<u>55,054</u>
 TOTAL ADMINISTRATIVE EXPENSES	 \$ <u><u>233,998</u></u>	 \$ <u><u>238,698</u></u>

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SUPPLEMENTARY INFORMATION
 SCHEDULES OF PER DIEM PAID TO TRUSTEES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

The per diem paid to the Trustees is an expenditure of the Fund. For 2021 and 2020 the Trustees received per diem at the rate of \$75.00 for attendance of a regularly scheduled meeting of the Board of Trustees. Per diem paid to the Trustees for the years ended June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Steve Andrews	\$ -	\$ 225
Rick Arceneaux	225	225
Louie Bernard	-	75
David Dart	225	-
Randy Deshotel	150	-
Cliff Dressel	-	75
Mark Graffeo	150	225
Bridget Hanna	225	225
Robin Hooter	225	225
Lym Jones	150	150
Brian Lestage	225	225
Dot Lundin	225	-
	<u>\$ 1,800</u>	<u>\$ 1,650</u>

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO THE AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2021

Agency Head: Bridget Hanna, President of the
Board of Trustees (July 1, 2020 - June 30, 2021)

Per diem	\$ 225
Special meals	<u>290</u>
Total	<u>\$ 515</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*

November 10, 2021

Louisiana Clerks' of Court
Retirement and Relief Fund
Board of Trustees
10202 Jefferson Highway, Building A
Baton Rouge, LA 70809

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 Louisiana Clerks' of Court Retirement and Relief Fund (the Fund), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Louisiana Clerks' of Court Retirement and Relief Fund's basic financial statements, and have issued our report thereon dated November 10, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Louisiana Clerks' of Court Retirement and Relief Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Clerks' of Court Retirement and Relief Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Louisiana Clerks' of Court Retirement and Relief Fund's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund'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 Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Sharpner, Hogan and Stokes, LLP

New Orleans, Louisiana

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

SUMMARY OF AUDITORS RESULTS:

1. The opinions issued on the financial statements of the Louisiana Clerks' of Court Retirement and Relief Fund for the years ended June 30, 2021 and 2020 were unmodified.

2. Internal Control
 Significant deficiencies/Material weaknesses: None noted

3. Compliance and Other Matters
 Noncompliance material to financial statements: None noted

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

NONE

SUMMARY OF PRIOR YEAR FINDINGS:

NONE