

EMPLOYER PENSION REPORT
LOUISIANA CLERKS' OF COURT
RETIREMENT AND RELIEF FUND
JUNE 30, 2013

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND

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INDEPENDENT AUDITOR'S REPORT

February 12, 2015

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

We have audited the accompanying schedule of employer allocations of the Louisiana Clerks' of Court Retirement and Relief Fund as of and for the year ended June 30, 2013, and the related notes. We have also audited the total for all entities of the columns titled net pension liability included in the accompanying schedule of pension amounts by employer of Louisiana Clerks of Court Retirement and Relief Fund as of and for the year ended June 30, 2013, and the related notes to the schedules.

Management's Responsibility for the Schedules

Management is responsible for the preparation and fair presentation of these schedules 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 employer schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer allocations and specified column total included in the schedule of pension amounts by employer 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 schedule of employer allocations and specified column total included in the schedule of pension amounts by employer. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule of employer allocations and specified column total included in the schedule of pension amounts by employer, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule of employer allocations and specified column total included in the schedule of pension amounts by employer 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 schedule of employer allocations and specified column total included in the schedule of pension amounts by employer.

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

Opinion

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and net pension liability for the total of all participating entities for Louisiana Clerks of Court Retirement and Relief Fund as of and for the year ended June 30, 2013 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As disclosed in Note 6 to the employer schedules, the total pension liability for the Louisiana Clerks' of Court Retirement and Relief Fund was \$608,606,632 as of June 30, 2013. 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, 2013 could be under or overstated.

Other Matters

We have audited, 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, the financial statements of Louisiana Clerks' of Court Retirement and Relief Fund as of and for the year ended June 30, 2013, and our report thereon, dated October 10, 2013, expressed an unmodified opinion on those financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2015 on our consideration of the Louisiana Clerks' of Court Retirement and Relief Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Louisiana Clerks' of Court Retirement and Relief Fund's internal control over financial reporting and compliance.

Restriction on Use

Our report is intended solely for the information and use of Louisiana Clerks' of Court Retirement and Relief Fund's management, the Board of Trustees, Louisiana Clerks' of Court Retirement and Relief Fund's participating employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SCHEDULE OF EMPLOYER ALLOCATIONS
JUNE 30, 2013

Employer	Projected Required Employer Contributions	Employer Allocation Percentage
1st Circuit Court	\$ 235,679	1.429392 %
1st City Court	117,109	0.710266
2nd Circuit Court	126,146	0.765075
2nd City Court	19,033	0.115435
3rd Circuit Court	208,691	1.265710
4th Circuit Court	163,124	0.989346
5th Circuit Court	199,219	1.208262
19th Judicial District Court	486,150	2.948498
Acadia	178,623	1.083348
Allen	81,660	0.495268
Ascension	362,808	2.200429
Assumption	74,762	0.453431
Avoyelles	108,839	0.660108
Beauregard	96,845	0.587365
Bienville	84,030	0.509642
Bossier	255,673	1.550656
Caddo	549,149	3.330586
Calcasieu	582,386	3.532169
Caldwell	37,215	0.225709
Cameron	88,255	0.535266
Catahoula	50,673	0.307332
Claiborne	68,712	0.416738
Clerks Association	29,156	0.176831
Concordia	71,148	0.431512
DeSoto	115,527	0.700671
East Baton Rouge	1,227,052	7.442065
East Carroll	46,907	0.284491
East Feliciana	65,317	0.396147
Evangeline	91,548	0.555238
Franklin	55,075	0.334030

(Continued)

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SCHEDULE OF EMPLOYER ALLOCATIONS
JUNE 30, 2013

Employer	Projected Required Employer Contributions	Employer Allocation Percentage
Grant	\$ 61,273	0.371621 %
Iberia	236,588	1.434905
Iberville	119,322	0.723687
Jackson	56,142	0.340501
Jefferson Davis	125,508	0.761206
Jefferson	1,769,169	10.730004
Lafayette	772,643	4.686077
Lafourche	269,267	1.633103
LaSalle	44,640	0.270741
Lincoln	95,908	0.581682
Livingston	344,300	2.088178
Louisiana House of Representatives	28,057	0.170166
Madison	42,763	0.259357
Morehouse	91,379	0.554213
Natchitoches	100,262	0.608089
Orleans - Civil	735,011	4.457839
Orleans - Criminal	357,197	2.166398
Ouachita	388,954	2.359004
Plaquemines	111,029	0.673390
Pointe Coupee	80,730	0.489627
Rapides	360,103	2.184023
Red River	58,764	0.356403
Richland	53,985	0.327419
Sabine	81,657	0.495249
St. Bernard	188,385	1.142554
St. Charles	210,724	1.278040
St. Helena	58,684	0.355918
St. James	76,694	0.465149
St. John	169,707	1.029272
St. Landry	246,879	1.497320

(Continued)

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SCHEDULE OF EMPLOYER ALLOCATIONS
JUNE 30, 2013

<u>Employer</u>	<u>Projected Required Employer Contributions</u>	<u>Employer Allocation Percentage</u>
St. Martin	\$ 159,229	0.965723 %
St. Mary	137,101	0.831517
St. Tammany	963,997	5.846639
Supreme Court	386,381	2.343399
Tangipahoa	396,444	2.404431
Tensas	29,688	0.180058
Terrebonne	389,604	2.362948
Union	86,140	0.522439
Vermilion	192,524	1.167657
Vernon	120,649	0.731736
Washington	106,065	0.643284
Webster	111,678	0.677327
West Baton Rouge	79,546	0.482446
West Carroll	34,255	0.207756
West Feliciana	41,805	0.253547
Winn	40,716	0.246942
Total	<u>\$ 16,488,057</u>	<u>100.000000 %</u>

See accompanying notes.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
AS OF THE YEAR ENDED JUNE 30, 2013

Employer	Net Pension Liability
1st Circuit Court	\$ 2,361,010
1st City Court	1,173,188
2nd Circuit Court	1,263,719
2nd City Court	190,671
3rd Circuit Court	2,090,647
4th Circuit Court	1,634,161
5th Circuit Court	1,995,757
19th Judicial District Court	4,870,207
Acadia	1,789,429
Allen	818,063
Ascension	3,634,577
Assumption	748,959
Avoyelles	1,090,339
Beauregard	970,185
Bienville	841,806
Bossier	2,561,309
Caddo	5,501,324
Calcasieu	5,834,290
Caldwell	372,817
Cameron	884,130
Catahoula	507,638
Claiborne	688,351
Clerks Association	292,082
Concordia	712,754
DeSoto	1,157,339
East Baton Rouge	12,292,494
East Carroll	469,910
East Feliciana	654,339
Evangeline	917,119
Franklin	551,737
Grant	613,828
Iberia	2,370,117
Iberville	1,195,356
Jackson	562,425
Jefferson Davis	1,257,328
Jefferson	17,723,376
Lafayette	7,740,268
Lafourche	2,697,492
LaSalle	447,199

(Continued)

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
AS OF THE YEAR ENDED JUNE 30, 2013

Employer	Net Pension Liability
Lincoln	\$ 960,798
Livingston	3,449,166
Louisiana House of Representatives	281,073
Madison	428,395
Morehouse	915,426
Natchitoches	1,004,416
Orleans - Civil	7,363,274
Orleans - Criminal	3,578,366
Ouachita	3,896,505
Plaquemines	1,112,278
Pointe Coupee	808,746
Rapides	3,607,479
Red River	588,692
Richland	540,817
Sabine	818,032
St. Bernard	1,887,223
St. Charles	2,111,013
St. Helena	587,891
St. James	768,314
St. John	1,700,109
St. Landry	2,473,211
St. Martin	1,595,141
St. Mary	1,373,465
St. Tammany	9,657,236
Supreme Court	3,870,729
Tangipahoa	3,971,539
Tensas	297,412
Terrebonne	3,903,019
Union	862,943
Vermilion	1,928,687
Vernon	1,208,651
Washington	1,062,550
Webster	1,118,781
West Baton Rouge	796,884
West Carroll	343,163
West Feliciana	418,798
Winn	407,889
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Total	\$ 165,175,851

See accompanying notes.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO SCHEDULES
JUNE 30, 2013

The Louisiana Clerks' of Court Retirement and Relief Fund (Fund) is a cost-sharing multiple-employer defined benefit pension plan established in accordance with Louisiana Revised Statute 11:1501 to provide regular, disability, and survivor benefits for clerks of court, their deputies and other employees, and the beneficiaries of such clerks of court, their deputies, and other employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Louisiana Clerks' of Court Retirement and Relief Fund prepared its employer schedules in accordance with Governmental Accounting Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

Basis of Accounting:

The Louisiana Clerks' of Court Retirement and Relief Fund's employer schedules are prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of June 30, 2013.

During the year ended June 30, 2014, the Fund adopted the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans*. GASB Statement No. 67 established new standards of financial reporting for defined benefit pension plans. Significant changes included specifying the approach of contributing entities to measure pension liabilities for benefits provided through the pension plan. The provisions of this statement were retroactively applied to the fiscal year ended June 30, 2013.

Fund Employees:

The Fund is not allocated a proportionate share of the net pension liability related to its employees. The net pension liability attributed to the Fund's employees is allocated to the remaining employers based on their respective employer allocation percentage.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO SCHEDULES
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Plan Fiduciary Net Position:

Plan fiduciary net position is a significant component of the Fund's collective net pension liability. The Fund's plan fiduciary net position was determined using the accrual basis of accounting. The Fund's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the Fund's investments. Accordingly, actual results may differ from estimated amounts.

2. PLAN DESCRIPTION:

The Fund was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:1501 for eligible employees of the clerk of the supreme court, each of the district courts, each of the courts of appeal, each of the city and traffic courts in cities having a population in excess of four hundred thousand at the time of entrance into the Fund, the Louisiana Clerks' of Court Association, the Louisiana Clerks of Court Insurance Fund, and the employees of the Fund. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the Fund in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits:

A member or former member shall be eligible for regular retirement benefits upon attaining twelve or more years of credited service, attaining the age of fifty-five years or more and terminating employment. Regular retirement benefits, payable monthly for life, equal 3 1/3 percent of the member's average final compensation multiplied by the number of years of credited service, not to exceed one hundred percent of the monthly average final compensation. Monthly average final compensation is based on the highest compensated thirty-six consecutive months, with a limit of increase of 10% in each of the last three years of measurement. For those members hired on or after July 1, 2006, compensation is based on the highest compensated sixty consecutive months with a limit of 10% increase in each of the last six years of measurement. Act 273 of the 2010 regular session applied the sixty consecutive months to all members. This Act has a transition period for those members who retire on or after January 1, 2011 and before December 31, 2012. Additionally, Act 273 of the 2010 regular session increased a member's retirement to age 60 with an accrual rate of 3% for all members hired on or after January 1, 2011.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO SCHEDULES
JUNE 30, 2013

2. PLAN DESCRIPTION: (Continued)

Retirement Benefits: (Continued)

A member leaving covered employment before attaining early retirement age but after completing twelve years' credited service becomes eligible for a deferred allowance provided the member lives to the minimum service retirement age and does not withdraw his or her accumulated contributions.

Disability Benefits:

Effective through June 30, 2008, a member who has been officially certified as totally and permanently disabled by the State Medical Disability Board shall be paid disability retirement benefits determined and computed as follows:

- 1) A member who is totally and permanently disabled solely as the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to the greater of one-half of his monthly average final compensation or, at the option of the disability retiree, two and one-half percent of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed twenty-five dollars for each year of his credited service or two-thirds of his monthly average final compensation, whichever is less.
- 2) A member who has ten or more years of credited service and who is totally and permanently disabled due to any cause not the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to three percent of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed thirty-five dollars for each year of his credited service or eighty percent of his monthly average final compensation, whichever is less.

The following is effective for any disability retiree whose application for disability retirement is approved on or after July 1, 2008. The provisions related to the calculation of benefits will apply to any disability retiree whose application for disability retirement was approved before July 1, 2008, for benefits due and payable on or after January 1, 2008.

A member is eligible to receive disability retirement benefits from the Fund if he or she is certified to be totally and permanently disabled pursuant to R.S. 11:218 and one of the following applies:

- 1) The member's disability was caused solely as a result of injuries sustained in the performance of their official duties.
- 2) The member has at least ten years of service credit.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO SCHEDULES
JUNE 30, 2013

2. PLAN DESCRIPTION: (Continued)

Disability Benefits: (Continued)

A member who has been certified as totally and permanently disabled will be paid monthly disability retirement benefits equal to the greater of:

- 1) Forty percent of their monthly average final compensation.
- 2) Seventy-five percent of their monthly regular retirement benefit computed pursuant to R.S. 11:1521(c).

A member leaving covered employment before attaining early retirement age but after completing twelve years' credited service becomes eligible for a deferred allowance provided the member lives to the minimum service retirement age and does not withdraw his or her accumulated contributions.

Survivor Benefits:

If a member who has less than five years of credited service dies, his accumulated contributions are paid to his designated beneficiary. If the member has 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 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 1/2 of the member's accrued retirement benefit in equal shares. 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:

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 thirty-six months and defer the receipt of benefits. During the year ended June 30, 2007 participants had to have been an active contributing member for one full year before becoming eligible for DROP. 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.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO SCHEDULES
JUNE 30, 2013

2. PLAN DESCRIPTION: (Continued)

Deferred Retirement Option Plan: (Continued)

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 Deferred Retirement Option Plan 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 Fund. 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. 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 on 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 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. 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 thirty-six months. 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 Adjustments:

The Board of Trustees is authorized to provide a cost of living increase to members who have been retired for at least one full calendar year. The increase cannot exceed the lesser of 2.5% of the retiree's benefit or an increase of forty dollars per month. The Louisiana statutes allow the Board to grant an additional cost of living increase to all retirees and beneficiaries over age 65 equal to 2% of the benefit paid on October 1, 1977 or the member's retirement date if later.

In lieu of granting a cost of living increase as described above, 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.

In order to grant any cost of living increase, the ratio of the actuarial value of assets to the pension benefit obligation must equal or exceed a statutory target ratio.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO SCHEDULES
JUNE 30, 2013

3. EMPLOYER CONTRIBUTIONS:

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2013, the actual employer contribution rate was 17.25%. For the year ended June 30, 2013, the actuarially determined employer contribution rate was 18.45%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective.

In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

4. SCHEDULE OF EMPLOYER ALLOCATIONS:

The schedule of employer allocations reports the required projected employer contributions in addition to the employer allocation percentage. The required employer contributions are used to determine the proportionate relationship of each employer to all employers of Louisiana Clerks' of Court Retirement and Relief Fund. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on the employer's projected contribution effort to the plan for the next fiscal year as compared to the total of all employers' projected contribution effort to the plan for the next fiscal year. The employers' projected contribution effort was actuarially determined by the Fund's actuary, G.S. Curran & Company.

The employers' projected contribution effort was calculated by multiplying the projected future compensation of active members in the Fund on June 30, 2013 by the next fiscal year's employers' actuarially required contribution rate. Projected future compensation was calculated by multiplying compensation by a payroll factor of 1.029. Compensation was determined as follows:

1. Actual earned compensation for active members enrolled in the Fund the entire fiscal year, plus;
2. Annualized compensation for active members on June 30, 2013 enrolled in the Fund for a portion of the fiscal year. Annualized compensation was calculated using actual compensation and the employee's date of hire.

The payroll factor was actuarially determined using salary assumptions for expected net changes in active members plus expected new hires and their payroll over the next fiscal year.

The next fiscal year's employers' actuarially required contribution rate was 18.43%.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO SCHEDULES
JUNE 30, 2013

5. SCHEDULE OF PENSION AMOUNTS BY EMPLOYER:

The schedule of pension amounts by employer displays each employer's allocation of the net pension liability. The schedule of pension amounts by employer was prepared using the allocations included in the schedule of employer allocation.

6. ACTUARIAL METHODS AND ASSUMPTIONS:

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components of the net pension liability of the Fund's participating employers as of June 30, 2013 are as follows:

	<u>2013</u>
Total Pension Liability	\$ 608,606,632
Plan Fiduciary Net Position	<u>443,430,781</u>
Total Net Pension Liability	<u>\$ 165,175,851</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2013 are as follows:

Valuation Date	June 30, 2013
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.5%, net of investment expense, including inflation
Projected Salary Increases	5.75% (3% Inflation, 2.75% Merit)
Mortality Rates	RP-2000 Combined Healthy Mortality Table (set back 3 years for males and 1 year for females) / RP-2000 Disabled Lives Mortality Table
Expected Remaining Service Lives	5 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO SCHEDULES
JUNE 30, 2013

6. ACTUARIAL METHODS AND ASSUMPTIONS: (Continued)

The mortality rate assumption used was verified by combining data from this plan with three other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2004 through June 30, 2009. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set back of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7. RETIREMENT FUND AUDIT REPORT:

The Louisiana Clerks' of Court Retirement and Relief Fund of Louisiana has issued a stand-alone audit report on their financial statements for the year ended June 30, 2013. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.gov.

8. ESTIMATES:

The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Accordingly, actual results may differ from estimated amounts.



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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 EMPLOYER PENSION SCHEDULES PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

February 12, 2015

Louisiana Clerks' of Court
Retirement and Relief Fund
10202 Jefferson Highway, Bldg 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 employer schedules of the Louisiana Clerks' of Court Retirement and Relief Fund, as of June 30, 2013, and the related notes to the schedules and have issued our report thereon dated February 12, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the employer schedules, we considered the Louisiana Clerks' of Court Retirement and Relief Fund's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the employer schedules, 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's employer schedules 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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Louisiana Clerks' of Court Retirement and Relief Fund's employer schedules 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 employer schedule amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Duplantier, Hrapmann, Hogan & Maher, LLP

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the employer pension schedules of Louisiana Clerks' of Court Retirement and Relief Fund for the year ended June 30, 2013 was unmodified.
2. The audit of the employer schedules disclosed no instances of noncompliance.
3. Findings Required To Be Reported Under Generally Accepted Government Auditing Standards:

None
4. Status of Prior Year Comments:

Not applicable