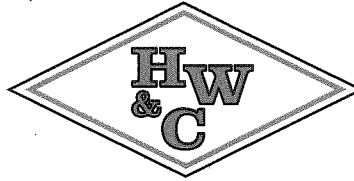


**Employer Pension Report  
Louisiana Assessors' Retirement Fund  
and Subsidiary  
Baton Rouge, Louisiana  
September 30, 2013**

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**Independent Auditor's Report**

Board of Directors  
Louisiana Assessors' Retirement Fund and Subsidiary  
3060 Valley Creek Drive  
Baton Rouge, Louisiana 70808

We have audited the accompanying schedule of employer allocations of Louisiana Assessors' Retirement Fund and Subsidiary ("the Fund") as of September 30, 2013, and the related notes. We have also audited the total for all entities of the column titled net pension liability included in the accompanying schedule of pension amounts by employer of Louisiana Assessors' Retirement Fund and Subsidiary as of September 30, 2013, and the related notes.

**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 the 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 total 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 the specified column total included in the schedule of pension amounts by employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of employer allocations and the 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 the 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 the 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 Assessors' Retirement Fund and Subsidiary as of and for the year ended September 30, 2013, in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

The total pension liability for the Louisiana Assessors' Retirement Fund and Subsidiary was \$329,768,390 as of September 30, 2013. The actuarial valuations were based on various assumptions made by the Fund's actuary, as disclosed in Note 6 to the employer schedules. Because actual experience may differ from the assumptions used in the actuarial valuation, there is a risk that the total pension liability at September 30, 2013 could be under or overstated.

## **Other Matters**

As disclosed in Note 8 to the employer schedules, 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 Assessors' Retirement Fund and Subsidiary as of and for the year ended September 30, 2013, and our report thereon, dated February 23, 2014, 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 August 31, 2015 on our consideration of Louisiana Assessors' Retirement Fund and Subsidiary'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 Louisiana Assessors' Retirement Fund and Subsidiary's internal control over financial reporting and compliance.

## **Restriction on Use**

Our report is intended solely for the information and use of Louisiana Assessors' Retirement Fund and Subsidiary's management, the Board of Trustees, Louisiana Assessors' Retirement Fund and Subsidiary's participating employers as of and for the year ended September 30, 2013 and their auditors and is not intended to be and should not be used by anyone other than these specified parties.



August 31, 2015

**Louisiana Assessors' Retirement Fund and Subsidiary**  
**Schedule of Employer Allocations**  
**September 30, 2013**

<u>Employer Name</u>	<u>Projected Required Employer Contributions</u>	<u>Employer Allocation Percentage</u>
Acadia Parish Assessor	\$ 43,417	1.499202%
Allen Parish Assessor	21,826	0.753658%
Ascension Parish Assessor	67,704	2.337840%
Assumption Parish Assessor	26,778	0.924652%
Avoyelles Parish Assessor	24,349	0.840778%
Beauregard Parish Assessor	24,944	0.861324%
Bienville Parish Assessor	21,853	0.754591%
Bossier Parish Assessor	89,904	3.104412%
Caddo Parish Assessor	139,055	4.801611%
Calcasieu Parish Assessor	63,367	2.188082%
Caldwell Parish Assessor	12,456	0.430109%
Cameron Parish Assessor	20,056	0.692540%
Catahoula Parish Assessor	11,134	0.384460%
Claiborne Parish Assessor	15,382	0.531145%
Concordia Parish Assessor	16,988	0.586601%
DeSoto Parish Assessor	32,197	1.111772%
East Baton Rouge Parish Assessor	170,021	5.870877%
East Carroll Parish Assessor	14,864	0.513258%
East Feliciana Parish Assessor	32,986	1.139017%
Evangeline Parish Assessor	24,219	0.836289%
Franklin Parish Assessor	26,447	0.913223%
Grant Parish Assessor	17,172	0.592954%
Iberia Parish Assessor	55,504	1.916570%
Iberville Parish Assessor	32,616	1.126240%
Jackson Parish Assessor	26,842	0.926862%
Jefferson Davis Parish Assessor	21,511	0.742781%
Jefferson Parish Assessor	125,942	4.348815%
Lafayette Parish Assessor	112,540	3.886040%
Lafourche Parish Assessor	60,926	2.103793%
LaSalle Parish Assessor	23,914	0.825758%
Lincoln Parish Assessor	27,968	0.965744%
Livingston Parish Assessor	102,433	3.537043%
Louisiana Assessors' Retirement Fund	-	-
Madison Parish Assessor	27,299	0.942643%
Morehouse Parish Assessor	25,923	0.895129%
Natchitoches Parish Assessor	23,910	0.825620%
Orleans Parish Assessor	181,773	6.276677%
Ouachita Parish Assessor	71,712	2.476237%
Plaquemines Parish Assessor	42,060	1.452345%
Pointe Coupee Parish Assessor	37,907	1.308940%
Rapides Parish Assessor	49,534	1.710424%
Red River Parish Assessor	21,204	0.732181%

*Continued*

**Louisiana Assessors' Retirement Fund and Subsidiary**  
**Schedule of Employer Allocations**  
**September 30, 2013**

<u>Employer Name</u>	<u>Projected Required Employer Contributions</u>	<u>Employer Allocation Percentage</u>
Richland Parish Assessor	\$ 26,962	0.931006%
Sabine Parish Assessor	28,838	0.995785%
St. Bernard Parish Assessor	20,669	0.713707%
St. Charles Parish Assessor	58,187	2.009215%
St. Helena Parish Assessor	17,393	0.600586%
St. James Parish Assessor	30,129	1.040364%
St. John the Baptist Parish Assessor	29,913	1.032905%
St. Landry Parish Assessor	32,854	1.134459%
St. Martin Parish Assessor	34,173	1.180004%
St. Mary Parish Assessor	52,338	1.807247%
St. Tammany Parish Assessor	188,246	6.500191%
Tangipahoa Parish Assessor	70,707	2.441534%
Tensas Parish Assessor	13,684	0.472513%
Terrebonne Parish Assessor	60,196	2.078586%
Union Parish Assessor	22,124	0.763948%
Vermilion Parish Assessor	31,820	1.098754%
Vernon Parish Assessor	31,595	1.090985%
Washington Parish Assessor	31,153	1.075723%
Webster Parish Assessor	53,386	1.843435%
West Baton Rouge Parish Assessor	23,188	0.800689%
West Carroll Parish Assessor	12,111	0.418197%
West Feliciana Parish Assessor	20,500	0.707871%
Winn Parish Assessor	17,204	0.594059%
Grand Total	<u>\$ 2,896,007</u>	<u>100.000000%</u>

**Louisiana Assessors' Retirement Fund and Subsidiary**  
**Schedule of Pension Amounts by Employer**  
**September 30, 2013**

<u>Employer Name</u>	<u>Net Pension Liability</u>
Acadia Parish Assessor	\$ 656,510
Allen Parish Assessor	330,032
Ascension Parish Assessor	1,023,754
Assumption Parish Assessor	404,911
Avoyelles Parish Assessor	368,182
Beauregard Parish Assessor	377,179
Bienville Parish Assessor	330,440
Bossier Parish Assessor	1,359,441
Caddo Parish Assessor	2,102,655
Calcasieu Parish Assessor	958,174
Caldwell Parish Assessor	188,348
Cameron Parish Assessor	303,267
Catahoula Parish Assessor	168,358
Claiborne Parish Assessor	232,592
Concordia Parish Assessor	256,876
DeSoto Parish Assessor	486,852
East Baton Rouge Parish Assessor	2,570,892
East Carroll Parish Assessor	224,759
East Feliciana Parish Assessor	498,782
Evangeline Parish Assessor	366,216
Franklin Parish Assessor	399,906
Grant Parish Assessor	259,658
Iberia Parish Assessor	839,278
Iberville Parish Assessor	493,187
Jackson Parish Assessor	405,879
Jefferson Davis Parish Assessor	325,268
Jefferson Parish Assessor	1,904,373
Lafayette Parish Assessor	1,701,720
Lafourche Parish Assessor	921,264
LaSalle Parish Assessor	361,604
Lincoln Parish Assessor	422,905
Livingston Parish Assessor	1,548,892
Louisiana Assessors' Retirement Fund	-
Madison Parish Assessor	412,789
Morehouse Parish Assessor	391,982
Natchitoches Parish Assessor	361,544
Orleans Parish Assessor	2,748,595
Ouachita Parish Assessor	1,084,359
Plaquemines Parish Assessor	635,990
Pointe Coupee Parish Assessor	573,193
Rapides Parish Assessor	749,005
Red River Parish Assessor	320,626

*Continued*

**Louisiana Assessors' Retirement Fund and Subsidiary**  
**Schedule of Pension Amounts by Employer**  
**September 30, 2013**

<u>Employer Name</u>	<u>Net Pension Liability</u>
Richland Parish Assessor	\$ 407,693
Sabine Parish Assessor	436,060
St. Bernard Parish Assessor	312,537
St. Charles Parish Assessor	879,847
St. Helena Parish Assessor	263,000
St. James Parish Assessor	455,581
St. John the Baptist Parish Assessor	452,315
St. Landry Parish Assessor	496,786
St. Martin Parish Assessor	516,731
St. Mary Parish Assessor	791,404
St. Tammany Parish Assessor	2,846,473
Tangipahoa Parish Assessor	1,069,163
Tensas Parish Assessor	206,916
Terrebonne Parish Assessor	910,225
Union Parish Assessor	334,538
Vermilion Parish Assessor	481,151
Vernon Parish Assessor	477,749
Washington Parish Assessor	471,065
Webster Parish Assessor	807,251
West Baton Rouge Parish Assessor	350,626
West Carroll Parish Assessor	183,131
West Feliciana Parish Assessor	309,981
Winn Parish Assessor	260,142
	<hr/>
Grand Total	<u>\$ 43,790,603</u>



**Louisiana Assessors' Retirement Fund and Subsidiary**  
**Notes to Employer Schedules**  
**September 30, 2013**

The Louisiana Assessors' Retirement Fund was created by Act 91 Section 1 of the 1950 regular Legislature Session. The Fund is a cost sharing, multiple-employer, qualified governmental defined benefit pension plan covering assessors and their deputies employed by any parish of the State of Louisiana, under the provisions of Louisiana Revised Statutes 11:1401 through 1494. The plan is a qualified plan as defined by the Internal Revenue Code Section 401(a), effective January 1, 1998. Membership in the Louisiana Assessors' Retirement Fund is a condition of employment for Assessors and their full time employees.

**Note 1-Summary of Significant Accounting Policies**

The Fund prepares its employer schedules in accordance with Governmental Accounting Standards Board (GASB) 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 outflows, deferred inflows, pension expense and amortization periods for deferred outflows and deferred inflows.

A. Basis of Accounting

The 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 September 30, 2013.

During the year ended September 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 September 30, 2013.

B. Principles of Consolidation

The employer schedules include the accounts of Louisiana Assessors' Retirement Fund and its wholly-owned subsidiary, Louisiana Assessors' Retirement Fund Excess Benefit Account.

C. 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 in the determination of the fair market value of the Fund's investments. Accordingly, actual results may differ from estimated amounts.

**Louisiana Assessors' Retirement Fund and Subsidiary**  
**Notes to Employer Schedules**  
**September 30, 2013**

**Note 1-Summary of Significant Accounting Policies (Continued)**

D. 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.

E. Use of Estimates

The process of preparing the schedule of employer allocations and schedule of pension amounts by employer 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 and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Accordingly, actual results may differ from estimated amounts.

**Note 2-Plan Description**

The following brief description of the Louisiana Assessors' Retirement Fund and Subsidiary (collectively referred to as the "Fund") is provided for general information purposes only. Participants should refer to the Plan Agreement for more complete information.

Employer membership data at September 30, 2013 is as follows:

<b>Employer Members</b>	
Louisiana Assessors' offices	64
Louisiana Assessors' Association	<u>1</u>
	<u>65</u>
 <b>Employee Members</b>	
Current retirees and beneficiaries	519
Terminated vested participants	17
Terminated due a refund	75
Active plan participants	<u>747</u>
	<u>1,358</u>

Plan benefits are as follows:

A. Pension Benefits

Employees who were hired before October 1, 2013, will be eligible for pension benefits once they have either reached the age of fifty-five and have at least twelve years of service or have at least thirty years of service, regardless of age. Employees who were hired on or after October 1, 2013, will be eligible for pension benefits once they have either reached the age of sixty and have at least twelve years of service or have reached the age of fifty-five and have at least thirty years of service.

**Louisiana Assessors' Retirement Fund and Subsidiary**  
**Notes to Employer Schedules**  
**September 30, 2013**

**Note 2-Plan Description (Continued)**

**A. Pension Benefits (Continued)**

Employees who became members prior to October 1, 2006, are entitled to annual pension benefits equal to three and one-third percent of their average final compensation based on the 36 consecutive months of highest pay, multiplied by their total years of service, not to exceed 100% of final compensation. Employees who become members on or after October 1, 2006 will have their benefit based on the highest 60 months of consecutive service. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to the employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. Employees may elect a reduced benefit or any of four options at retirement:

1. At death, the beneficiary will receive a lump sum payment based on the present value of the employee's annuity account balance.
2. At death, the beneficiary will receive a life annuity based on their reduced retirement allowance.
3. At death, the beneficiary will receive a life annuity equal to one-half of their reduced retirement allowance.
4. Any other benefit certified by the actuary and approved by the Board of Trustees that will be equivalent in value to their retirement allowance.

**B. Death Benefits**

As set forth in R.S. 11:1441, benefits for members who die in service are as follows:

1. If a member of the Fund dies in service with less than 12 years of creditable service and leaves a surviving spouse, their accumulated contributions shall be paid to the surviving spouse.
2. If a member dies and has 12 or more years of creditable service and is not eligible for retirement, the surviving spouse shall receive an automatic optional benefit which is equal to the joint and survivorship amounts provided in Option 2 as provided for in R.S. 11:1423, which shall cease upon a subsequent remarriage, or a refund of the member's accumulated contributions, whichever the spouse elects to receive.
3. If a member dies and is eligible for retirement, the surviving spouse shall receive an automatic optional benefit which is equal to the Option 2 benefits provided for in R.S. 11:1423, which shall not terminate upon a subsequent remarriage.
4. Benefits set forth in item number 2 above, shall cease upon remarriage and shall resume upon a subsequent divorce or death of a new spouse. The spouse shall be entitled to receive a monthly benefit equal to the amount being received prior to remarriage.

**Louisiana Assessors' Retirement Fund and Subsidiary**  
**Notes to Employer Schedules**  
**September 30, 2013**

**Note 2-Plan Description (Continued)**

**C. Disability Benefits**

The Board of Trustees shall award disability benefits to eligible members who have been officially certified as disabled by the State Medical Disability Board. The disability benefit shall be the lesser of (1) or (2) as set forth below:

1. A sum equal to the greater of forty-five percent (45%) of final average compensation, or the member's accrued retirement benefit at the time of termination of employment due to disability; or
2. The retirement benefit which would be payable assuming accrued creditable service plus additional accrued service, if any, to the earliest normal retirement age based on final average compensation at the time of termination of employment due to disability.

Upon approval for disability benefits, the member shall exercise an optional retirement allowance as provided in R.S. 11:1423 and no change in the option selected shall be permitted after it has been filed with the board. The retirement option factors shall be the same as those utilized for regular retirement based on the age of the retiree and that of the spouse, had the retiree continued in active service until the earliest normal retirement date.

**D. Back-Deferred Retirement Option Plan (Back-DROP)**

In lieu of receiving a normal retirement benefit pursuant to R.S. 11:1421 through 1423, an eligible member of the Fund may elect to retire and have their benefits structured, calculated, and paid as provided in this section.

An active, contributing member of the Fund shall be eligible for Back-DROP only if all of the following apply:

1. The member has accrued more service credit than the minimum required for eligibility for a normal retirement benefit.
2. The member has attained an age that is greater than the minimum required for eligibility for a normal retirement benefit, if applicable.
3. The member has revoked their participation, if any, in the Deferred Retirement Option Plan pursuant to R.S. 11:14568.2.

At the time of retirement, a member who elects to receive a Back-DROP benefit shall select a Back-DROP period to be specified in whole months. The duration of the Back-DROP period shall not exceed the lesser of thirty-six months or the number of months of creditable service accrued after the member first attained eligibility for normal retirement. The Back-DROP period shall be comprised of the most recent calendar days corresponding to the member's employment for which service credit in the Fund accrued.

The Back-DROP benefit shall have two portions: a lump-sum portion and a monthly benefit portion. The member's Back-DROP monthly benefit shall be calculated pursuant to the provisions applicable for service retirement set forth in R.S. 11:1421 through 1423, subject to the following conditions:

1. Creditable service shall not include service credit reciprocally recognized pursuant to R.S. 11:142.
2. Accrued service at retirement shall be reduced by the Back-DROP.
3. Final average compensation shall be calculated by excluding all earnings during the Back-DROP period.

**Louisiana Assessors' Retirement Fund and Subsidiary**  
**Notes to Employer Schedules**  
**September 30, 2013**

**Note 2-Plan Description (Continued)**

**D. Back-Deferred Retirement Option Plan (Back-DROP) (Continued)**

4. Contributions received by the Fund during the Back-DROP period and any interest that has accrued on employer and employee contributions received during the period shall remain with the Fund and shall not be refunded to the employee or to the employer.
5. The member's Back-DROP monthly benefit shall be calculated based upon the member's age and service and the Fund provisions in effect on the last day of creditable service before the Back-DROP period.
6. At retirement, the member's maximum monthly retirement benefit payable as a life annuity shall be equal to the Back-DROP monthly benefit.
7. The member may elect to receive a reduced monthly benefit in accordance with the options provided in R.S. 11:1423 based upon the member's age and the age of the member's beneficiary as of the actual effective date of retirement. No change in the option selected or beneficiary shall be permitted after the option is filed with the Board of Trustees.

In addition to the monthly benefit received, the member shall be paid a lump-sum benefit equal to the Back-DROP maximum monthly retirement benefit multiplied by the number of months selected as the Back-DROP period. Cost-of-living adjustments shall not be payable on the member's Back-DROP lump sum.

Upon the death of a member who selected the maximum option pursuant to R.S. 11:1423, the member's named beneficiary or, if none, the member's estate shall receive the deceased member's remaining contributions, less the Back-DROP benefit amount. Upon the death of a member who selected Option 1 pursuant to R.S. 11:1423, the member's named beneficiary or, if none, the member's estate, shall receive the member's annuity savings fund balance as of the member's date of retirement reduced by the portion of the Back-DROP account balance and previously paid retirement benefits that are attributable to the member's annuity payments as provided by the annuity savings fund.

**E. Excess Benefit Plan**

Under the provisions of this excess benefit plan, a member may receive a benefit equal to the amount by which the member's monthly benefit from the Fund has been reduced because of the limitations of Section 415 of the Internal Revenue Code.

**Note 3-Contributions**

Contributions for all members are established by statute at 8.0% of earned compensation. The contributions are deducted from the member's salary and remitted by the participating agency.

Administrative costs of the Fund are financed through employer contributions. According to state statute, contributions for all employers are actuarially determined each year. Employer contributions were 13.5% of members' earnings for the year ended September 30, 2013.

**Louisiana Assessors' Retirement Fund and Subsidiary**  
**Notes to Employer Schedules**  
**September 30, 2013**

**Note 3-Contributions (Continued)**

The Fund also receives one-fourth of one percent of the property taxes assessed in each parish of the state as well as a state revenue sharing appropriation. According to state statute, in the event that contributions for ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement System's Actuarial Committee. Although the direct employer actuarially required contribution for the fiscal year ended September 30, 2013 was 10.58%, the actual employer contribution rate for the fiscal year ended September 30, 2013 was 13.50%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set one year prior to the year effective. The minimum direct employer actuarially required contribution will be 7.05% for fiscal year 2014.

**Note 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 Assessors' Retirement Fund and Subsidiary. 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, LTD.

The employers' projected contribution effort was calculated by multiplying the projected future compensation of active members in the Fund on September 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 1.022639. 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 September 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.

**Note 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 allocations.

**Louisiana Assessors' Retirement Fund and Subsidiary**  
**Notes to Employer Schedules**  
**September 30, 2013**

**Note 6-Actuarial Methods and Assumptions**

*Net Pension Liability*

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.

At September 30, 2013, the components of the net pension liability of the Fund's participating employers were:

Total pension liability	\$ 329,768,390
Plan fiduciary net position	<u>285,977,787</u>
Net pension liability	<u>\$ 43,790,603</u>
Plan fiduciary net position as a percentage of total pension liability	<u>86.72%</u>

*Actuarial Methods and Assumptions*

The current year actuarial assumptions utilized for this report are based on the assumptions used in the September 30, 2013 actuarial funding valuation, which (with the exception of mortality) were based on results of an actuarial experience study for the period October 1, 2006 - September 30, 2010, unless otherwise specified in this report. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience. All assumptions selected were determined to be reasonable and represent expectations of future experience for the Fund.

Additional information on the actuarial methods and assumptions used as of September 30, 2013 actuarial valuation follows:

Actuarial cost method	Entry age normal.
Investment rate of return (discount rate)	7.50%, net of pension plan investment expense, including inflation.
Inflation rate	3.00%.
Salary Increases	6.00% (including inflation and merit increases).
Active member, annuitant and beneficiary mortality	RP 2000 Combined Healthy Table set back three years for males and two years for females.
Retiree Cost of Living Increases	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.
Disabled Lives Mortality	RP-2000 Disabled Lives Mortality Tables.

**Louisiana Assessors' Retirement Fund and Subsidiary**  
**Notes to Employer Schedules**  
**September 30, 2013**

**Note 6-Actuarial Methods and Assumptions (Continued)**

*Actuarial Methods and Assumptions (Continued)*

The long-term expected rate of return selected for this report by the Fund was 7.50%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from the participating employers and non-employer contributing entities will be made at actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on these assumptions and the other assumptions and methods as specified in this report, the pension plan'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. Thus, the discount rate used to measure the total pension liability was 7.50%.

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), beginning with the current period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. The Expected Remaining Service Lives (ERSL) for 2013 is 6 years.

**Note 7-Sensitivity to Changes in Discount Rate**

The following presents the net pension liability of the Fund calculated using the discount rate of 7.50%, as well as what the Fund's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current discount rate (assuming all other assumptions remain unchanged):

	<b>1% Decrease <u>(6.50%)</u></b>	<b>Current Discount Rate <u>(7.50%)</u></b>	<b>1% Increase <u>(8.50%)</u></b>
Net pension liability	<u>\$77,738,841</u>	<u>\$ 43,790,603</u>	<u>\$14,756,350</u>

**Note 8-Retirement Fund Audit Report**

The Louisiana Assessors' Retirement Fund and Subsidiary has issued a stand-alone audit report on their financial statements for the year ended September 30, 2013. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.la.gov](http://www.la.gov), or by contacting the Louisiana Assessors' Retirement Fund, Post Office Box 14699, Baton Rouge, Louisiana 70898.

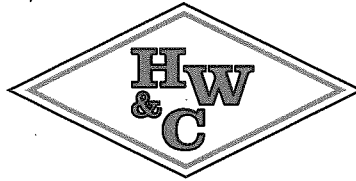


**Louisiana Assessors' Retirement Fund and Subsidiary**  
**Notes to Employer Schedules**  
**September 30, 2013**

**Note 9-Subsequent Events**

The Fund evaluated all subsequent events through August 31, 2015, the date the employer schedules were available to be issued. As a result, management noted no subsequent events that required adjustment to, or disclosure in, these employer schedules.

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.



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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***

Members of the Board of Trustees  
Louisiana Assessors' Retirement Fund and Subsidiary  
Baton Rouge, Louisiana

Members of the Board:

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 Louisiana Assessors' Retirement Fund and Subsidiary as of September 30, 2013, and the related notes to the schedules, and have issued our report thereon dated August 31, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the employer schedules, we considered Louisiana Assessors' Retirement Fund and Subsidiary'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 employer schedules, but not for the purpose of expressing an opinion on the effectiveness of Louisiana Assessors' Retirement Fund and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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.

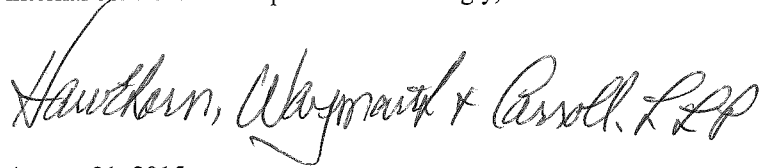
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Louisiana Assessors' Retirement Fund and Subsidiary'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 pension 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 Louisiana Assessors' Retirement Fund and Subsidiary'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 Louisiana Assessors' Retirement Fund and Subsidiary's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Hawthorn, Wymant & Carroll, LLP". The signature is written in black ink and is positioned above the date.

August 31, 2015

**Louisiana Assessors' Retirement Fund and Subsidiary  
Schedule of Findings  
For the Year Ended September 30, 2013**

None.