Luther Speight & Company, LLC
Certified Public Accountants and Consultants

EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF NEW ORLEANS

FINANCIAL STATEMENTS TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF NEW ORLEANS
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Luther Speight & Company, LLC
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
City Council of the City of New Orleans

Opinion

We have audited the accompanying financial statements of the Employees' Retirement System of the City of New Orleans (the Plan), a component unit of the City of New Orleans, which comprises the statements of fiduciary net position as of December 31, 2023, the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the Plan's net position as of December 31, 2023, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of a Matter

The Plan reflected a total pension liability of $826,947,212 at December 31, 2023. The actuarial valuations were based on various assumptions made by the Plan's actuary and presented in the actuary's valuation and review report as of January 1, 2024. Because actual experience may differ from the assumptions used in the actuarial valuation, there is a risk that the total pension liability at December 31, 2023 could be materially different from the estimate. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other 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 an opinion on the financial statements that collectively comprise the Plan's basic financial statements. The supporting schedules, as listed in the table of contents and the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supporting schedules are the responsibility of management and were derived from and relate 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 supplementary schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated June 21, 2024 on our consideration of the City of New Orleans Employees' Retirement System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Plan's internal control over financial reporting and compliance.

Luther Speight & Company CPAs
New Orleans, Louisiana
June 21, 2024

EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

The following is management's discussion and analysis of the financial performance of the Employees' Retirement System of the City of New Orleans. It is presented as a narrative overview and analysis for the purpose of assisting the reader with interpreting key elements of the financial statements, notes to the financial statements, required supplementary information, and supporting schedules for the year ended December 31, 2023.

Financial Highlights

- The Plan's net assets at market value for the current year totaled $461 million as compared to the prior year of $422 million. This represents an increase of $38 million or 9%.
- Net appreciation/(depreciation) in fair value reflected a balance of $45 million for the current year. This balance represents an increase of $118 million as compared to the previous year net (depreciation) in fair value of $(73) million.
- Total investments increased from a 2022 level of $402 million to the reported level of $457 million for the year 2023 representing an increase in market value of $36 million.
- Total contributions to the Plan were recorded at $41 million for 2023, which reflected a $6 million increase from the previous year.

Overview of the Financial Statements

An explanation of the financial statements and schedules that present the financial status of the Plan is as follows:

- Statement of Fiduciary Net Position – This statement reports the Plan's assets, liabilities, and resulting net position restricted for pension benefits as of December 31,2023.

- Statement of Changes in Fiduciary Net Position – This statement reports the results of the Plan's activities during the calendar year 2023, categorically disclosing the additions to and deduction from Plan's net position. The net increase to Plan net position on this statement supports the change in net position on the Statement of Fiduciary Net Position between the years ended December 31, 2022 and 2023.

- Notes to the Financial Statements – The financial statement notes provide additional information that is essential to a complete understanding of the data set forth in the financial statements. They are considered an integral part of the financial statements.

- Required Supplementary Information (RSI) – The Plan implemented Governmental Accounting Standards Board (GASB) Statements 67 & 68 during previous years. The RSI is presented in accordance with those Statement requirements. Substantial actuarial information included within the RSI is provided by the Plan's Actuary with an actuarial valuation date of January 1, 2024.

A comparative analysis of the Plan's Assets at market value is as follows:

	2023	2022
ASSETS		
Cash	$ 4,304,383	$ 1,393,639
Receivables		
Accrued Interest & Dividends	80,657	71,636
Contributions	2,394,898	2,899,199
Due from Broker for securities sold	-	15,446
Total Receivables	2,475,555	2,986,281
Investments		
Cash & Cash Equivalents	$ 27,158,189	$ 24,205,276
Domestic Fixed Income	59,330,509	73,018,944
Foreign Obligations	-	5,835,181
Domestic Equity	189,193,030	153,563,474
Foreign Equity	58,376,700	51,278,598
Subtotal	334,058,429	307,901,473
Investment in Private Equities	20,555,541	20,783,151
Investment in Real Estate	22,870,526	29,140,748
Infrastructure	50,369,880	12,069,304
Middle Market Debt	7,217,220	9,124,827
Hedge Funds	22,089,011	41,643,157
Subtotal	123,102,177	112,761,187
Total Investments at Fair Value	457,160,605	420,662,660
TOTAL ASSETS	$ 463,940,543	$ 425,042,580

Additions to Plan Net Assets

Additions to the Plan's net position were derived primarily from contributions from employees and employers in addition to investment income. Net investment income increased by $119 million compared to the prior year. The balance for 2023 reflected a positive net investment income of $52 million while the year 2022 reflected a negative ($68) million result. The Plan's contributions are comprised primarily of employer and employee contributions. As indicated below, the contribution levels reflected increases between the 2023 and 2022 years:

Contributions	2023	2022
Employer - City of New Orleans	$ 27,912,682	$ 23,232,940
Employer - Other Agencies	2,690,047	2,432,075
Employee	10,183,093	8,743,683
Other		764,331
	$ 40,785,822	$ 35,173,029

Deductions from Plan Net Assets

Deductions from the Plan net assets include retirement, disability, death, and survivor benefits. These deductions remained relatively constant between 2023 and 2022 at a reported level of $54 million for 2023 and $55 million for 2022. A summary of the Plan's additions and deductions are as follows:

	2023	2022
Total Additions	$ 93,701,579	$ (32,646,441)
Total Deductions	(54,067,120)	(55,208,996)
Net Increase/(Decrease) in Plan Net Assets	$ 39,634,459	$ (87,855,437)

Significant Actuarial Matters

1. Segal strongly recommends an actuarial funding method that targets 100% funding of the actuarial accrued liability. Generally, this implies payments that are ultimately at least enough to cover normal cost, interest on the unfunded actuarial accrued liability and the principal balance. The funding policy adopted by the City meets this standard.
2. The actuarially determined contribution (ADC) for the upcoming year is $26,969,460, an increase of $2,519,163 from last year. The contributions as a percentage of payroll increased from 17.32% of payroll to 17.84% of payroll.

Continued,

3. Actual contributions made during the year ending December 31, 2023 of $30,602,728 were 113.47% of the actuarially determined contribution (ADC). In the prior year, actual contributions were $25,665,015, 104.97% of the prior year ADC.

4. The funded ratio (the ratio of the actuarial value of assets to actuarial accrued liability) is 58.84%, compared to the prior year funded ratio of 58.83%. This ratio is one measure of funding status, and its history is a measure of funding progress. Using the market value of assets, the funded ratio is 55.85%, compared to 53.25% as of the prior valuation date. These measurements are not necessarily appropriate for assessing the sufficiency of the System assets to cover the estimated cost of settling the System's benefit obligation or the need for or the amount of future contributions.

5. The unfunded actuarial accrued liability is $340.4 million, which is an increase of $14 million since the prior valuation.

6. Effective with this valuation, the compensation for purposes of calculating a pension is no longer capped at $150,000 and is now capped at the Internal Revenue Code Section 401(a)(17) limit. This change increased the unfunded actuarial accrued liability by $13,978,512 and increased the ADC by $2,668,643 or 16.95% of payroll.

7. The total actuarial loss from all sources is $14,782,542, or 1.79% of actuarial accrued liability.

8. The total actuarial loss from investment experience is $789,550, or 0.10% of actuarial accrued liability.

9. The net experience loss from sources other than investment experience was $13,992,992, or 1.69% of the actuarial accrued liability. This loss was primarily due to an increase in active participation and salary increases greater than expected, which was partially offset by higher-than-expected mortality experience.

10. The rate of return on the market value of assets was 12.52% for the year ending December 31, 2023. The return on the actuarial value of assets was 7.08% for the same period due to the recognition of prior years' investment gains and losses. This resulted in an actuarial loss when measured against the assumed rate of return of 7.25%. This actuarial investment loss increased the average employer contribution rate by 0.03% of pay. Given the low fixed income interest rate environment, target asset allocation and expectations of future investment returns for various asset classes, we advise the Board to continue to monitor actual and anticipated investment returns relative to the assumed long-term rate of return on investments of 7.25%.

    The actuarial value of assets is 105.36% of the market value of assets. The investment experience in the past years has only been partially recognized in the actuarial value of assets. As the deferred net loss is recognized in future years, the cost of the Plan is likely to increase unless the net loss is offset by future experience. The recognition of the market gains/losses of $24,762,359 will also have an impact on the future funded ratio.

If the net deferred losses were recognized immediately in the actuarial value of assets, the ADC would increase from 16.95% to 17.88% of payroll.

11. It is important to note that this actuarial valuation is based on plan assets as of December 31, 2023. The Plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the plan year. Moreover, this actuarial valuation does not include any possible short-term or long-term impacts on mortality of the covered population that may emerge after December 31, 2023 due to COVID-19. Segal is available to prepare projections of potential outcomes of market conditions and other demographic experience upon request.
12. Since the actuarial valuation results are dependent on a given set of assumptions, there is a risk that emerging results may differ significantly as actual experience proves to be different from the assumptions.

SUMMARY OF KEY VALUATION RESULTS

Valuation Result	Current	Prior
Contributions for fiscal year beginning	**January 1, 2024**	**January 1, 2023**
• Actuarially determined employer contributions	$29,638,103	$26,969,460
• Actuarially determined employer contributions as a percent of payroll	16.95%	18.15%
• Actual employer contributions	—	30,602,728
Actuarial accrued liability for plan year beginning	**January 1, 2024**	**January 1, 2023**
• Retired participants and beneficiaries	$493,503,792	497,712,463
• Inactive vested participants	28,798,477	28,992,285
• Active participants	304,644,943	266,120,523
• Total	826,947,212	792,825,271
• Normal cost including administrative expenses	15,778,961	13,070,548
Assets for plan year beginning January 1		
• Market value of assets (MVA)	$461,808,874	$422,174,414
• Actuarial value of assets (AVA)	486,571,233	466,427,804
• Actuarial value of assets as a percentage of market value of assets	105.36%	110.48%
Funded status for plan year beginning January 1		
• Unfunded actuarial accrued liability on MVA basis	$365,138,338	$370,650,857
• Funded percentage on MVA basis	55.85%	53.25%
• Unfunded actuarial accrued liability on AVA basis	$340,375,979	$326,397,467
• Funded percentage on AVA basis	58.84%	58.83%

Requests for Information

This management's discussion and analysis is designed to provide a general overview of the finances of the Employees' Retirement System of the City of New Orleans for interested parties. Questions concerning any of the information provided herein, or requests for additional financial information should be addressed to the System Administrator, City of New Orleans and the Employees Retirement System, 1300 Perdido Street, New Orleans, LA 70131.

BASIC FINANCIAL STATEMENTS

EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF NEW ORLEANS
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2023

ASSETS	
Cash	$ 4,304,383
Receivables	
Accrued Interest & Dividends	80,657
Contributions	2,394,898
TOTAL RECEIVABLES	2,475,555
INVESTMENTS AT FAIR VALUE	
Cash & Cash Equivalents	27,158,189
Domestic Fixed Income	59,330,509
Domestic Equity	189,193,030
Foreign Equity	58,376,700
Investment in Private Equities	20,555,541
Investment in Real estate	22,870,526
Infrastructure Fund	50,369,880
Middle Market Debt	7,217,220
Hedge Funds	22,089,011
TOTAL INVESTMENTS AT FAIR VALUE	457,160,606
TOTAL ASSETS	463,940,544
LIABILITIES	
Due to Terminated Employees	1,814,768
Due to Broker for Securities Purchased	896
Accrued Management and Custodial Fee	262,124
Escrow Accounts	53,882
TOTAL LIABILITIES	2,131,670
NET ASSETS AVAILABLE FOR BENEFITS	$ 461,808,874

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

EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF NEW ORLEANS
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2023

ADDTIONS TO NET ASSETS		
Investment Income:		
Interest		7,691,329
Net Appreciation		45,315,758
Securities Litigation		172,701
Total Investment Income		53,179,788
Less: Investment Expenses		(1,112,964)
Net Investment Income		52,066,824
Contributions:		
Employer-City of New Orleans	$	27,912,682
Employer-Other Agencies		2,690,047
Employee		10,183,093
Payments for Military Service		51,895
Transfer from S&WB		546,082
Transfers from State System		250,958
Total Contributions:		41,634,757
Total Additions To Net Assets		93,701,581
Deductons from Net Assets:		
Retirement Allowance	$	22,146,566
Ordinary Disability		1,130,307
Accidental Disability		415,230
Separation Allowances		2,206,849
Retirement Allowance Op. II III IV		17,599,486
Refund to Members		952,157
Transfers To State System		594,846
Transfers To S&WB		265,970
Transfers To MPERS		7,968
Lump Sum Benefits Due to Death of Members		154,082
Option I Death Benefits		56,571
Cost of Living Benefits		2,102,731
Drop Withdrawal		2,854,155
DROP Annuity		771,409
Policy 4 Annuity		1,798,547
Policy 4 Cash Withdrawal		288,745
Other Administrative Expenses		721,502
Total Net From Net Assets		54,067,120
Net (Decrease)/increase		39,634,461
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of Year		422,174,413
End of the Year	$	461,808,874

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

I. DESCRIPTION OF THE SYSTEM

A. PLAN DESCRIPTION

The Employees' Retirement System of the City of New Orleans (the Plan) is a Defined Benefit Pension Plan established under the laws of the State of Louisiana. The City Charter provided that the Retirement Ordinance (Chapter 114 of the Code) continues to govern and control the Retirement System under the management of the Board of Trustees, and also for changes in the Retirement System by council action, subject to certain limitations for the purpose of providing retirement allowances, death, and disability benefits to all officers and employees of the parish, except those officers and employees who are already or may hereafter be included in the benefits of any other pension or retirement system of the city, the state, or any political subdivision of the state.

The Employees' Retirement System of the City of New Orleans became operative on July 1, 1947. It is supported by joint contributions of the City and employee members and income from investments. The City makes contributions for members during active service as well as for periods of service of members employed prior to July 1, 1947. In this way, reserves are accumulated from the city and employee contributions.

The general administration and the responsibility for the proper operation of the Retirement System, and for making effective the provisions of the Retirement Ordinance, are vested in the Board of Trustees of the Retirement System. The board of trustees consists of five members, as follows:

1. The director of the department of finance, ex officio;
2. The director of personnel of the city, ex officio;
3. One person who is domiciled in and an elector of the city elected by the employee members of the system, to serve a term of three years;
4. One person who is domiciled in and an elector of the city elected by the retiree members of the system, to serve a term of three years; and
5. One person who is domiciled in and an elector of the city appointed by the mayor, subject to confirmation by the council, to serve a term of three years.

Continued,

At December 31, 2023 the Plan provided benefits to employees of the following participating governmental employers:

- City of New Orleans
- Orleans Parish Criminal District Court
- Orleans Parish District Attorney – Child Support Enforcement Division
- Orleans Parish District Attorney – District Attorney's Office
- Board of Liquidation
- New Orleans First City Court
- Orleans Parish Communications District
- Civil District Court for the Parish of Orleans

The Plan is considered a component unit of the financial reporting entity of the City of New Orleans and is considered a pension trust fund in the City of New Orleans Annual Comprehensive Financial Report and Annual Operating Budget.

At December 31, 2023 the Employee Retirement System of the City of New Orleans' membership consisted of:

Active Participants	3,004
Retired Participants	1,788
Inactive Vested Participants	423
Beneficiaries	232
Disabled Participants	104
Total participants as of measurement date	5,551

Continued,

The City of New Orleans requires membership in the Employees' Retirement System for all City of New Orleans' regularly employed persons. Membership and eligibility information is summarized below:

Plan Year:	January 1 through December 31
Plan Status:	Ongoing
Normal Retirement:	
Members Hired Prior to January 1, 2018	
Eligibility	Age 65 and 5 years of service
Amount	2.5% of average compensation times creditable service for the first 25 years plus 4.0% of average compensation times creditable service thereafter
Average Annual Compensation	Average annual compensation for highest consecutive 60-month period.
Members Hired on or After January 1, 2018	
Eligibility	Age 65 and 5 years of service
Amount	2.5% of average compensation times creditable service
Average Annual Compensation	Average annual compensation for highest consecutive 60-month period.
Unreduced Early Retirement:	
Members Hired Prior to January 1, 2018	
Eligibility	Any age with 30 years of service or age plus service equals 80
Amount	Normal Retirement amount, unreduced
Members Hired on or After January 1, 2018	
Eligibility	Any age with 30 years of service or age 62 with 20 years of service, or age plus service equals 80
Amount	Normal Retirement amount, reduced by 3% per year prior to age 62

Early Retirement:	
Members Hired Prior to January 1, 2018	
Eligibility	Age 60 and 10 years of service
Amount	Normal Retirement Amount, reduced by 3% per year prior to age 62
Minimum Retirement Benefit:	$3,600 per year for any member with at least 10 years of creditable service
Ordinary Disability:	
Eligibility	Any age with 10 years of service
Amount	75% of the benefit the member would have earned had they worked until age 65
Accidental Disability:	
Eligibility	Disability occurs as a result of an accident sustained while in the actual performance of duty, without willful negligence on the member's part
Amount	65% of the member's compensation for the 12 months preceding the accident, offset by any payments received from Workers Compensation
Vesting:	5 years of service
Spouse's Pre-Retirement Death Benefit:	
Death while an Active Member	
Member had less than three years of service at date of death	Refund of member contributions plus interest
Member had at least three years of service at date of death	Refund of member contributions plus interest plus 25% of the member's base pensionable earnings in the year preceding death plus 5% of the member's base pensionable earnings for each full year in excess of three years
Death after Separation from Service	
Not Retirement Eligible	Refund of member contributions plus interest
Retirement Eligible	Survivor's portion of 100% Joint and Survivor benefit with Pop-Up, payable as if member retired immediately prior to death
Post-Retirement Death Benefit:	Based on form of payment chosen by member upon retirement

Continued,

DROP:	Members eligible for Normal Retirement or Unreduced Early Retirement may elect to defer receipt of their retirement benefits while continuing employment*. Upon the effective date of participating in the DROP, a member's years of service and Average Monthly Compensation become frozen for purposes of determining pension benefits. Additional service beyond the date of DROP participation no longer accrues any additional benefits under the Retirement System. Benefits that would have been payable are accumulated at interest to date of termination and paid in a single lump sum or in substantially equal payments over a period designated by the member but not to exceed 119 months. The interest rate shall be determined annually by the Trustees and credited as of each December 31st. *Members with at least 10 years of creditable service as of January 1, 2018 have a maximum DROP period of five (5) years; all other members have a maximum DROP period of three (3) years.
Contribution Rates:	
Member	6.0% of pensionable compensation
Employer	Actuarial Determined Contribution less member contributions
Future Benefit Increases	Participants who retired in 2022 under Voluntary Retirement Option receive annual increases of 1% of monthly benefit plus an annual payment to the member or surviving beneficiary of $50 for each full year of employment ($1,000 minimum) for the 10-year period beginning January 1, 2022.
Changes in Plan Provisions:	There have been no changes in plan provisions since the last valuation.

A detailed plan agreement has been published and made available to all plan participants. Their agreement contains all information regarding the plan's benefits, amendments, actuarial assumptions, and contribution requirements.

DESCRIPTION OF ACTUARIAL COST METHOD

Entry Age Actuarial Cost Method. Entry Age is the age at date of employment, or, if date is unknown, current age minus years of service. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by service, with Normal Cost determined using the plan of benefits applicable to each participant.

Continued,

There has been no changes in actuarial assumptions since the last valuation. With this valuation, the Board has elected to adopt a 5-year straight line amortization of investment gains and losses for the purpose of the actuarial value of assets. Previously, the System had used a seven-year smoothing period which reflected the actual cash flow and adjusted for each prior year's market value to the current valuation date using the actuarial interest assumption in effect for each of the seven years. The asset method was implemented as if it had been in effect for the past five years, recognizing prior years' market value asset gains and losses.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with the standards established by the Government Accounting Standards Board (GASB). The following are the significant accounting policies followed by the plan:

Basis of Accounting – The accompanying financial statements are prepared on the accrual basis of accounting whereby revenues are recognized when they are earned, and expenses are recognized when incurred. Contributions are recognized as revenue in the period in which employee services are performed. Interest income is recognized in the period earned and dividends are recognized in the period declared. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

During the year ended December 31, 2014, the Plan adopted the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans.* GASB Statement No. 67 established standards of financial reporting for defined benefit pension plans. Significant changes included specifying the approach of contributing entities to measure pension liabilities for benefits provided through the pension plan, increased the note disclosure requirements, and provided for additional required supplementary information schedules.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions to and deductions from assets held in trust for pension benefits during the reporting period. Actual results could differ from those estimates.

Method Used to Value Investments – The Plan implemented GASB 72, *Fair Value Measurement and Application*, during the year ended December 31, 2016. As required by GASB Statement No. 72, investments are reported at fair value.

Continued,

This statement requires a government to use valuation techniques that are appropriate under the circumstances and with sufficient data available to measure fair value. Valuation techniques are used to measure fair value and maximize the use of relevant inputs and minimize the use of unobservable inputs. This statement establishes a hierarchy of inputs to valuation techniques used to measure fair value based on three levels;

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, whether directly or indirectly.
- Level 3 inputs are unobservable inputs, such as management's assumptions or investment manager assumptions that are unobservable.

This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques used. These disclosures are organized by type of asset or liability. GASB Statement No. 72 also requires additional disclosures regarding investment in certain securities that calculate net asset value per share (or its equivalent).

Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. The fair value of mutual funds and exchange traded funds not traded on a national or international exchange are calculated using the net asset value reported by the exchange traded funds and mutual funds. The fair value of investments in limited partnerships and limited liability companies were calculated as the Plan's percentage of ownership of the partner's capital reported by the limited partnership or limited liability company.

Recently Adopted Accounting Standards – The Plan adopted GASB Statement No. 87, *Leases*. Under this Statement, lease contracts, as defined, are financings of the right to use an underlying asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources, and a lessee recognizes a lease liability and intangible right-to-use asset, thereby enhancing the relevance and consistency of information about leasing activities. Lease receivables, as well as lease liabilities are measured at the present value of lease payments over the term of each respective contract. Options to renew the lease are included in the lease term if reasonably certain to be exercised. The adoption of the standard did not have a material effect on the financial statements for the year ended December 31, 2023.

C. NET PENSION LIABILITY OF EMPLOYERS

The components of the liability of the Plan's employers to plan members for benefits provided through the pension plan was as follows as of December 31, 2023:

Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a % of the Total Pension Liability
$ 826,947,212	$ 461,808,874	$ 365,138,338	55.85%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts regarding the net pension liability are subject to continual revision as actual results are compared to past expectations, and new estimates are made about the future. The actuarial assumptions used in the December 31, 2023 audit were based on the results of an actuarial valuation report as of January 1, 2024. The Schedule of Employers' Net Pension Liability is located in the required supplementary information following the Notes to the Financial Statements presents the financial activity affecting whether the Plan's fiduciary net position is increasing or decreasing over time relative to the total pension liability.

Significant actuarial assumptions used in the latest valuation are as follows:

1 Mortality rates shown for base table.
2 All disabilities are assumed to be Ordinary Disabilities.
3 For the first five years of service, turnover is as shown on the next page.

Continued,

Rationale for Assumptions The information and analysis used in selecting each demographic assumption that has a significant effect on this actuarial valuation is from the 2011– 2016 Actuarial Experience Study as performed by another actuary.

Net Investment Return: 7.25%

Salary Increases: Age- based annual rates ranging from 10% to 3.2%

Mortality Rates:

Healthy Pre-Retirement: PubG-2010 Employee Mortality Tables, amount-weighted, projected generationally with Scale MP-2020
Healthy Post-Retirement: PubG-2010 General Healthy Retiree Tables, amount-weighted, projected generationally with Scale MP-2020
Disabled: PubNS-2010 Non-Safety Disabled Retiree Tables, amount-weighted, projected generationally with Scale MP-2020

Termination Rates before Retirement:

	Rate (%)				
Age	Mortality			Withdrawal after 5 years of Service	
	Male	Female	Disability	Male	Female
20	0.037	0.013	0.1650	20.00	18.00
30	0.036	0.015	0.1650	15.00	12.00
40	0.066	0.036	0.1350	7.00	6.00
50	0.149	0.083	0.5250	7.00	6.00
60	0.319	0.186	0.0000	7.00	6.00
70	0.703	0.489	0.0000	7.00	6.00
80	1.730	1.330	0.0000	7.00	6.00
90	1.730	1.330	0.0000	7.00	6.00

Continued,

Turnover during first five years of service

Years of Service	Male	Female
	Rate %	
0 but less than 1	35.0	35.0
1 but less than 2	30.0	25.0
2 but less than 3	20.0	20.0
3 but less than 4	20.0	20.0
4 but less than 5	15.0	15.0

Retirement Rates

Age	Rate %
Less than 60	30.0
60	40.0
61-64	30.0
65-69	40.0
70	100.0

Weighted-Average Retirement Age	Age 61, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential current or future retirement age times the probability of surviving from current age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the January 1, 2024 actuarial valuation.
Retirement Rates for Inactive Vested Participants	62
Inflation and Payroll Growth	2.50%
Administrative Expenses	0.4% of payroll

Unknown Data for Participants	Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.
Benefit Election	All participants are assumed to elect life only form of payment.
Actuarial Value of Assets	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.
Actuarial Cost Method	Entry Age Actuarial Cost Method. Entry age is the age at date of employment, or, if date is unknown, current age minus years of service. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by service, with Normal Cost determined using the plan of benefits applicable to each participant.
Justification for Change in Actuarial Assumptions	Based on recent experience, the administrative expense assumption was increased from 0.2% of payroll to 0.4% of payroll.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building–block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target allocation as of December 31, 2023 were determined by the System's investment advisors and are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash Equivalents	2.00%	1.00%
Domestic Equity	42.50%	6.60%
International Equity	14.00%	7.16%
Fixed Incomes	22.00%	1.96%
Real Estate	5.00%	3.40%
Hedge Funds & GTAA	9.50%	3.00%
Private Investments	5.00%	9.90%
Total	100.00%	

The discount rates used to measure the Total Pension Liability (TPL) was 7.25% as of December 31, 2023. The projection of cashflows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries as well as projected contributions from future plan members are not included. Based on those assumptions, the Plan Fiduciary Net Position (FNP) was projected to be available to make all projected future benefit payments for 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 TPL as of December 31, 2023.

The rate of return on the market value of assets was 12.52% for the December 31, 2023 plan year. The return on the actuarial value of assets was 7.08% for the same period due to the recognition of prior years' investment gains and losses. This resulted in an actuarial loss when measured against the assumed rate of return of 7.25%.

Based upon the low fixed income interest rate environment, target asset allocation and expectations of future investment returns for various classes, and with the recommendation of the Board's financial advisor, the Board adopted an investment return assumption of 7.25% with the January 1, 2024 valuation.

In accordance with GASB 67, regarding the disclosure of sensitivity of net pension liability to changes in discount rate, the following presents the net pension liability of the participating employers calculated using the discount rate of 7.25% 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 6.25% or one percentage point higher 8.25% than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	$ 459,128,409	$ 365,138,338	$ 286,747,419

D. INVESTMENTS

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following fair value measurements as of December 31, 2023:

		Fair Value Measurement Using		
Asset Category	Total	Quoted Prices in Active Markets for Identical Assets - Level 1	Significant Other Observable Inputs - Level 2	Significant Other Unobservable Inputs - Level 3
Investment at Fair Value Level:				
Equity Securities				
Domestic Equity	$ 189,200,801	$ 189,200,801	$ -	$ -
International Equity	58,376,700	$ 12,345,639	$ 24,283,617	$ 21,747,444
Total Equity Securities	247,577,501	201,546,440	24,283,617	21,747,444
Investments Measured at the Net Asset Value (NAV)				
Fixed Income Securities				
Core Fixed Income	40,058,103	-	40,058,103	-
Opportunistic Fixed Income	19,272,406	-	19,272,406	-
Foreign Fixed Income	-	-	-	-
Total Fixed Income Securities	59,330,509	-	59,330,509	-
Real Estate Funds	22,870,526	-	22,870,526	-
Infrastructure Fund	50,362,109	-	50,369,880	-
Alternative Investments				
Private Equity	20,555,541	-	15,553,697	5,001,844
Middle Market Debt	7,217,220	-	7,217,220	-
Global Tactical Allocations (GTAA)	21,028,520	10,811,417	10,217,103	-
Hedge Funds	1,060,491	-	1,060,491	-
Total Alternative Investments	49,861,772	10,811,417	34,048,511	5,001,844
Total Investments Measured at the Net Asset Value (NAV)	$ 379,640,308	$ 212,357,857	$ 140,533,163	$ 26,749,288
Cash and Cash Equivalents	27,158,189			
Total Investments at Fair Value	$ 457,160,606			

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

Investments classified in Level 3 of the fair value hierarchy are valued using unobservable inputs and are not directly corroborated with market data.

The unfunded commitments and redemption terms for certain alternative investments measured at the Net Asset Value (NAV) per share or its equivalent as of December 31, 2023 is presented on the following table:

Private Equity

Asset Category	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge Funds	$ 1,060,491	$ -	Quarterly	90 Days
Private Equity	$ 27,890,726	$ 4,121,442	N/A	N/A
Real Estate Funds	$ 22,532,357	$ -	Quarterly	90 Days

Private equity is an asset class consisting of equity securities and debt in operating companies that are not publicly traded on a stock exchange. This asset class includes investments in various private equity funds. The fair values of the investments in this asset class have been determined using the Net Asset Value (NAV) per share or equivalent of the private equity capital.

A summary of significant positions in this category include:

Partners Group Capital
Investments held by the Fund include short-term investments, direct equity and debt investments in operating companies ("Direct Investments"), and primary and secondary investments in private equity funds ("Primary Investments" and "Secondary Investments", respectively, and together, "Private Equity Fund Investments"; Direct Investments and Private Equity Fund Investments, collectively, "Private Equity Investments").

Mesirow Financial Fund V & VI
These funds primarily invest in private equity limited partnerships. The underlying partnership investments are generally illiquid and cannot be redeemed. Although a secondary market exists for these underlying investments, it is not active and individual transactions are typically not observable.

Pathway Capital
The Fund invests in, or acquires the securities of, private market investment partnerships located primarily in North America and Europe. The Fund does not invest in publicly traded securities, except if distributed to the Fund by an investment partnership. The Fund does not have the ability to withdraw its investments from these investment partnerships.

Hedge Funds
The hedge fund category of investments includes securities in a variety of strategies including real estate, fund of funds, derivatives, and others. Securities in this category are not actively traded on stock exchanges and do not have quoted market prices. Fair value is determined and reported by the respective investment manager to the Plan's trustee on a recurring basis. The Plan's investment advisor reviews the reported values on a recurring basis and provides analysis to the Plan's board.

A summary of significant positions in this category include:

- Millennium International, LTD (Millennium) – This fund is engaged in the business of trading equities, fixed income products, options, futures and other financial instruments.

Private Debt Fund
Crescent Capital, LP is a global debt securities investment manager. The firm is headquartered in Los Angeles with offices in the U.S. and Europe. The Plan is invested in Crescent Capital's direct lending fund. The fund is positioned to provide capital to U.S. private equity backed companies. The fund utilizes a number of investment instruments including but not limited to revolving credit, term loans, recapitalizations, and refinancing.

Investments of the Plan are reported at fair market value, where published values are available in actively traded markets. Estimated values are reported where published values are not available. Total reported value of investments at December 31, 2023 were $457,160,606.

The following table presents the reported values of investments that represent 5% or more of the Plan's net position.

SECURITY DESCRIPTION

Domestic Equity	Fair Value
Vanguard 500 Index	48,160,796
Cornerstone - Large Cap Core	41,972,871
Vanguard Growth Index	31,844,380
Wedge - Large Cap Value	31,876,754
Infrastructure	
KKR Diversified Core Infrastructure Fund	37,912,117
	$ 191,766,918

The Plan's overall investment policy sets forth an investment time horizon of greater than ten years for the aggregate fund however no specific limitations are placed upon the maturities for fixed income securities.

Net Appreciation/(Depreciation)

During 2023, the Plan's investments, including gains and losses on investments bought and sold, as well as held during the year appreciated in value by $45 million. The details are as follows:

Asset Category	Net Appreciation/ (Depreciation)
Equities:	
Domestic	$ 37,146,401
Foreign	3,515,879
Fixed Incomes:	
Domestic	1,922,861
Foreign	3,996,099
Market Prices Determined by Other Methods:	
Hedge Funds	(901,034)
Global Income Fund	1,096,646
Private Equities	1,017,626
Middle Market Debt	196,069
Real Estate	(2,674,789)
Total	$ 45,315,758

The Plan's Board sets forth an investment policy that establishes asset allocations by asset class that includes both target percentages and ranges. The details of the Plan's asset allocation are as follows:

Asset Category	Target Allocation	Actual Allocation
Domestic Equity	43.0%	43.4%
International Equity	15.0%	13.2%
Core Plus Fixed Income	10.0%	9.1%
Opportunistic Fixed Income	5.0%	4.4%
GTAA	5.0%	4.8%
Real Estate	5.0%	5.1%
Infrastructure	10.0%	11.5%
Private Equity	5.0%	6.3%
Cash Reserves	2.0%	1.9%
	100%	100%

E. INVESTMENT EXPENSES

Investment expenses reported at $1,112,964 include the amounts paid directly to various investment managers by the Plan. These costs are separately identified in the Plan's investment trust statement. The recorded amount does not include other investment expenses that may have been incurred and charged directly by the certain commingled funds. These expenses are reflected in the changes in Net Asset Value (NAV) of those funds. These expenses are ultimately reflected in the net appreciation/depreciation of investment balance on the Plan's financial statements.

F. ALTERNATIVE INVESTMENTS

In recognition of the increasing opportunities available in today's dynamic investment universe to seek returns that may be less correlated to traditional broad equity and fixed income markets, the Board may allocate up to 20% of the Aggregate Fund to alternative investments.

The Board recognized that alternative investments may contain a high-level of risk due to, but not limited to, such factors as potential liquidity constraints, restrictions on the ability to withdraw invested capital, concentrated positions, short positions, leverage, high volatility and the marketability of such investments. These investments include, but are not limited to real estate, private equity, options and derivatives. As of December 31, 2023, alternative investments were $51 million or 11% of the total investments.

Quoted market prices are generally not available for these alternative investments. Accordingly, the recorded amounts represent estimated fair values. The Plan engages independent investment managers to advise and execute trades regarding alternative investments. These firms monitor the estimated valuations based upon receipt and review relevant financial data and periodic independent audits. The estimated market values are forwarded to the Plan's custodian financial institution on a monthly or quarterly basis. These market values are updated by the Plan's custodian. These updated values are included within these financial statements.

G. INVESTMENT CREDIT QUALITY

The following information presents disclosures of custodial credit risk, credit risk, and interest rate risk as outlined by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. The disclosures are included to inform financial statement users of the investment risks that could affect the Plan's ability to meet its obligations. The Plan's Board mitigates custodial credit risk by having the custodian hold securities in the Plan's name as a requirement of the custody contract, the Plan's investment policy as adopted by the board, provides the performance objectives, asset allocation guidelines and overall investment guidelines.

<u>Cash on Deposit</u>
As of December 31, 2023, the Plan's cash balances in bank accounts totaled $4,304,383. The Plan's cash balances that exceed the FDIC insurance limit are collateralized by letters of credit issued by the depository institution. Additionally, the Plan has not experienced any losses due to bank failure and does not believe it is exposed to any significant credit risk relating to its cash balance.

<u>Concentration of Credit Risk</u>
Concentration of credit risk is defined as the inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party caused by a lack of diversification. This form of risk arises when an entity has one or more concentrated investments in a single issuer. The Plan's investment policy limits the concentration in any one issuer to 5% of fair value. At December 31, 2023, the Plan had no exposure of less than 5% in any single investment issuer.

<u>Custodial Credit Risk</u>
Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investments in external investment pools, mutual funds, and other pooled investments are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book-entry form required by the Securities and Exchange Commission. At December 31, 2023, the Plan was not exposed to custodial credit risk. The Plan has no investment policy regarding custodial credit risk.

<u>Credit Risk</u>
Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At December 31, 2023, the Plan's fixed income securities were managed only in commingled or pooled accounts.

The Plan has no investment policy regarding credit risk on fixed income commingled or pooled accounts. Obligations guaranteed or explicitly guaranteed by the U.S. Government are not considered to have credit risk. The Plan's investment policy provides that fixed income securities may include U.S. Treasury obligations, obligations of government sponsored enterprises, federal agency obligations, corporate bonds, debentures, asset backed securities, convertible securities, preferred stock commercial paper, and commercial bank certificates of deposit. All investments in interest-bearing nonconvertible obligations of corporations must be rated within the six highest ratings of a major rating service at the time of purchase (minimum B or higher).

Interest Rate Risk

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. At December 31, 2023, the Plan had no direct investments in long-term debt securities that were subject to interest rate risk.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The Plan's investment policy restricts equity investments to securities that are U.S. dollar denominated and are registered with the SEC. The Plan had no investments allocated in foreign currencies in non-pooled accounts of either fixed-income or equity managers.

H. TREND INFORMATION

Trend information, which gives an indication of the progress made in accumulating sufficient assets to pay pension benefits when due, are presented in the following required supplementary information section of this report.

I. COST-OF-LIVING BENEFITS

During 2023, the Board amended its policy regarding Cost-of-Living Adjustments (COLAs). The previous was effective as of 2017. The prior and amended policy is as follows:

2017

The board shall be authorized to retain trust earnings or gains in excess of an average three and one-half percent, which amount may be applied to provide one or more cost-of-living increases or bonuses for members who have retired, in an annual amount not to exceed three percent of each such members' initial retirement allowance multiplied by each year of such member's retirement, provided that the system's funded ratio is at least ninety-five percent. Such benefit, if any, shall be awarded and paid only when funds are available from this source as provided herein, and in the manner and at the time or times determined in the discretion of the trustees.

2023

Notwithstanding the 2017 policy, the Board may be authorized to provide a cost-of-living increase or bonus to help adjust for actual changes in members' cost of living if the city appropriates sufficient funds to fully prefund the increase or bonus described in this subsection in the year the benefit is provided.

J. COSTS OF PLAN ADMINISTRATION

The City of New Orleans absorbs significant costs of the Plan's administration. Those costs include salaries, fixed assets, office supplies, etc. for the department managing system operations. However, there are administrative expenses paid by the Plan that are associated with travel, conferences for board members, attorney fees, investment consultants, and actuary fees.

K. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

L. SETTLED ARBITRATION

During the year 2016, the Plan reached an arbitrated consent agreement with the City of New Orleans (the City) related to the Plan's claim that employer contributions from the City were not fully funded as required by the Actuary's report for certain years past. The settlement requires the City to pay the Plan a total of $4 million, payable in sixty (60) consecutive monthly pension payments of $66,666, through December 2024. Budgetary considerations for the City could impact the timing of future regular installments. As of December 31, 2023, the Plan had not received any payments from the City in reference to the settlement.

N. SUBSEQUENT EVENTS

Management evaluated subsequent events as of June 21, 2024, which was the date of these financial statements. Management has noted that there were no additional adjustments or disclosures required related to these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF NEW ORLEANS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2023

Total Pension Liability	2023	2022	2021	2020	2019	2018	2017	2016	2015
Service cost	$ 12,773,384	$ 12,368,018	$11,335,490	$11,335,306	$ 11,937,129	$ 9,107,643	$ 9,447,990	$ 9,062,738	$ 8,164,544
Interest cost at 7.50%	56,472,124	55,019,916	53,041,797	51,301,166	48,444,849	46,037,729	45,680,973	42,201,480	40,513,176
Changes of benefit terms	-	3,120,186	-	6,341,974	-	(437,937)	-	-	-
Difference between expected and actual experience	18,222,051	3,086,479	15,236,107	12,199,705	(17,742,145)	23,954,158	13,756,022	43,807,817	20,288,669
Changes of assumptions	-	-	-	(4,226,362)	70,869,862	-	-	-	-
Benefit payments and net transfers	(53,345,618)	(54,593,407)	(52,129,637)	(53,756,908)	(48,716,880)	(50,075,418)	(48,198,171)	(48,678,803)	(46,455,662)
Net change in total pension liability:	34,121,941	19,001,192	27,483,757	23,194,881	64,792,815	28,586,175	20,686,814	46,393,232	22,510,727
Total pension liability - beginning	792,825,271	773,824,079	746,340,322	723,145,441	658,352,626	629,766,451	$ 609,079,637	562,686,405	540,175,678
Total pension liability - ending	$ 826,947,212	$ 792,825,271	$ 773,824,079	$ 746,340,322	$ 723,145,441	$ 658,352,626	$ 629,766,451	$ 609,079,637	$ 562,686,405
Plan fiduciary net position									
Contributions - employer	$ 30,602,729	$ 25,665,015	$ 21,651,850	$ 32,615,183	$ 33,884,678	$ 31,065,227	$ 27,169,921	$ 27,304,527	$ 22,447,281
Contributions - member	10,183,093	8,743,683	8,509,475	8,851,861	9,134,139	8,246,577	7,677,009	7,444,419	6,490,092
Net investment income	52,066,824	(67,819,470)	70,951,072	54,015,335	59,043,437	(15,589,616)	51,906,523	28,611,585	(14,044,748)
Benefit payments and net transfers	(53,345,618)	(54,593,407)	(52,129,637)	(53,756,908)	(48,716,880)	(50,075,418)	(48,198,171)	(48,678,803)	(46,455,662)
Administrative expense	(721,502)	(615,589)	(560,127)	(316,687)	(376,002)	(243,972)	(337,564)	(170,780)	(88,383)
Transfers into the System	848,935	764,331	965,183	261,920	264,650	507,195			
Net change in plan fiduciary net position:	39,634,461	(87,855,437)	49,387,816	41,670,704	53,234,022	(26,090,007)	38,217,718	14,510,948	(31,651,420)
Plan fiduciary net position - beginning	422,174,414	510,029,851	460,642,035	418,971,331	365,737,309	391,827,316	353,609,598	339,098,650	370,750,070
Plan fiduciary net position - ending	461,808,875	422,174,414	510,029,851	460,642,035	418,971,331	365,737,309	391,827,316	353,609,598	339,098,650
Net pension liability - ending:	$ 365,138,337	$ 370,650,857	$ 263,794,228	$ 285,698,287	$ 304,174,110	$ 292,615,317	$ 237,939,135	$ 255,470,039	$ 223,587,755
Plan fiduciary net position as a percentage of the total pension liability:	56.88%	53.25%	65.91%	61.72%	57.94%	55.55%	62.22%	58.06%	60.26%
Covered-employee payroll	171,532,511	148,147,592	142,338,647	135,779,772	149,538,039	128,530,078	120,808,711	115,504,517	105,691,915
Net pension liability as a percentage of covered-employee payroll:	212.87%	250.19%	185.33%	210.41%	203.41%	227.66%	196.96%	221.18%	211.55%

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

The notes to required supplementary information is an integral part of this statement.

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF NEW ORLEANS
SCHEDULE OF SYSTEM'S CONTRIBUTIONS
DECEMBER 31, 2023

Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Liability	Contribution (Deficiency) /Excess	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2009	17,066,353	12,614,236	4,452,117	89,366,260	14.12%
2010	21,281,308	13,031,810	8,249,498	85,926,577	15.17%
2011	20,850,837	19,917,899	932,938	93,636,301	21.27%
2012	18,828,387	19,010,841	(182,454)	92,881,497	20.47%
2013	20,228,129	18,544,682	1,683,447	92,440,354	20.06%
2014	20,871,424	20,306,887	564,537	97,243,872	20.88%
2015	21,891,996	22,447,281	(555,285)	105,691,915	21.24%
2016	22,713,296	27,304,527	(4,591,231)	115,504,517	23.64%
2017	26,857,512	27,169,921	(312,409)	120,808,711	22.49%
2018	28,015,495	31,065,227	(3,049,732)	128,530,078	24.17%
2019	28,689,759	33,884,678	(5,194,919)	149,538,039	22.66%
2020	22,890,640	32,615,183	(9,724,543)	135,779,772	24.02%
2021	23,973,368	21,651,850	2,321,518	142,338,647	15.21%
2022	24,450,297	25,665,015	(1,214,718)	148,147,592	17.32%
2023	26,969,460	30,602,729	(3,633,268)	171,532,511	17.84%

The accompanying notes to required supplementary information is an integral part of this statement.

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF NEW ORLEANS
SCHEDULE OF INVESTMENT RETURNS
DECEMBER 31, 2023

Year	Annual Money-Weighted Rate of Return
2008	-30.18%
2009	23.13%
2010	14.11%
2011	-1.30%
2012	11.56%
2013	15.17%
2014	4.17%
2015	-3.88%
2016	8.62%
2017	8.52%
2018	5.57%
2019	5.03%
2020	4.89%
2021	4.86%
2022	5.44%
2023	5.44%

The accompanying notes to the required supplementary information is an integral part of this statement.

EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF NEW ORLEANS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

1. SCHEDULE OF CHANGES IN NET PENSION LIABILITY:

The total pension liability contained in this schedule was provided by the Plan's actuary. The net pension liability is measured as the total pension liability less the amount of the fiduciary net position of the Plan.

2. SCHEDULE OF EMPLOYERS' NET POSITION LIABILITY:

The schedule of employers' net pension liability shows the percentage of the Plan's employer net pension liability as a percentage of covered employee payroll. The employers' net pension liability is the liability of contributing employers to members for benefits provided through the Plan. Covered employee payroll is the payroll of all employees that are provided with benefits through the Plan.

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

The difference between the actuarially determined contributions from employer and non-employer contributing entities and the percentage of employer contributions received to covered employee payroll is presented in this schedule.

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 on 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 Plan's Board. Additional information on the assumptions and methods used as of the latest actuarial valuation are noted in Note C, Net Pension Liability of Employers.

EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF NEW ORLEANS
SUMMARY OF AUDITOR'S RESULTS
DECEMBER 31, 2023

Financial Statements

An unmodified opinion was issued on the financial statements of the auditee.

Internal Control Over Financial Reporting:		
Material weakness(es) identified?	____yes	X no
Significant deficiency(s) identified not considered to be material weaknesses?	____yes	X none reported
Noncompliance material to financial statements noted?	____yes	X no

Federal Awards

(Not Applicable)

Luther Speight & Company, LLC
Certified Public Accountants and Consultants

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*

To the Honorable Mayor and City Council
City of New Orleans, Louisiana

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 Employees' Retirement System of the City of New Orleans (the Plan), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements and have issued our report thereon dated June 21, 2024.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Plan'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan'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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Continued,

Compliance and Other Matters

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

Purpose of this Report

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

Luther Speight & Company CPAs
New Orleans, Louisiana
June 21, 2024

SCHEDULE OF FINDINGS AND RESPONSES

EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND MANAGEMENT RESPONSES
DECEMBER 31, 2023

We noted no findings during the year ended December 31, 2023

EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF NEW ORLEANS
STATUS OF PRIOR YEAR FINDINGS

We noted no findings during the prior year audit period ended December 31, 2022.

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF NEW ORLEANS
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

DECEMBER 31, 2023

Agency Head Name: Jesse Evans, Jr.

Purpose	**Amount**
Salary	$122,669
Benefits-insurance	7,360
Benefits-retirement	-
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	675
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses*	-
Special meals	-

Served as Director of City of New Orleans Employees' Retirement System from January 1, 2023 through December 31, 2023.